

**Supporting Statement for OMB Control Number 9000-0011,  
Preaward Survey Forms (Standard Forms 1403, 1404, 1405, 1406,  
1407, and 1408)**

**A. Justification.**

1. **Administrative requirements.** To protect the Government's interest and to ensure timely delivery of supplies of the requisite quality, contracting officers, prior to award, must make an affirmative determination that the prospective contractor is responsible, *i.e.*, capable of performing the contract. Before making such a determination, the contracting officer must have in his possession or must obtain information sufficient to satisfy himself that the prospective contractor: (i) has adequate financial resources; or the ability to obtain such resources; (ii) is able to comply with required delivery schedule; (iii) has a satisfactory record of performance; (iv) has a satisfactory record of integrity; and (v) is otherwise qualified and eligible to receive an award under appropriate laws and regulations. If such information is not in the contracting officer's possession, it is obtained through a preaward survey conducted by the contract administration office or surveying activity responsible for the plant and/or the geographic area in which the plant is located. The necessary data is collected by the contract administration office or a cognizant surveying activity from available data or through plant visits, phone calls, and correspondence and entered on Standard Forms 1403, 1404, 1405, 1406, 1407, and 1408 in detail commensurate with the dollar value and complexity of the procurement.

In accordance with Federal Acquisition Regulation (FAR) 9.106-1, Conditions for preaward surveys, preaward surveys are normally required only when the information on hand or readily available to the contracting officer, including information from commercial sources is not sufficient to make a determination regarding responsibility. Preaward surveys are discouraged for fixed priced contracts at or below the simplified acquisition threshold, and contracts involving the acquisition of commercial items, unless circumstances justify the survey's cost. In addition, if a prospective contractor is debarred, suspended, or ineligible, surveying activities shall not proceed with the preaward survey unless specifically requested to do so by the contracting officer (FAR 9.106-1(c)).

2. **Uses of information.** The information is used by Federal contracting officers to determine whether a prospective contractor is responsible.

**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 portions of this information collection requirement electronically.

**4. Efforts to identify duplication.** This requirement is being issued under the FAR which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication. Similar information is not already available to the contracting officer or buyer.

**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. The FAR also provides conditions under which preaward surveys are to be accomplished that minimize the information collection burden on small businesses. These conditions include:

- FAR Subpart 9.1 provides a number of potential sources of information to use in determining the responsibility of a prospective Government contractor. Specifically, FAR 9.105-1 lists sources other than preaward surveys as preferred sources of contractor responsibility data.
- Although preaward surveys may be conducted on large and small business entities, as determined appropriate, the surveys are discouraged for fixed priced contracts at or below the simplified acquisition threshold and for contracts involving the acquisition of commercial items, unless circumstances justify the survey's cost. Actions at or below the simplified acquisition threshold are totally set aside for small business, thereby minimizing the circumstances under which preaward surveys would be conducted on small business entities.
- FAR 9.106-4(b) requires that a contract administration office/surveying activity consult the appropriate Small Business Administration field office before making an affirmative recommendation regarding a contractor's responsibility or nonresponsibility when that small business has received preferential treatment on an ongoing contract under Section 8(a) of the Small Business Act (15 U.S.C. 637) or has received a Certificate of Competency from the Small Business Administration during the last 12 months.

**6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** The information is collected only when a preaward survey is deemed necessary. Information obtained during a preaward survey provides the contracting officer with a basis for determining a contractor's responsibility, i.e., capacity and capability to successfully perform a contract.

**7. Special circumstances for collection.** The collection is fully 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 78 FR 38341, on June 26, 2013. One respondent submitted public comments. The analysis of the public comments is summarized as follows.

**a. Necessity of the information collection requirement.**

**Comment:** According to the respondent, agencies should be seeking to create savings by reducing or eliminating such information collection requirements. However, the respondent did not challenge the propriety of this underlying information collection requirement.

**Response:** FAR 9.106-1 requires that preaward surveys be completed only when the information on hand or readily available to the contracting officer, including information from sources other than the offeror, is not sufficient to make a determination regarding responsibility. While not all of these requirements are necessary in all cases, some are required regularly, thus preventing their reduction or elimination without negatively impacting the ability of the Government to assess contractor responsibility and protect the Government's interests in maintaining the integrity of the acquisition process.

**b. OMB approval to extend the approval of this information collection requirement.**

**Comment:** The respondent commented that the extension of the information collection would violate the fundamental purposes of the Paperwork Reduction Act because the analysis significantly underestimates the paperwork burden imposed by this requirement and has therefore not provided sufficient justification for the requested extension. The respondent further stated that the agency and OMB should assess the need to extend this information collection requirement in the context of assessing the total

information collection burden. The respondent further commented that the "collective burden of compliance" required of the Government acquisition community annually totals over 30 million hours. According to the respondent, the collective burden greatly exceeds the agency's estimates and outweighs any potential utility of the extension.

