

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0077, QUALITY ASSURANCE REQUIREMENTS**

A. Justification.

1. **Administrative requirements.** Supplies and services acquired under Government contracts must conform to the contract's quality and quantity requirements. FAR Subpart 46.2, Contract Quality Requirements, prescribes inspection, acceptance, warranty, and other measures associated with quality requirements. Standard clauses related to inspection (a) require the contractor to provide and maintain an inspection system that is acceptable to the Government; (b) give the Government the right to make inspections and test while work is in process; and (c) require the contractor to keep complete, and make available to the Government, records of its inspection work. The Government on average only requests to see the records once per year for each clause, except for the one in regards to construction. In addition, the records are kept as a part of a contractor's normal business operations. The following FAR clauses are used for quality assurance depending on the type of contract: (1)52.246-2 Inspection of Supplies-Fixed-Price; (2)52.246-3 Inspection of Supplies-Cost-Reimbursement; (3)52.246-4 Inspection of Services-Fixed Price; (4)52.246-5 Inspection of Services-Cost-Reimbursement; (5)52.246-6 Inspection-Time-and-Material and Labor-Hour; (6)52.246-7 Inspection of Research and Development-Fixed-Price, (7)52.246-8 Inspection of Research and Development-Cost-Reimbursement; (8)52.246-12 Inspection of Construction; and (9)52.246-15 Certificate of Conformance.

2. **Uses of information.** The information is used to assure that supplies and services provided under Government contracts conform to contract requirements.

3. **Consideration of information technology.** We use improved information technology to the maximum extent practicable. Where both the Government agency and contractors are capable of electronic interchange, the contractors may submit this information collection requirement electronically.

4. **Efforts to identify duplication.** This requirement is being issued under the Federal Acquisition Regulation (FAR)

which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. If the collection of information impacts small businesses or other entities, describe methods used to minimize burden. The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. Collection of information on a basis other than solicitation-by-solicitation or contract-by-contract is not practical.

7. Special circumstances for collection. Collection is consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency. A notice was published in the *Federal Register* at 77 FR 67366, on November 11, 2012. No comments were received.

9. Explanation of any decision to provide any payment or gift to respondents, other than reenumeration of contractors or guarantees. Not applicable.

10. Describe assurance of confidentiality provided to respondents. This information is disclosed only to the extent consistent with prudent business practices and current regulations.

11. Additional justification for questions of a sensitive nature. No sensitive questions are involved.

12 & 13. Estimated total annual public hour and cost burden. Information regarding the burden requirements of FAR subpart 46.2, Contract Quality Requirements, was gathered from FPDS statistics. In those instances where definitive information was not available, we relied on the judgment and expertise of subject matter experts. The Government on average only requests to see the records once per year for each clause, except for the one in regards to construction (FAR 52.246-12). In addition, the records are kept as a part of a contractor's normal business operations.

(a) FAR 52.246-2: There is no centralized database that maintains statistics on the number of contractors that

provide and maintain an inspection system acceptable to the Government covering supplies under fixed-price contracts. We estimate that fifteen percent of unique vendors (193,397) awarded a contract in Fiscal Year (FY) 2011 were fixed price. We estimate that, on average, it takes 45 minutes for contractors to retrieve, prepare, and submit the information, and that they submit it once a year.

A.	Number of respondents	29,010
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	29,000
D.	Hours per response	<u>x .75</u>
E.	Total hours	21,758
F.	Cost per hour	<u>x \$31.00*</u>
G.	Total annual cost to respondents \$	674,498

* Based on GS-9 step 5 salary from the OPM 2012 Base Salary Table (\$22.57 an hour) plus 36.25 percent burden based on the OMB M-08-13, rounded to the nearest dollar.

(b) FAR 52.246-3: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering supplies under cost-reimbursement contracts. We estimate that approximately 2,000 contractors are awarded cost-reimbursement contracts each year for supplies, and that they respond approximately once a year. We estimate that it takes approximately 1 hour for each contractor to store, retrieve, prepare, and submit the necessary information.

A.	Number of respondents	2,000
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	29,010
D.	Hours per response	<u>x 1</u>
E.	Total hours	2,000
F.	Cost per hour	<u>x \$31.00*</u>
G.	Total annual cost to respondents	\$62,000

* Based on GS-9 step 5 salary from the OPM 2012 Base Salary Table (\$22.57 an hour) plus 36.25 percent burden based on OMB Memorandum M-08-13, rounded to the nearest dollar.

