

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0018, CERTIFICATION OF INDEPENDENT PRICE DETERMINATION
AND PARENT COMPANY AND IDENTIFYING DATA**

A. Justification.

1. **Administrative requirements.** Agencies are required to report under 41 U.S.C. 3101 (Formerly 41 U.S.C. 252(b)(i)) and 10 U.S.C. 2305(d) suspected violations of the antitrust laws (*e.g.*, collusive bidding, identical bids, uniform estimating systems, etc.) to the Attorney General.

2. **Uses of information.** As a first step in assuring that Government contracts are not awarded to firms violating such laws, offerors on Government contracts must complete the certificate of independent price determination. An offer will not be considered for award where the certificate has been deleted or modified. Deletions or modifications of the certificate and suspected false certificates are reported to the Attorney General (see FAR 3.103-2 Evaluating the certification).

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 consistent with guidelines in 5 CFR 1320.6.
8. **Efforts to consult with person outside the agency.** A 60 day notice published in the *Federal Register* at 79 FR 20884, on April 14, 2014. A 30 day notice was published in the *Federal Register* July 7, 2014.
9. **Explanation of any decision to provide any payment or gift to respondents, other than remuneration 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.**

FAR 52.203-2:

The information collection is required each time an offeror responds to a solicitation for firm-fixed price contract or fixed-price economic price adjustment contract unless the acquisition is (1) made under the simplified acquisition threshold; (2) at the request for technical proposals under two-step sealed bidding procedures; or (3) for utility services for which rates are set by law or regulation. The FAR rule requires a Certificate of Independent Price Determination so that contractors certify that the prices in their offer have been arrived at independently, have not been or will not be knowingly disclosed, and have not been submitted for the purpose of restricting competition. This clause does not apply to commercial items.

In Fiscal Year (FY) 2013, the Federal Procurement Data System (FPDS) indicated that there were 1,071,783 prime contract awards. This data is based on input submitted into FPDS for new contract awards, where the type of contract identified was firm-fixed-price or fixed-price with economic price adjustment, and commercial item procedures were not used. Additionally, this clause does not apply where the purchase is under the simplified acquisition threshold, is a

request for technical proposals under two-step sealed bidding procedures or for utility services for which rates are set by law or regulation. Therefore, it is estimated that this clause only applies in 95% of the total contract actions or 1,018,194 (1,071,783 * .95).

Based on FY 2013 FPDS data, 12,484,770 contract actions were awarded to 165,366 unique vendors, or approximately 1.3245% (165,366/12,484,770) of contract actions. Applying 1.3245% to the 1,018,194 contract actions that this clause applies to, approximately 13,486 unique contractors would be awarded a contract action.

The estimated number of responses per respondent is based on the number of prime contract awards divided by the number of unique vendors or approximately 76 (1,018,194/13,486).

It is estimated that an average of 15 minutes will be required for offerors and contractors to research, prepare, and submit the required information.

Estimated respondents/yr.....	13,486
Responses annually.....	<u>76</u>
Total annual responses.....	1,024,936
Estimated hrs/response.....	<u>.25</u>
Estimated total burden/hrs.....	256,234
Average wages + overhead	<u>\$ 55</u>
Estimated cost to the public	14,092,870

* Based on the OPM salary table for calendar year 2012, we estimated an hourly rate equivalent to a GS-13, Step-7, or \$40.07 per hour, plus 36.45 percent overhead burden which is the rate mandated by OMB for A-76 public-private competitions, and rounded to the nearest whole dollar, or \$55.00.

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at .0083 hours per response.

Certification of Independent Price Determination

Total annual responses	1,024,936
Reviewing time/response	<u>.1</u>
Total Burden Hours.....	102,493
Average wages/hr.....	<u>\$55*</u>
Total Government cost.....	\$5,637,115

* Based on the OPM salary table for calendar year 2012, we estimated an hourly rate equivalent to a GS-13, Step-7, or \$40.07 per hour, plus 36.45 percent overhead burden which is the rate mandated by OMB for A-76 public-private competitions, and rounded to the nearest whole dollar, or \$55.00.

15. Explain reasons for program changes or adjustment 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 requirement in the FAR remains unchanged. A reassessment of FAR 3.103 and FAR 52.203-2 was performed. Based on the comprehensive reassessment performed, this information collection resulted in a slight decrease in the annual number of responses and an increase in the annual time burden from the previous information collection that was published in the Federal Register at 76 FR 37353 on June 27, 2011. The decrease in the annual number of responses is likely a result of updated data for fiscal year 13 from the Federal Procurement Data System (FPDS). The increase in the annual time burden from the previous information collection increases the amount of time to research and prepare the certification from .01 hours (less than one minute) to .25 hours (15 minutes). No public comments were received in prior years that have challenged the validity of the Government's estimate. Updates were made to the average wages and overhead based on Fiscal Year 2013 Office of Personnel Management and Office of Management and Budget rates.

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.