

**ICR SUPPORTING STATEMENT
1ENVIRONMENTAL PROTECTION AGENCY**

1. Identification of Information Collection

1(a) Title of Information Collection

Contractor Cumulative Claim and Reconciliation (Renewal), EPA ICR No. 0246.12, OMB Control No. 2030-0016.

1(b) Short Characterization

The Federal Acquisition Regulation (FAR) 4.804-5 states that the office administering a contract is responsible for initiating administrative close out following physical completion of the contract. Funds status review is a mandatory part of contract closeout. It includes settlement of interim or disallowed costs and settlement of indirect cost rates.

After a contract completion under a cost reimbursement type contract, the contractor submits EPA Form 1900-10 which summarizes all cost incurred in performance of the contract and sets forth the final indirect rates. This form is reviewed by the contracting office to determine the final costs reimbursable to the contractor. A copy of the form is attached to this request.

2. Need and Use of the Collection

2(a) Need/Authority for the Collection

FAR 52.216-7 states that the Government will pay only the costs determined to be allowable by the contracting officer in accordance with FAR 31.2. Furthermore, FAR 52.216-7 states that indirect cost rates shall be established for each fiscal year at the close of a contractor's fiscal year. EPA Form 1900-10 summarizes this information for the entire contract period and provides a basis for cost review by contracting, finance, and audit personnel. As stated previously, FAR 4.804-5 mandates that the office administering the contract shall ensure that the costs and indirect cost rates are settled.

2(b) Practical Utility/Users of the Data

Information collected on the 1900-10 will be used by the contracting, financial, and audit personnel to determine the final amount of costs reimbursable to the contractor. EPA personnel and auditors from the Defense Contract Audit Agency (DCAA), if requested, will review the information in order to determine the final contract costs prior to final payment under the contract.

3. Non-Duplication, Consultations, and Other Collection Criteria

3(a) Non-Duplication

Information collected is contract-specific. Cumulative contract cost information, as requested, is not available from any other source.

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

The *Federal Register* document required under 5 CFR 1320.8(d), soliciting comments on this collection of information was published on 02/06/2015 (80 FR 6702).

3(c) Consultations

The following vendors were contacted to discuss collection activities:

Firm	Person Contacted	Phone
Great Lakes Environmental Center	Ms. Linda Hays	231-941-2230
Environmental Mgt Support	Mr. Thomas Heim	301-589-5318 ext.15
Battelle Memorial Institute	Ms. Gina Crabtree	614-424-5097
Cadmus Group, Inc.	Mr. Alan Seferian	617-673-7000

Each firm indicated the financial information requested is kept routinely for company records and for audit purposes. Two of the firms contacted felt the information collection was burdensome as one indicated that the form was redundant to others previously submitted and the other indicated that their costs are tracked by period of performance rather than fiscal year.

3(d) Effects of Less Frequent Collection

The information is collected only once at contract closeout. This information is required by the Federal Acquisition Regulation to be collected at that time.

3(e) General Guidelines

These reporting or recordkeeping requirements do not violate any of the regulations promulgated by OMB under 5 CFR Part 1320, Section 1320.5.

3(f) Confidentiality/Sensitive Questions

Information collected under this request, particularly cost and pricing data, is treated as CBI. This information is protected from public release in accordance with the Agency's confidentiality regulation, 40 C.F.R. Part 2.201 et seq.

4. The Respondents and the Information Requested

4(a) Respondents/SIC Codes

All contractors who have completed an EPA cost reimbursement type contract will be required to submit EPA Form 1900-10. These contractors represent a wide range of industries which include, but are not limited to: 541511, Custom Computer Programming, 5416 Management and Consulting Services, 6215 Medical Laboratories, and 541380, Testing Laboratories.

4(b) Information Requested

A copy of the reporting form is attached as Attachment A.

(i) Data Items

Data requested in EPA Form 1900-10 (attached) has not changed since the last OMB review. This information includes major cost elements such as direct labor, direct material and supplies, equipment, travel, subcontract costs, consultant fees, indirect costs and fixed fees. Indirect costs are broken down showing base year and rate for each cost center for each year of contract performance.

