

**1SUPPORTING STATEMENT
ENVIRONMENTAL PROTECTION AGENCY**

1. Identification of the Information Collection

1(a) Title of the Information Collection

Monthly Progress Reports (Renewal), EPA ICR Number 1039.14, OMB Control Number 2030-0005.

1(b) Short Characterization/Abstract

This Information Collection Request is an extension of Number 1039.14. On a monthly basis, the Office of Acquisition Management (OAM) requires contractors provide the Contract Contracting Officer's Representative (COR) with a report detailing (a) what was accomplished on the contract during that period, (b) expenditures for the same period of time, and (c) what remains to be done. This allows the Contract COR to monitor the efficiency and cost effectiveness of the work being performed. This information is being collected because appropriate Government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used for various cost-reimbursable and fixed-rate contracts. The information is used by Government personnel to monitor contract performance. EPA estimates that approximate 266 contracts are subject to these reporting requirements. Monthly progress reports are submitted electronically and stored as a paper copy, and on the electronic contract-writing system *EAS Acquisition System (EAS)* in accordance with applicable record retention schedules.

2. Need for and Use of the Collection

2(a) Need/Authority for the Collection

FAR 16.301-3(a)(4) and 16.601(c)(1) require that cost-reimbursement, time-and-material and labor-hour contracts are monitored in terms of financial and technical efficiency. Environmental Protection Agency Acquisition Regulation (EPAAR) 1511.011-72 prescribes the clause for progress reports which is used for these types of contracts. EPAAR clause 1552.211-72, *Monthly Progress Report*, provides the specific requirements of the report.

2(b) Practical Utility/Users of the Data

Progress reports will be used by the Contract COR to monitor the contractor's progress under a specific contract. If problems with the contractor's performance arise, the contracting officer may also review the progress reports to determine what action may need to be taken.

3. Nonduplication, Consultations, and other Collection Criteria

3(a) Nonduplication

Monthly progress reports are unique to each individual contract. Information concerning the financial and technical progress of a contractor under a specific contract is not available from other sources.

3(b) Public Notice Required Prior to ICR Submissions to OMB

An announcement of a public comment period for the renewal of this ICR was published in the *Federal Register* (80 FR 6703) on February 6, 2015. No comments were received on the burden published in the *Federal Register*.

3(c) Consultations

The following four vendors were contacted in regards to the accuracy of the number totals in (6)(b)(i):

| <u>FIRM</u> | <u>PERSON CONTACTED</u> | <u>PHONE</u> |
|------------------------|--------------------------------|---------------------|
| Alion Science and Tech | Ms. Lee Ann Smith | (703) 752-7655 |
| CSC Inc. | Ms. Tracy Allison | (703) 870-3647 |
| TechLaw | Mr. David Dobb | (360) 871-8750 |
| Tetra Tech | Mr. Ed Sussenguth | (510) 302-6333 |

One of the four was unavailable for comment. Another two were contacted and asked for consultation, but declined to respond. The fourth responded that they thought our estimated contractor hourly rate was a bit high. They also thought that our estimated 24.25 hours per monthly progress report would be low if there were many tasking documents (e.g., task orders) to include in the report.

3(d) Effects of Less Frequent Information Collection

Many EPA contracts involve complex services requiring numerous contractor employees and extensive funding. It is imperative that the Agency be aware of the actions the contractor is taking and the amount of funding expended on a monthly basis. Less frequent collection would jeopardize the Agency's ability to determine the reasonableness of costs and to take timely action in the event of technical or cost problems under its complex contracts.

3(e) General Guidelines

This information collection follows OMB's general guidelines, with the exception of requiring the information be submitted more often than quarterly. Monthly progress reports are mandatory for those holding Agency contracts with progress reporting requirements.

Progress reports are required on a monthly basis. Contracts requiring progress reports generally run from three to five years. Most contractors invoice once a month under these contracts. By submitting the progress report with the invoice, the contractor gives the Contract

COR, who is responsible for monitoring the contract, an opportunity to review the financial information contained in the progress report, and compares it to the invoice. Monthly review of this information allows the Agency to promptly note when performance or cost problems arise, and take immediate action. This monthly information is required because of the complex nature of the work performed.

3(f) Confidentiality

Information collected under this request, particularly cost and pricing data, is treated as Confidential Business Information (CBI). This information is protected from public release in accordance with the Agency's confidentiality regulation, 40 C.F.R. Part 2.

4. The Respondents and the Information Requested

4(a) Respondents/SIC Codes

The majority of respondents are anticipated to fall into one of the following NAICS codes: 511210 for prepackaged computer software, 541511 for computer processing services, 541710 for computer-related services, and 541620 for environmental consulting services.