(c) FAR 52.246-4: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the

Government covering services under a fixed-price contract. We estimate that thirty-five percent of unique vendors (193,397) awarded a contract in FY 2011, were awarded a fixed-price contract for services. We estimate that on average, it takes 45 minutes for contractors to retrieve, prepare, and submit the information, and that they submit it once a year.

A.	Number of respondents	67,689
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	67,689
D.	Hours per response	<u>x .75</u>
E.	Total hours	50,767
F.	Cost per hour	<u>x \$31.00*</u>
G.	Total annual cost to respondents	\$1,573,777

* Based on GS-9 step 5 salary from the OPM 2012 Base Salary Table (\$22.57 an hour) plus 36.25 percent burden based on OMB Memorandum M-08-13, rounded to the nearest dollar.

(d) FAR 52.246-5: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering services under a cost-reimbursement contract. We estimate that approximately 3,000 contractors are awarded cost-reimbursement contracts each year for services, and that they respond approximately once a year. We estimate that it takes approximately 1 hour for each contractor to store, retrieve, prepare, and submit the necessary information.

A.	Number of respondents	3,000
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	3,000
D.	Hours per response	<u>x 1</u>
E.	Total hours	3,000
F.	Cost per hour	<u>x \$37.00*</u>
G.	Total annual cost to respondents	\$111,000

* Based on GS-11 step 5 salary from the OPM 2012 Base Salary Table (\$27.31 an hour) plus 36.25 percent burden based on the Office of Management and Budget Memorandum M-08-13, rounded to the nearest dollar.

(e) FAR 52.246-6: There is no centralized database that maintains statistics on the number of contractors that

provide and maintain an inspection system acceptable to the Government covering time-and-material and labor-hour contracts. We estimate that twenty percent of unique vendors (193,397) were awarded a time-and-material or labor-hour contracts in FY 2011. We estimate that, on average, it takes 1 hour for contractors to retrieve, prepare, and submit the information, and that they submit it once a year.

A.	Number of respondents	38,680
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	38,680
D.	Hours per response	<u>x 1</u>
E.	Total hours	38,680
F.	Cost per hour	<u>x \$31.00*</u>
G.	Total annual cost to respondents	\$1,199,080

* Based on GS-9 step 5 salary from the OPM 2012 Base Salary Table (\$22.57 an hour) plus 36.25 percent burden based on OMB Memorandum M-08-13, rounded to the nearest dollar.

(f) FAR 52.246-7: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering fixed-price research and development contracts. We estimate that five percent of unique vendors (193,397) awarded a contract in FY 2011, were fixed-price research and development contracts. We also estimate that it takes approximately 45 minutes for each contractor to store, retrieve, prepare, and submit the information needed for each review, and that contractors respond on average once a year.

A.	Number of respondents	9,670
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	9,670
D.	Hours per response	<u>x .75</u>
E.	Total hours	7,253
F.	Cost per hour	<u>x \$31.00*</u>
G.	Total annual cost to respondents	\$224,843

* Based on GS-9 step 5 salary from the OPM 2012 Base Salary Table (\$22.57 an hour) plus 36.25 percent burden based on OMB Memorandum M-08-13, rounded to the nearest dollar.

(g) FAR 52.246-8: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering research and development, cost-reimbursement contracts. We estimate that three percent of unique vendors (193,397) awarded a contract in FY 2011, were awarded a research and development, cost-reimbursement contract. We also estimate that it takes approximately one hour for each contractor to store, retrieve, prepare, and submit the information needed for each review, and that they respond once a year.

A.	Number of respondents	5,802
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	5,802
D.	Hours per response	<u>x 1</u>
E.	Total hours	5,802
F.	Cost per hour	<u>x \$31.00*</u>
G.	Total annual cost to respondents	\$179,862

* Based on GS-9 step 5 salary from the OPM 2012 Base Salary Table (\$22.57 an hour) plus 36.25 percent burden based on OMB Memorandum M-08-13, rounded to the nearest dollar.

(h) FAR 52.246-12: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government when a fixed-price contract for construction is contemplated and the contract amount is expected to exceed the simplified acquisition threshold. FPDS shows that 1,095 contracts were awarded in FY 2011 for constructions projects, such as building of airport terminals, office buildings, and dams. We estimate that each respondent replied on average 4 times a year, with each response taking on average 2 hours.

