

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0080, INTEGRITY OF UNIT PRICES**

A. Justification.

1. Administrative requirements. The clause at FAR 52.215-14, Integrity of Unit Prices, requires offerors and contractors under Federal contracts awarded without adequate price competition to identify those supplies which they will not manufacture or to which they will not contribute significant value.

The policies included in the FAR are required by 41 U.S.C. 3503 (a)(1)(A)(for the civilian agencies) and 10.U.S.C 2306a(b)(1)(A) (i)(for DOD and NASA). The rule contains no reporting requirements on contracts below the simplified acquisition threshold, construction and architect-engineering services, utility services, service contracts where supplies are not required, commercial items, and contracts for petroleum products.

2. Uses of information. When a contract action is priced on the basis of a cost estimate, this information will be used by contracting officers to determine whether the intrinsic value of an item has been distorted through allocation of overhead costs and whether such items should be considered for breakout.

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 is not practical.

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

8. **Efforts to consult with person outside the agency.** A notice was published in the Federal Register at 77 FR 52739, on August 30, 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 hours and cost burden.** Time required to read and prepare information is estimated at 5 minutes per line item when the offer preparer is not familiar with the items requested. Estimate assumes automation of offerors' systems.

Estimated respondents/yr.....		950
Responses annually.....	x	<u>10</u>
Total annual responses.....		9500
Estimated hrs/response.....	x	<u>1</u>
Estimated total burden/hrs.....		9500
Average wages (\$41+ 75% OH).....	x	<u>\$71.75</u>
Estimated cost to public.....		\$710,750

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 30 minutes per line item.

Annual Reporting Burden and Cost

Total annual responses.....		9500
Review time per response.....	x	<u>.5</u>
Total burden hours.....		4750
Average wages (\$36/hr. + 100% OH).....	x	<u>\$72</u>
Total Government cost.....		\$ 360,000

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 Federal Acquisition Regulation (FAR). The information collection requirement in the FAR has been reduced slightly to reflect competition changes.

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.