4(b) Information Requested

(i) Data Items

The monthly progress reports submitted by contractors provide the following information:

(i) Progress made during the reporting period, including percent of project completed, description of the action of work accomplished, and a schedule of deliverables for the reporting period.

(ii) Difficulties encountered and remedial action taken during the reporting period, and anticipated activity during the subsequent reporting period.

(iii) A list of outstanding actions awaiting the contracting officer's authorization.

(iv) Cumulative costs at the contract level for: the amount claimed for the current reporting period, the amount obligated, originally invoiced, paid, suspended, disallowed and remaining approved for the cumulative period and contract life.

(v) Labor hours consisting of a list of employees, their labor categories, and the number of hours worked.

(vi) Labor hours expended and direct labor hours and costs detailed for the current reporting period.

(vii) Labor hours negotiated, expended and remaining; and labor hours and costs detailed for the contract period and cumulative contract life.

(viii) The estimated labor hours and costs to be expended during the next reporting period.

(ix) The current dollar ceilings, net amount invoiced, and remaining amounts in funding categories.

(x) Unbilled allowable costs for the current reporting period and cumulative for the contract.

(xi) Actual average direct labor costs compared with the negotiated average for the current contract period.

(xii) Similar financial status information to that already outlined, at the work assignment level or task/delivery order level.

(ii) Respondent Activities

Respondents are required to compile and submit monthly progress reports that contain the data items in (4)(B)(i).

5. The Information Collected: Agency Activities, Collection Methodology, and Information Management

5(a) Agency Activities

Once the information is received by the Agency, it is reviewed by the Contract COR against existing financial data, contractor deliverables and agency records for verification. If no discrepancies are noted, the report is placed in the contract file.

5(b) Collection Methodology and Management

The Agency monitors monthly contractor activity by requiring progress reports. Many contractor respondents prepare computerized reports, and software programs are available which track financial data. There is no specified submission format so long as the required data is provided. Hard copies of the submittal are not acceptable because EPA is moving towards a paperless contracting environment; contractors can instead email their reports to the contracting officer's email address (there is no online portal for respondent submittals).

5(c) Small Entity Flexibility

Most contractors invoice once a month under service contracts. Progress reports are required on a monthly basis so that charges on the invoice can be reconciled with financial and technical information provided in the progress report.

5(d) Collection Schedule

Contractors are required to submit monthly progress reports.

6. Estimating the Burden and Cost of the Collection

The overall respondent burden is estimated to be 24.25 hours per monthly response, and a total annual burden of 77,406. The overall respondent cost of the collection is \$2,246 per monthly response, and a total annual cost of \$7,167,668.

6(a) Estimating Respondent Burden

The overall respondent burden is estimated to be 24.25 hours per monthly response, and a total annual burden of 77,406. The estimated burden of 24.25 hours consists of 9.31 hours to gather information, and 14.94 hours to compile and process the information. EPA made the following assumptions in estimating the burden: it escalated hourly rates by 4.6 percent from Jan 2012 to Dec 2014; 4.6 figure provided by the Office of Acquisition Management's (OAM) cost accounting office. The contractor program/project manager prepares the report, while the information is gathered by assistant managers, finance staff, and data entry clerks. No estimated capital or start-up costs because respondents do not need to acquire any capital goods in order to provide the requested information.

6(b) Estimating Respondent Costs

(i) Estimating Labor Costs

Contractor burden is based on historical data. Collection activity hours are estimated to have decreased about three percent since the last clearance received in 2011, due mainly to improved tracking software, and increased familiarity with EPA reporting requirements. Collection activity hourly rates are estimated to have increased since the last clearance received in 2011, by a cumulative inflation escalation rate of 4.6 percent from January 2012 to December 2014.

| <u>Collection Activity</u> | <u>Hours Per Month</u> | <u>Rate</u> | <u>Cost</u> |
|------------------------------------|-------------------------------|--------------------|--------------------|
| 1. Gather information | 9.31 | \$103.62 | \$ 964.70 |
| 2. Compile and Process information | 14.94 | \$ 85.73 | \$1280.81 |

TOTALS

24.25

\$2,245.51

In most instances, the contractor's project or program manager manages the effort under the contract and prepares the progress report. The information gathering is performed by the assistant project manager or other finance staff members. Compilation and information processing is performed by a data entry clerk or other finance staff members.

The prior ICR calculated that EPA had 203 active contracts requiring monthly progress reports in 2008. This figure has increased to 266 in 2014. The increase in contract number is due in part to shorter-value and shorter-length contracts being awarded due to budget uncertainty; e.g., continuing funding resolutions, sequestration budget cuts.

