

## **Supporting Statement**

### **OMB Control No: 3090-0290; System for Award Management Registration Requirements for Prime Grant Recipients**

#### **A. Justification.**

##### **1. Administrative requirements.**

In late July 2012, the System for Award Management (SAM) replaced the Central Contractor Registration (CCR) system as the primary registration database for the U.S. Federal Government. SAM currently collects, validates, stores, and disseminates data in support of agency acquisition and financial assistance missions. SAM validates entity registration information and electronically shares the secure and encrypted data with Federal agency finance offices to facilitate paperless payments through electronic funds transfer (EFT). Additionally, SAM shares the data with Federal Government procurement, grant, and electronic business systems.

Both current and potential Federal Government awardees are required to register in SAM pursuant to the Federal Acquisition Regulation (FAR) and Title 2 of the Code of Federal Regulations (CFR) in order to receive specified Federal awards. Entities complete a one-time registration process to provide basic information relevant to procurement and Federal financial assistance transactions. Entities must update or renew their SAM registration at least once per year to maintain an active status. In addition, any recipients of Recovery Act funds, for all types of financial assistance, to include grants, are required to register into SAM.

GSA requests OMB's expedited review and approval of the administrative modifications to this currently approved information collection in order to meet the public notification requirements before the collection's expiration date of March 31, 2014. This information collection requires prime applicants and recipients, excepting individuals, of Federal financial assistance to register in SAM and maintain an active SAM registration with current information at all times during which they have an active Federal award or an application or plan under consideration by an agency pursuant to 2CFR Subtitle A, Chapter I, and Part 25 (75 FR 5672). Review and approval of this Paperwork Reduction Act submission is essential to the sustained implementation of the Federal Funding Accountability and Transparency Act (P.L.109-282, as amended by section 6202(a) of P.L.110-252) hereafter known as FFATA or the Transparency Act. This information collection requirement was captured in the revision to 2CFR Subtitle A, Chapter I, and Part 25 (75 FR 5672), as guidance to agencies on the requirement for prime grant applicant and recipients' SAM registration. Expedited approval will allow SAM to continue collecting this information and providing it in support of authorized Federal agency missions.

##### **2. Uses of information.**

This revision reflects the administrative changes to the title, captures the system name change from CCR to SAM, and incorporates updates in the registration process. It sustains the requirement for all prime grant awardees to register in the SAM database as a term of the award pursuant to 2 CFR Subtitle A, Chapter I, and Part 25 (75 FR 5672), where such awardees are

subject to the reporting requirements under the Transparency Act. The information required for SAM registration for Federal financial assistance purposes includes completing the Core Data and Points of Contact sections to provide, among other things, the registering entity's legal business name, address, DUNS number, and type of organization, as well as critical point of contact information (specific guidance for registrants is found at [www.sam.gov](http://www.sam.gov)) This information collection will facilitate transparency of Federal financial assistance award spending by enabling reporting of sub-award and executive compensation pursuant to the Transparency Act.

### **3. Consideration of information technology.**

We use improved information technology to the maximum extent practicable. SAM is an Internet-based platform easily accessed from any computer enabling the registrant to submit the information electronically.

### **4. Efforts to identify duplication.**

SAM was developed to centralize awardee information. This collection leverages the central clearinghouse capacity of SAM to ensure that prime grant awardees have minimal burden in providing the Federal Government with their identifying information. This will ensure that the information provided to the Federal Government **once** will be used multiple times to facilitate multiple reporting requirements for prime grant awardees pursuant to the Transparency Act.

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

The burden applied to small businesses pursuing Federal financial assistance awards only is the minimum consistent with applicable laws, Executive orders, regulations and prudent business practices. Required registration into SAM will ensure that small businesses will not be required to provide the same entity identifying information to the Federal Government multiple times unnecessarily. If they are already registered in SAM with the intent to pursue Federal contract awards, there is no new burden.

