## A. Justification

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The General Services Administration Acquisition manual (GSAR) at GSAR 538.273(b)(1) prescribes an Industrial Funding Fee (IFF) and Sales Reporting clause for use in all multiple and single award schedule (MAS) solicitations and contracts. The clause, which is at 552.238-74, requires all contractors to report quarterly all contract sales to include the IFF, under the awarded contract within 30 calendar days of each reporting quarter. The IFF is included in the award price(s) and reflected in the total amount charged to ordering activities. Contractors remit the IFF at the rate set by General Services Administration’s Federal Acquisition Service (FAS).

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

Contracting Officers primarily use the IFF to estimate requirements for the subsequent year; evaluate the effectiveness of a FSS contract, negotiate better prices based on volume, and for special reports. In addition to recouping costs to run the MAS program, GSA uses the IFF to offset losses on other FAS programs and to fund initiatives that benefit the FAS Programs. The GSAR) is being amended to inform MAS customers of this expanded role of net revenue generated by IFF payments.

**3.** **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

Contractors are required to electronically report the quarterly dollar value of sales, including “zero” sales, utilizing the automated reporting system at an Internet website designated by GSA’s FAS.

**4.** **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The nature of this requirement is such that it relates to a single contract and cannot be duplicated.

**5. If the collection of information impacts small businesses or other small entities (item 5), describe any methods used to minimize burden.**

The burden applied to small business is the minimum burden consistent with applicable laws, Executive Orders, regulations and prudent business practices.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The IFF reimburses Federal Acquisition Service for the costs of operating the Federal Supply Schedules Program and recoups its operating costs from ordering activities as set forth in 40 U.S.C. § 321: *Acquisition Services Fund*. Net operating results generated by the IFF are also applied to offset losses or fund initiatives benefitting other FAS programs, in accordance with 40 U.S.C. § 321.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner requiring respondents to:**

* Report information to the agency more often than quarterly;
* Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
* **Submit more than an original and 2 copies of any document;**
* **Retain records, other than health, medical, government contracts, grant-in-aid, or tax records, for more than 3 years;**
* **In connection with a statistical survey, that is not designed to produce valid, reliable results that can be generalized to the universe of study;**
* **Require the use of a statistical classification that has not been reviewed and approved by OMB;**
* **Include a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
* **Submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information’s confidentiality to the extent permitted by law.**

Collection of the information is not inconsistent with guidelines contained in 5 CFR 1320.6

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency’s notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

A notice was published in the *Federal Register* at 77 FR 76446, on December 28, 2012. One comment was received.

The General Services Administration has reviewed the comment in response to the ICR. A discussion of the comment and any changes made to the estimated total burden hours as a result of the comment is provided as follows:

 **Comment 1:** Commenter supports the proposed change to the GSAR that will increase the transparency of how the IFF is used. However, felt that the estimated burden was understated based on the time and money vendors spend developing systems to track purchases and ensuring that reporting is accurate.

 **GSA Response:** Estimated burden hours already take into consideration the varying amount of time it can take to comply with the clause each quarter and is meant to represent an average across the entire Multiple Award Schedules Program.

 No changes were made to the burden estimates as result of the comment.

A second notice for this collection was published in the Federal Register at 78 FR 27239, on May 9, 2013. Two comments pertaining to the collection were received.

 **Comment 1:** The commenter expressed several concerns, but only within the context of the applicability of this case to GSA’s General Freight Traffic Management Program’s rate tender program.

**GSA Response:** Though the General Freight Traffic Management Program also makes reference to an “Industrial Funding Fee,” the Industrial Funding Fee referenced in this case only relates to GSA’s Multiple Award Schedules Program.

**Comment 2:** The commenter felt that the Agency’s estimate did not accurately reflect the public burden because it was based on invalid assumptions and a flawed methodology.

 **GSA Response:** Estimated burden hours are consistent with previously approved estimates under this information collection. Proposed GSAR revisions update the clause to reflect the current use of the IFF to include the ability to offset losses in other FAS programs and fund initiatives that benefit other FAS programs. This is an administrative change only and does not represent a program change that affects the public burden. Estimated burden hours already take into consideration the varying amount of time it can take to comply with the clause each quarter and is meant to represent an average across the entire MAS Program. Number of respondents is consistent with other updated information collections affecting all MAS Program contractors. The number of contractors under the MAS Program changes constantly and therefore a rounded number is utilized for this purpose. On-site Contractor Assistance Visits fall outside the scope of this change.

 GSA does not concur with the commenter’s suggested revision to current burden estimates.

No changes were made to the final rule as a result of the comments received.

**9.** **Explain any decision to provide any payment or gift to respondents, other than renumeration of contractors or grantees.**

Not applicable.

**10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.**

This information is disclosed only to the extent consistent with agency regulations and applicable statutes.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No sensitive questions are involved.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

* **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
* **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13.**
* **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

Respondents: 19,000.

Responses per Respondent: 4.

Total Responses: 76,000.

Hours per Response: .0833.

Total Burden Hours: 6,330.80.

**13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)**

* **The cost estimate should be split into two components: (a) total capital and start-up cost component (annualized over its expected useful life) and (b) a
total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling, and testing equipment, and record storage facilities.**
* **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
* **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995; (2) to achieve regulatory compliance with requirements not associated with the information collection; (3) for reasons other than to provide information or keep records for the Government or (4) as part of customary and usual business or private practices.**

See Response #12**.**

**14. Provide estimates of annualized costs to the Federal Government. Also, provide a description of the method used to estimate cost, which should include qualification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

There are 16,000 vendors holding 19,000 contracts. Data submitted by respondents is collected and stored electronically. Retrieval of cumulative data requires approximately .0833 of an hour and costs the Government $64,352.58 annually.

Requests/year 19,000

Reviewing Time/hr .0833

Review Time/year 1,582.70

### Average Cost/hr $ 40.66

Total Government Cost $ 64,352.58

The cost of $40.66 per hour is based on GS-12, step 5 salary (Salary Table 2012-DCB Washington-Baltimore, DC-MD-VA-WV, Effective January 2012).

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14.**

The differences that exist between the justifications for the collection as it was previously approved and as it exists now are based on current data updating the number of FSS Schedule contractors from a previous count of 17,000. An estimated annualized cost to the public is provided. Also, estimated annualized cost to the Government was increased to account for the increase in salary from a GS 5/step 4 to a GS 12/step 5. In addition, the previous information collection inaccurately reported 20 responses per respondent, which included 4 responses per year for one 5-fve year base period. However, information collections are based on annual numbers. The IFF is reported quarterly; thus, 4 responses per respondent annually. As such, the numbers have been updated to accurately reflect the reporting burden.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

Results will not be tabulated or published. Data collected will be used for internal administration of contracts.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

GSA is not seeking approval to not display the expiration date for OMB approval of the information collection.

**18. Explain each exception to the certification statement.** Not applicable

B. Collection of Information Employing Statistical Methods.

Statistical methods are not used in this information collection