**Response:** The criteria for extension of an information collection requirement must be based primarily on the need and use for the required information. It is essential for contractors to report requirements, regardless the number of responses. If the agencies have determined that the information is essential to protect the interests of the Government, then the extension should be approved.

### **c. Accuracy of data estimates.**

**Comment:** The respondent questioned the estimated number of respondents (3,540), and how the estimated number of respondents was derived. In addition, the respondent apparently understood the renewal request to say that "preaward surveys are *never justified* under this information collection." Further, the respondent asked that "OMB insist that the Agencies provide the actual number of responses received annually."

**Response:** The respondent's comment that the information collection renewal request stated that preaward surveys are never justified fundamentally misunderstood the submission. While the conduct of a preaward survey is unnecessary unless other information sources are inadequate for a determination of the firm's responsibility, in accordance with the requirements of FAR subpart 9.1, when a preaward survey is conducted, it is the Government that bears the burden of the effort. The Government's work in conducting a preaward survey is not the subject of this information collection, so it is not addressed in the supporting documents. That does not mean, however, that there is no such effort or that there are no preaward surveys. The information collection is focused solely on the time that a firm's employees must take to complete one or more of the forms at issue.

With regard to the estimate of 3,540 respondents, that number was clearly stated to be an estimate, not an actual number. We are unable to provide an actual number, because that information is not available through the Federal Procurement Data System (FPDS), nor is it collected in any single location.

However, the basis used for the estimate has been reconsidered due to the comment. Initially, we estimated that 30 percent of the contracts awarded in Fiscal Year 2012 (according to FPDS statistics) that were over the simplified acquisition threshold and that did not use FAR part 12 commercial acquisition procedures had a preaward survey conducted and therefore required the firm to complete at least one of the standard forms included in the information collection request. Upon reconsideration, it became obvious that a preaward survey would only be needed if the firm had not previously been a Government contractor. The revised estimate is that only 15 percent of such awards are first-time Government contract awards. This reduces the basis of the estimate from 3,540 contracts to 1,771 contracts.

**d. Timing of request for extension.**

**Comment:** The respondent noted that this information collection is soliciting comments during an emergency extension period OMB granted in March 2013. The respondent reiterated OMB's comment that the agencies should have in place an internal planning process so that completion of the public notification and comment period required by 5 CFR 1320 occurs prior to an information collection's expiration date. Regular order allows the agencies and the public to have a meaningful and on-the-record dialogue on information collection extensions.

**Response:** Although ideally it is preferable to complete the renewal process prior to expiration, an emergency extension may be necessary in order to allow the public the opportunity for input into the process.

**e. The collective burden of compliance.**

**Comment:** The respondent objects to the overall collective burden imposed by the Government on all respondents.

**Response:** The Councils cannot effectively address the broad allegations with regard to the accuracy and utility of the entire collective burden imposed on all Federal acquisitions. The Councils can only effectively address each individual information collection requirement that is under consideration for OMB approval. The Councils constantly review information collection requirements imposed by FAR regulations for ways to reduce the burdens and still achieve the objectives of the regulations, whether based on policy or statute.

**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 burden.**

A preaward survey would be needed only if the firm had not previously been a Government contractor and therefore had no record of past performance. The data from FPDS for FY 2012 showed a total of 11,805 contracts awarded Governmentwide that were over the \$150,000 simplified acquisition threshold, and for which commercial acquisition procedures were not used. Initially, we estimated that preaward surveys were completed for 30 percent of the total or 3,540. After reconsideration, it became obvious that a preaward survey would only be needed if the firm had not previously been a Government contractor. The revised estimate is that only 15 percent of awards will potentially require a preaward survey. The estimate is reduced from 3,540 contracts to 1,771 contracts. Of the six Standard Forms (1403, 1404, 1405, 1406, 1407, and 1408), we estimated that Standard Form 1403 is used most frequently because it is a general form and accounts for 30 percent or 531 times, Standard Forms 1404 and 1407 account for 15 percent or 266 times, Standard Form 1408 accounts for 20 percent or 354 times, and Standard Forms 1405 and 1406 account 10 percent or 177 times.

Annual Reporting Burden

**Standard Form 1403 Preaward Survey of Prospective Contractor (General)**

Estimated respondents/yr.....	531
Responses annually .....	x <u>1</u>
Total annual responses.....	531
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs.....	12,744

Total response and recordkeeping  
burden hours..... 12,744

Average wages + overhead (\$30.81/hr + 36.25%\*)..... \$42  
 \$535,248

**Standard Form 1404 Preaward Survey of Prospective Contractor  
 Technical**

Estimated respondents/yr (rounded)..... 266  
 Responses annually ..... x 1  
 Total annual responses..... 266  
 Estimated hrs/response..... x 24  
 Estimated total burden/hrs (rounded)..... 6,384

Total response and recordkeeping  
 burden hours..... 6,384  
 Average wages + overhead\*(\$30.81/hr + 36.25%\*)..... \$42  
 \$268,128

