

OMB Control No: 9000-0001
SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
AFFIDAVIT OF INDIVIDUAL SURETY,
STANDARD FORM 28

A. Justification.

1. **Administrative requirements.** The Affidavit of Individual Surety (Standard Form (SF) 28) is used by all executive agencies, including the Department of Defense, to obtain information from individuals wishing to serve as sureties to Government bonds. In order to qualify as a surety on a Government bond, the individual must show a net worth not less than the penal amount of the bond on the SF 28. It is an elective decision on the part of the maker to use individual sureties instead of other available sources of surety or sureties for Government bonds.
2. **Uses of information.** The information on SF 28 is used to assist the contracting officer in determining the acceptability of individuals proposed as sureties.
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 persons outside the agency.** Under the procedures established for development of the FAR, agency and public comments were solicited and each comment addressed before finalization of the text. A 60 day notice published in the *Federal Register* at 79 FR 43050 on July 24, 2014. Two comments were received. Both comments support the extension of this information collection. In addition to supporting the extension, both commenters suggested some revisions/enhancements to the current Standard Form 28.

One commenter stated that SF 28 does not achieve its intended purpose in assisting contracting officers in determining whether individuals proposed as sureties are financially sound with the

resources to support the obligations pledged for a Federal construction contract. The commenter states that the SF 28 has not prevented individual sureties from pledging the same assets for multiple bonds and recommends that the SF 28 be enhanced to ensure that the assets pledged to the Federal government can be accessed if needed. The Federal government should require any assets pledge other than real estate be placed in escrow only in a Federal insured financial institution and that a copy of the escrow agreement be filed with the SF 28 that shows the Federal government would have unrestricted access if needed. In addition, SF 28 should include questions relating to the criminal background, debarments and cease and desist orders from the state insurance departments. The SF 28 should also specify documentation to demonstrate the value of the assets, verify that it has been pledged to the United States and is free of tax liens or other encumbrances.

The other commenter acknowledges that changes have been made in the past to strengthen the form but points out that the current SF 28 would benefit from greater specificity on the information required of individual sureties relating to the pledging of assets, especially information relating to assets other than real estate. Also, additional information should be provided on the SF 28 to assist contracting officers in their efforts to select an acceptable individual surety (such as disclosure of Federal tax liens against the individual surety and disclosure of personal insolvency proceedings).

As in the past, these suggestions will be taken into consideration and if deemed warranted a FAR case will be opened to revised the standard form. Preliminary research has started by reaching out to Defense Acquisition Regulatory Council and the civilian agencies as well as industry through an association. From the information received, paperwork is being preparing to request that a case be opened. If a case is opened, the rule will be assigned to a team to perform further in-depth research on whether the suggestions are needed. At that time, the estimated total annual public hour and cost burden will be adjusted if necessary. A 30-day notice was published in the *Federal Register* at 79 FR 68249 on November 14, 2014.

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 and cost burden. Time required to read and prepare information is estimated at .4 hours per response.

Annual Cost to the Public

Estimated respondents/yr.....		500
Responses annually.....	x	1
Total annual responses.....		500
Estimated hrs/response.....	x	.3

Estimated total burden/hrs.....	150
Estimated cost to public (\$24 + 75% OH).....x	\$42
Total cost to the public.....	\$6,300

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at .5 hours per response.

Annual Reviewing Burden and Cost

Total annual responses.....	500
Review per response..... x	<u>1</u>
Total burden hours.....	500
Average wages + overhead (\$24/hr + 100% OH)..... x	\$48
Total Government cost.....	\$24,000

15. **Explain reasons for program changes or adjustments reported in Item 13 and 14.** This submission requests an extension of OMB approval of an information collection requirement in the FAR. Based on a comprehensive reassessment performed, this information collection resulted in no change in the total burden hours from the previous information collection that was published in the *Federal Register* at 76 FR 60050 on September 28, 2011. The previous assessment performed resulted in a change to the “Response per Respondent” and “Hours per Response” categories. The 1.43, responses per respondent, has been lowered to 1. to adequately reflect this category. A respondent has to respond completely not partially when submitting this form. The “Hours per Response” category has been decreased to .3 (18 minutes) from .4 (24 minutes) to reflect the benefit of the electronic capability of fillable-fileable forms. Respondents no longer have to print, scan, and then electronically submit or print and then physically mail forms through the post office, they can now submit electronically.

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.