### **6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

If the collection of this registration data from Federal prime grant awardees is allowed to expire, current registrants will not be able to update and renew their registration information and new applicants will not be able to create their registrations in SAM. Federal agencies will not be able to award new Federal financial assistance opportunities to unregistered entities. This could prevent award of critical Federal financial assistance funding and impact dozens of governmentwide financial assistance programs.

### **7. Special circumstances for collection.**

Collection is consistent with guidelines in 5 CFR 1320.6.

**8. Efforts to consult with person outside the agency.**

Outreach and solicitation of comments will continue to ensure that the requirements are implemented in the least burdensome manner possible while adhering to the requirements under the Transparency Act. A 60 day notice was published in the *Federal Register* at 78 FR 16332, on December 30, 2013, no comments were received. A 30 day notice was published in the *Federal Register* at 79 FR 16332 on March 25, 2014, no comments were received.

**9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration of awardees.**

Not applicable.

**10. Describe assurance of confidentiality provided to respondents.**

The 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 hours and cost burden.**

**Summary**

	<b>Respondents</b>	<b>Hours/Response</b>	<b>Total Hours</b>	<b>Total Cost</b>	<b>Cost Calculation</b>
Registrants	204,726	2 hrs/registration	409,452	\$14,691,137.76	\$71.76 cost/respondent x 204,726 respondents
<b>TOTAL BURDEN</b>	<b>204,726</b>	<b>2 hrs/response</b>	<b>409,452</b>	<b>\$14,691,137.76</b>	

It is estimated that an average of 2 hours will be required for each respondent to review and update their current registration in SAM and to review and, prepare for and complete the SAM registration for new registrants. The figure of 204,726 Grants Respondents was derived from the number of unique DUNS numbers that received Prime Grant Awards in FY2012 as reported by Federal agencies to USAspending.gov pursuant to the Transparency Act. This figure may be an overestimate, given that some prime grant awardees may also be Federal contractors, who, under existing collection, were already required to register in SAM. This figure may also be an overestimate to the extent that any grant awardee whose award amount is reimbursed through the Department of Treasury's Secure Payment System was also already required to register in SAM.

GSA will continue to review and revise these burden estimates as more information becomes available.

Annual Public Burden and Cost

Respondents	204,726
Responses per respondent	<u>X 1</u>
Total responses	204,726
Preparation hours per response	<u>X 2</u>
Total response burden hours	409,452
Hourly rate	<u>X \$35.88</u>
Total Cost to public	\$14,691,137.76

**14. Estimated annual cost to the Government.**

Time required for Government-wide review is estimated at 1 hour in receiving, reviewing, and analyzing the information submitted by the respondents. This estimate attempts to account for Federal agencies working with registrants to answer their questions, burden to supporting help desks, and time spent investigating registration challenges faced by registrants.

Annual Government Burden and Cost

Responses	204,726
Reviewing time/hr	<u>1</u>
Review time/yr	204,726
Average wages/hr (GS 12, step 1 hourly rate)	<u>X \$35.88</u>
Average wages/yr	\$7,345,568.88
Benefits and overhead	<u>100%</u>
Total Government cost	\$7,345,568.88

The cost of \$35.88 per hour is based on GS-12, step 1 salary.

**15. Explain reasons for program changes or adjustments reported in Item 13 or 14.**

This is a revision of a currently approved public information collection based on actual prime grant awards made in FY12 as reported by the awarding agency on USAspending.gov to unique DUNS numbers. Each of the unique DUNS numbers would have had to be registered in SAM in order for the agency to report the grant award.

2 CFR Subtitle A, Chapter I, and Part 25 mandates that the Central Contractor Registration (CCR) (now migrated into the System for Award Management) serve as the repository for standard information about applicants and recipients. The burden is relative to the number of applicants for Federal grants and assistance, which was for FY12, 204,726 entities, while when calculated for the original burden there were only 23,358 respondents in the system. The increase in burden is due to the increased compliance with the CFR requirement to register in the

centralized and integrated System as well as the increase in number of entities applying for the grants and assistance available through the Federal government.

**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.