Please note that EPA has omitted the expiration date from form 1900-10. As stipulated in 5 CFR 1320.8(b)(1), the collection of information should display a currently valid OMB Control Number and, if appropriate, an expiration date. Due to the fact that this form has been in use for a number of years without change, and since the collection activity and use of the form continue to be required, it is not appropriate to include the expiration date on the form.

(ii) Respondent Activities

In order to complete the EPA Form 1900-10, respondents must total all costs incurred under the contract, including costs for direct labor, all equipment, materials and supplies, travel, subcontracts, consulting fees, indirect costs, and fees. During contract performance, this information is included on the contractor's monthly invoice for reimbursement. To calculate total contract costs, the contractor adds the cost from each invoice submitted under the contract. If costs were claimed on an invoice that was disallowed, the contractor would subtract the disallowed amount from the total.

Negotiated indirect cost rates are applied to the base costs in order to determine the indirect costs for each cost center. This information is also contained in the contractor's invoices, and in correspondence concerning allowable costs and negotiated agreements on indirect rates. None of the information collected under this ICR must be created or researched. Rather, the data is compiled from various existing sources and summarized for this information collection. After the data is compiled, it must be reviewed for accuracy against existing records. It is customary business practice for a contractor to maintain the type of financial performance information required to complete EPA Form 1900-10.

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

5(a) Agency Activities

Once EPA Form 1900-10 is reviewed by the Agency, the data is reconciled with Agency records, and audited. If the information collected is correct, final contract payment is made.

5(b) Collection Methodology and Management

Information submitted is checked against Agency records such as invoices, correspondence, and negotiated agreements. Respondents have the option of reporting in their own computerized format provided all the required data is present. Completed forms, after review, become part of the contract files and will not be disclosed outside the Government.

5(c) Small Entity Flexibility

Data requested is required by the Federal Acquisition Regulation. It is not possible to develop separate or simplified requirements for small businesses or other small entities because the information required is necessary to complete the closing out of a contract, an alternate collection of information for small businesses is not appropriate.

5(d) Collection Schedule

Data is collected once at contract completion. Generally, this is after a five year period of performance.

6. Estimating the Burden and Cost of the Collection

6(a) Estimating Respondent Burden Hours

Respondent burden hours are estimated at 6.3 hours per respondent. For the 5 respondents, total annual burden hours are estimated at 31.5.

5 Respondents x 6.3 hours per respondent = 31.5 Total Annual Burden Hours

6(b) Estimating the Respondent Burden Costs

Respondent burden costs are estimated at \$688.13 per respondent. For the 5 respondents, total annual labor cost is estimated at \$3,440.65.

5 Respondents x 688.13 labor cost per respondent = \$3,440.65 Total Annual Labor Cost

(i) Estimating Labor Costs

The annual labor cost to all respondents is estimated at \$3,440.65 based on the following calculations. Contractors may claim the cost of completing this form under the appropriate contract.

ACTIVITY	TIME TO COMPLETE	AVG RATE/HR	COST
1. Gather information	105.0 minutes	\$119.18	\$208.56
2. Compile data	135.0 minutes	\$119.18	\$268.15
3. Review data	82.5 minutes	\$119.18	\$163.87

4. Complete form	60.0 minutes	\$47.55	\$ 47.55
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Total	382.5 minutes	\$688.13
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Step 1 thru 3 of the collection activity is normally performed by an Administrative Manager. Administrative support personnel are responsible for completing step 4.

The cost associated with this effort was estimated using a loaded hourly rate based upon the National Compensation Survey: Occupational Wages in the United States, 2013; published by the U.S. Department of Labor, Bureau of Labor Statistics. This data was published in the National Compensation Survey: Occupational Wages in the United States, 2013 in May of 2013, and represents the most current survey data available (<http://www.bls.gov/cpi/>).

