

From: Teel, Frances C. (GSFC-JF000)
Sent: Wednesday, August 08, 2012 1:55 PM
To: 'thodgkins@techamerica.org'
Subject: NASA Contractor Financial Mgmt Reports: Response to TechAmerica Comments Received on May 2, 2012

Hello Mr.Hodgkins,

NASA welcomes feedback which will assist us in improving our information collection process. In the current economy where the management of the Federal budget is under much scrutiny, it is important that NASA monitors its cost effectively. Responses to your comments are provided below.

Response to TechAmerica Issue A:

An Extension of the Information Collection Requirement Would Violate the Fundamental Purposes of the Paperwork Reduction Act.

Balancing the need for information and its benefits with the burden and cost to collect the information is an ongoing challenge. In an effort to minimize the burden of this information collection request, NASA continues to seek out opportunities for improvement in the collection, value, and use of the information requested. Recently NASA's policy requiring the submission of contractor cost reports, NPR 9501.2, was updated to further reflect the importance of coordination and collaboration of all NASA impacted parties when determining the information to be collected. We have also developed a training class with the purpose of improving the use of the information once received. NASA attempts to minimize cost by requesting information that will reach a broad range of audiences across the agency. We are communicating with more members of targeted audiences within NASA to address their needs and increase the benefits of the information collected.

We recognize that knowledge of the requirements is important in the reduction of the cost and burden of reporting. We are planning to develop more guidance for both NASA and our contractors to ensure that the cost reporting system is run in a way that provides NASA with the amount of data needed to monitor cost without overwhelming our contractors with burden.

Response to TechAmerica Issue B:

The Agency Does Not Accurately Estimate the Public Burden an Extension of the Information Collection Requirement Would Create.

The requested information has been collected on the NF 533 M & Q for many years and the estimate of the burden is based on the feedback received. Time is taken to understand the reporting requirements during the initial setup of contracts awarded to contractors. More time may be required for contractors that are new to doing business with NASA or those that are new to meeting the reporting requirement. A training class is available for contractors in this situation.

The need for reporting is based on contract type, value, and duration, and is determined when contracts are let, modified, or options are exercised. The data submitted to NASA includes actual and planned cost collected in or assigned to the reporting categories specified by NASA.

Most companies in the management of their ongoing operations already collect actual and planned future cost information. NASA requests that this information is reported in specific reporting categories. Although the information reported will be compatible with NASA's reporting structure, the level of detail is determined with regard to our contractor's management system as well as NASA's requirements.

There are no "total capital and start-up" or "total operation and maintenance and purchase of services" costs associated with this information collection since NASA policy specifies that the data reported is to be generated from contractors' existing cost, budgeting, scheduling and technical performance systems and that their internal management system shall be relied upon to the maximum extent possible. Contractors are also allowed to submit internal report formats other than the NF 533's so long as the required data elements are included. There is no "cost" to the contractors for submitting the NF 533 reports. They are fully reimbursed for any and all costs incurred in the preparation and submission of these reports as part of the remuneration they receive under their contract.

Response to TechAmerica Issue C:

The Collective Burden of Compliance with the Information Collection Requirement Greatly Exceeds the Agency's Estimate and Outweighs Any Potential Utility of the Extension.

The number currently reported as the estimated burden is reduced from the previously reported number due to the reduction in contracts meeting the criteria for reporting. The information collection hours of each contractor varies. Some contractors use less time while others use more. Nine hours is the average estimated time burden of contractors providing cost reports to NASA. The time burden is dependent on a number of things to include the contractor's experience in cost reporting, the sophistication of the contractor's cost system and the reporting categories determined during contract negotiation.

The burden estimate was determined by considering the time for report setup, preparation, and submission. Report setup is based on the reporting categories defined in the contract and usually includes an update or crosswalk applied to the contractor's system. It is at this time that the contractor may receive guidance to ensure that the reporting requirements are understood. Report preparation includes the monthly compilation of the reports. Report compilation time is reduced for contractors with more automated cost management systems and increased for those with less automated systems. Report submission includes the review and approval of the information to be reported along with the mailing, e-mailing, or downloading of the data. Throughout this process discussions may occur related to adjustment to actual or planned activities. This discussion is considered to be a typical contract administration function.

Response to TechAmerica Issue D:

The Government's Response to the Paperwork Reduction Act Waiver for FAR Case 2007-006 is Instructive on the Total Burden for Respondents.

FAR Case 2007-006 addressed information that needed to be collected due to a newly imposed information collection requirement. It was originally modified to increase the number of respondents. It was later modified to increase the estimated burden from 3 hours to 60 hours in consideration of the hours required for review of the collection within a company prior to release to the Government. It is understandable that more time may be needed to review information

submitted to the Government for a new information collection requirement as opposed to the time needed for information that has been collected for years.

The estimated burden provided by NASA includes the review of collected information prior to submission. As the amount of experience contractors have in providing contractor cost information increases over the years and with improvements in automation, it is expected that the overall burden will decrease.

Respectfully,

Shelly Meredith

NASA Office of the Chief Financial Office Policy Division

c/o Fran Teel, NASA PRA Officer

From: Trey Hodgkins [<mailto:thodgkins@techamerica.org>]
Sent: Wednesday, May 02, 2012 5:14 PM
To: Teel, Frances C. (GSFC-JF000)
Subject: TechAmerica Comments on Notice 12-019 Information Collection

Please find attached the response and comments of TechAmerica to Notice 12-019, Information Collection; NASA Contractor Financial Management Reports.

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