These estimated 266 contracts each require a monthly progress report (266 contracts x 12 months each = 3,192 responses). Respondents on average take 24.25 hours per month to complete each response. Therefore, total burden for one year is 77,406 hours (24.25 hours per response x 3,192 responses). The annual cost to respondents based on the figures shown above is \$7,167,668 (\$2,245.51 per response x 3,192 responses). Contractors are reimbursed for these costs under the applicable contract.

(ii) Estimating Capital/ Start-up Costs and Maintenance Costs

Because it will not be necessary for respondents to acquire any capital goods to provide the requested information, EPA has not estimated any capital/start-up costs.

(iii) Capital/Startup vs. Operation and Maintenance (O&M) Costs

Operating and maintenance costs consist of postage and photocopying, are estimated at \$12.50 per response x 3,192 responses = \$39,900.

6(c) Estimating Agency Burden and Cost

Agency burden estimates were developed by procurement personnel who work with the types of contracts addressed in this ICR. On the average, the same amount of time is required to review the data for each type of contract. Progress reports are reviewed by the Contract COR and contracting officer responsible for the contract. Agency burden is calculated as follows:

| <u>Collection Activity</u> | <u>Hours Per Month</u> | <u>Rate</u> | <u>Cost</u> |
|-----------------------------------|-------------------------------|--------------------|--------------------|
| Audit/review data submissions | 2 | \$63.52 | \$127.04 |

Burden hours for the contracting officer and the Contract COR are combined for a total of two (2) hours. Calculations are based on both these individuals being GS-13s. Estimate includes GS-13 salary at \$39.70 per hour, multiplied by a factor of 1.6 to reflect benefits, which yields a loaded rate of \$63.52. Therefore, total annual agency burden is summarized as follows: Total

burden hours = 3,192 responses x 2 hours per response = 6,384 hours. Total burden costs: \$127.04 per response x 3,192 responses = \$405,552.

6(d) Estimating the Respondent Universe and Total Burden and Costs

There are an estimated 266 active contracts that each require a monthly progress report (266 contracts x 12 months each = 3,192 responses). Respondents on average take 24.25 hours per month to complete each response. Therefore, total burden for one year is 77,406 hours (24.25 hours per response x 3,192 responses). The annual cost to respondents based on the figures shown above is \$7,167,668 (\$2,245.51 per response x 3,192 responses).

6(e) Bottom Line Burden Hours and Cost Tables

| <u>Annual Burden</u> | <u>Time (Hours)</u> | <u>Non Labor Costs</u> |
|----------------------|---------------------|------------------------|
| | 77,406 | \$7,167,668 |

(i) Respondent Tally

| | |
|------------------------------|--------------|
| Total Number of Respondents: | 266 |
| Total Annual Responses: | 3,192 |
| Total Burden Hours: | 77,406 hours |
| Total Burden Costs: | \$ 7,167,668 |

(ii) The Agency Tally

| | |
|---------------------|-------------|
| Total Burden Hours: | 6,384 hours |
| Total Burden Costs: | \$ 405,552 |

6(f) Reasons for Change in Burden

There is an increase of 16,506 hours in the total estimated respondent burden compared with the ICR currently approved by OMB. Collection activity hourly rates are estimated to have increased since the last clearance received in 2011, by a cumulative inflation escalation rate of 4.6 percent. The increase in contract number is due in part to shorter-value and shorter-length contracts being awarded due to budget uncertainty; e.g., continuing funding resolutions, sequestration budget cuts. The burden increase is due to an increase in the number of contracts because EPA is awarding shorter contracts. As the contracts are shorter, EPA awards more contracts to meet program office requirements, resulting in more monthly progress reports being required and prepared by contractors.

A comparison of the last OMB approval and the present request is presented below:

Prior Approval

Present Request

203 contracts
2,436 responses
25 hours per response

266 contracts
3,192 responses
24.25 hours per response

6(g) Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 24.25 hours per response. “Burden” means the total time, effort, or financial resources expended by persons to generate, maintain, retain, disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information; processing and maintaining information; disclosing and providing information; training personnel to be able to respond to a collection of information; searching data sources; completing and reviewing the collection of information; and transmitting or otherwise disclosing the information. An agency may not conduct or sponsor, nor is a person required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OARM-2011-0748, which is available for public viewing at the Office of Environmental Information (OEI) Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, NW, Washington, D. C. The EPA Docket Center Public Reading Room is open from 8:30 a. m. to 4:30 p. m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the OEI Docket is (202) 566-1752. An electronic version of the public docket is available through EPA Dockets (EDOCKET) at <http://www.epa.gov/edocket>. Please use EDOCKET to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. Once in the system, select “search,” then key in the docket ID number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OARM-2011-0748 and OMB Control Number 2030-0005 in any correspondence.

Part B of the Supporting Statement

This part is not applicable because no statistical methods were used in collecting this information.