**Standard Form 1405 Preaward Survey of Prospective Contractor  
 Production**

Estimated respondents/yr (rounded)..... 177  
 Responses annually ..... x 1  
 Total annual responses..... 177  
 Estimated hrs/response..... x 24  
 Estimated total burden/hrs (rounded)..... 4,248

Total response and recordkeeping  
 burden hours..... 4,248  
 Average wages + overhead (\$30.81/hr + 36.25%\*)..... \$42  
 \$178,416

**Standard Form 1406 Preaward Survey of Prospective Contractor  
 Quality Assurance**

Estimated respondents/yr..... 177  
 Responses annually ..... x 1  
 Total annual responses..... 177  
 Estimated hrs/response..... x 24  
 Estimated total burden/hrs..... 4,248

Total response and recordkeeping  
 burden hours..... 4,248  
 Average wages + overhead (\$30.81/hr + 36.25%\*)..... \$42  
 \$178,416

**Standard Form 1407 Preaward Survey of Prospective Contractor  
 Financial Capability**

Estimated respondents/yr..... 266  
 Responses annually ..... x 1

Total annual responses.....	266
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs.....	12,744

Total response and recordkeeping burden hours.....	6,384
Average wages + overhead (\$30.81/hr + 36.25%*).....	<u>\$42</u>
	\$268,128

**Standard Form 1408 Preaward Survey of Prospective Contractor  
Accounting System**

Estimated respondents/yr.....	354
Responses annually .....	x <u>1</u>
Total annual responses.....	354
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs.....	8,496

Total response and recordkeeping burden hours.....	8,496
Average wages + overhead (\$30.81/hr + 36.25%*).....	<u>\$42</u>
	\$356,832

\* We used a rate equivalent to a GS-12, Step 3 or \$30.81/hour (from the 2012 OPM GS Salary Table), added overhead at 36.25 percent (the OMB-mandated burden rate for A-76 public-private competitions, rounded to 36 percent), and rounded the average wage to the nearest whole dollar, or \$42/hour

14. **Estimated cost to the Government.** Time required for Government-wide review is estimated at 48 hours per response.

Annual Recordkeeping Burden and Cost

**Standard Form 1403 Preaward Survey of Prospective Contractor  
(General)**

Total annual responses.....	531
Review time per response (hours).....	x 48
Total burden hours.....	25,488
Average wages + overhead (\$30.81/hr + 35.25%**).....	<u>\$42</u>
Total Government Cost.....	\$1,070,496

**Standard Form 1404 Preaward Survey of Prospective Contractor  
Technical**

Total annual responses.....	266
Review time per response (hours).....	x 48



Total burden hours.....	12,768
Average wages + overhead (\$30.81/hr + 35.25%)**.....	
<u>\$42</u>	
Total Government Cost.....	\$536,256

**Standard Form 1405 Preaward Survey of Prospective Contractor**

**Production**

Total annual responses.....	177
Review time per response (hours).....	x 48
Total burden hours.....	8,496
Average wages + overhead (\$30.81/hr + 35.25%)**.....	
<u>\$42</u>	
Total Government Cost.....	\$356,832

**Standard Form 1406 Preaward Survey of Prospective Contractor**

**Quality Assurance**

Total annual responses.....	177
Review time per response (hours).....	x 48
Total burden hours.....	8,496
Average wages + overhead (\$30.81/hr + 35.25%)**.....	
<u>\$42</u>	
Total Government Cost.....	\$356,832

**Standard Form 1407 Preaward Survey of Prospective Contractor**

**Financial Capability**

Total annual responses.....	266
Review time per response (hours).....	x 48
Total burden hours.....	12,768
Average wages + overhead (\$30.81/hr + 35.25%)**.....	
<u>\$42</u>	
Total Government Cost.....	\$536,256

**Standard Form 1408 Preaward Survey of Prospective Contractor**

**Accounting System**

Total annual responses.....	354
Review time per response (hours).....	x 48
Total burden hours.....	16,992
Average wages + overhead (\$30.81/hr + 35.25%)**.....	
<u>\$42</u>	
Total Government Cost.....	\$713,664

\*\* We used a rate equivalent to a GS-12, Step 3 or \$30.81/hour (from the 2012 OPM GS Salary Table), added overhead at 36.25 percent (the OMB-mandated burden rate for A-76 public-private competitions, rounded to 36 percent), and rounded the average wage to the nearest whole dollar, or \$42/hour

**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 Federal Procurement Data System for FY 2012 showed a total of 11,805 contracts awarded Governmentwide that were over the \$150,000 simplified acquisition threshold, and for which commercial acquisition procedures were not used. Initially, we estimated that preaward surveys were completed for 30 percent of the total or 3,540. After reconsideration, it became obvious that a preaward survey would only be needed if the firm had not previously been a Government contractor. The revised estimate is that only 15 percent of awards will potentially require a preaward survey. The estimate is reduced from 3,540 contracts to 1,771 contracts.

**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. Collection of Information Employing Statistical Methods.** Statistical methods are not used in this information collection.