A.	Number of respondents	1,095
B.	Responses per respondents	<u>x 4</u>
C.	Total annual responses	4,380
D.	Hours per response	<u>x 2</u>
E.	Total hours	8,760
F.	Cost per hour	<u>x \$51.15*</u>
G.	Total annual cost to respondents	\$448,074

* Based on GS-12 step 10 salary from the OPM 2012 Base Salary Table (\$37.54 an hour) plus 36.25 percent burden

based on OMB Memorandum M-08-13, rounded to the nearest dollar.

(i) FAR 52.246-15: There is no centralized database that maintains statistics on the number of contractors that provide to the Government certificates of conformance for supplies or services as allowed in certain instances instead of source inspection. We estimate that ten percent of unique vendors (193,397) awarded a contract in FY 2011 used a certificate of conformance instead of source inspection. We also estimate that it takes approximately 30 minutes for each contractor to store, retrieve, prepare, and submit the information needed for each review, and that they respond once a year.

A.	Number of respondents	19,340
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	19,340
D.	Hours per response	<u>x .50</u>
E.	Total hours	9,670
F.	Cost per hour	<u>x \$51.15*</u>
G.	Total annual cost to respondents	\$494,621

* Based on GS-12 step 10 salary from the OPM 2012 Base Salary Table (\$37.54 an hour) plus 36.25 percent burden based on OMB Memorandum M-08-13, rounded to the nearest dollar.

(j) Estimated annual total burden to the public

A.	Number of respondents	176,286
B.	Responses per respondents	1.0186344*
C.	Total annual responses	179,571
D.	Hours per response	.82246**
E.	Total hours	147,690
F.	Cost per hour	\$31.00***
G.	Total annual cost to respondents	\$4,578,390

* Based on dividing C by A.

** Based on dividing E by C.

*** Based on dividing G by E.

14. **Estimated annual cost to the Government.** The time elements are based on receiving, reviewing, and analyzing the information submitted by the contractor. The hourly rate of \$31.00 is based on a GS-9, step 5 salary \$22.57 from

the OPM 2012 Base Salary Table, plus 36.25 percent overhead, rounded to the nearest dollar based on OMB Memorandum M-08-13.

(a) FAR 52.246-2:

A.	Total annual responses	29,010
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	29,010
D.	Average cost per hour	<u>x 31.00</u>
E.	Total Government cost	\$899,310

(b) FAR 52.246-3:

A.	Total annual responses	2,000
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	2,000
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total Government cost	\$62,000

(c) FAR 52.246-4:

A.	Total annual responses	67,689
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	67,689
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total Government cost	\$2,098,359

(d) FAR 52.246-5:

A.	Total annual responses	3,000
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	3,000
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total hours	\$93,000

(e) FAR 52.246-6:

A.	Total annual responses	38,680
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	38,680
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total Government cost	\$232,080

(f) FAR 52.246-7:

A.	Total annual responses	9,670
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B.	Review time per response	<u>x 1</u>
C.	Total burden hours	9,670
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total Government cost	\$299,770

(g) FAR 52.246-8:

A.	Total annual responses	5,802
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	5,802
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total Government cost	\$34,812

(h) FAR 52.246-12:

A.	Total annual responses	1,095
B.	Review time per response	<u>x1</u>
C.	Total burden hours	1,095
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total Government cost	\$33,945

(i) FAR 52.246-15:

A.	Total annual responses	19,340
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	19,340
D.	Average cost per hour	<u>x \$31.00</u>
E.	Total Government cost	\$599,540

(j) Estimated total annual cost to the Government

A.	Total annual responses	179,571
B.	Total Government hours	176,286
C.	Cost per hour	\$31.00
D.	Total annual cost Government	\$5,464,866

15. **Explain reasons for program changes or adjustments reported in Item 13 or 14.** This submission requests an extension of OMB approval of an information collection requirement in the FAR. The information collection has increased from 35,746 hours to 147,690 hours. The change is based on calculating the burden for each clause in FAR Part 46 associated with this information collection requirement. In addition, the Government considered the information collected under this requirement to be records kept as a part of a contractor's normal

business operations, and the Government will only request to see the records a limited number of times per year for each contractor.

16. Outline plans for published results of information collections. Results will not be tabulated or published.

17. Approval not to display expiration date. Not applicable.

18. Explanation of exception to certification statement. Not applicable.

B. Collections of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.