Since the labor rates used in this estimate are from 2013, a Consumer Price Index (CPI) escalation factor of 2.1% (based upon the CPI from May 2013 to May 2014) was applied for each year to determine an average wage for 2014. The escalated hourly labor rate is multiplied by an estimated loading factor of 2.95 (*see below) to reflect industries' overhead, fringe benefits, and general and administrative costs.

The following are the loaded labor rates used in the calculations in the table above:

Administrative Manager:

2013 = \$39.57

2014 = (\$39.57 x 1.021) = \$40.40 x 2.95 = \$119.18

Administrative Support:

2013 = \$15.79

2014 = (\$15.79 x 1.021) = \$16.12 x 2.95 = \$47.55

* 2.95 is a factor recommended by EPA cost analyst as representative of labor related burdens experienced by EPA contractors.

The cost for each labor category was determined by first dividing the hourly labor rate by 60 minutes to obtain the per minute rate. Then, the per minute rate is multiplied by the minutes to complete each activity to obtain the cost.

EPA processed approximately 5 contract closeouts in the previous year using EPA Form 1900-10. As indicated above, each form takes 382.5 minutes, or about 6.3 hours to complete. The 5 yearly actions, multiplied by the cost to process one action, \$688.13, are used to determine the above annual cost burden to the respondents. The 5 yearly actions, multiplied by 6.3 hours equates to an annual hourly burden of 31.5 hours. The amount of time required to complete each of the tasks involved is based on consultations with contractors, contractor consultation with their subcontractors and Agency experience. Also respondents have pointed out that the complexity of the contract to be closed out and the timeliness of consulted subcontractors increases the amount of time needed to gather the required information. Most firms keep all of their financial data required for completion of this form in a computer database.

(ii) Estimating Capital and Operations and Maintenance Costs

Operating and Maintenance Costs, which include such items as file storage, photocopying, and postage, are minimal for this effort, and are estimated at \$12.00 per action for a total annual burden of \$60.00 (5 yearly actions x \$12.00).

5 Annual Respondents x \$12.00 O&M = \$60.00 Annual O&M Costs

(iii) Capital/Start-up Operating and Maintenance (O&M) Costs

Because it will not be necessary for respondents to acquire any capital goods to provide the requested information, EPA included no capital or start-up costs in the burden estimate.

6(c) Estimating Agency Burden and Cost

Annual agency burden is estimated at \$132.25. This takes 30 minutes per response at \$52.90 an hour for a cost of \$26.45 per respondent.

Once the Agency receives the information, it is reviewed by the employee conducting contract close-out. Annual Agency burden is estimated at \$132.25 calculated as follows:

<u>ACTIVITY</u>	<u>TIME REQUIRED</u>	<u>RATE</u>	<u>COST</u>
1. Review data against Agency records	30 minutes	\$52.90	\$26.45

5 Yearly Actions x \$26.45 cost = **\$132.25**

Generally, the individual closing out the contract is a GS-12 grade level. The wage rate was calculated by taking the GS-12 median hourly rate (\$33.06) and multiplying it by a factor of 1.6 to account for benefits (\$52.90). The cost per action was determined by first dividing the hourly labor rate by 60 minutes to obtain the per minute rate. Then the per minute rate is multiplied by the minutes to complete the review of one action to obtain the cost. As described above, 5 yearly actions were multiplied by the cost, \$26.45, to review an action in order to calculate the Agency burden.

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

EPA estimates that it will process approximately 5 respondent forms per year during the next three years for a total of 15 respondent forms. The average annual respondent burden and cost

over the next three years is estimated to be 31.875 labor hours multiplied by 3 years (for estimated 15 respondents total) for a total of 95.625 respondent burden hours.

6(e) Bottom Line Burden Hours and Cost Tables

(i) Respondent Tally

The average annual respondent burden for one year is estimated to be 31.875 labor hours (for estimated 5 respondents total) with a labor cost of \$3440.65.

	Respondents	Hours	Labor Cost	O&M Cost	Total Cost
Annual	5	31.875	\$3,440.65	\$60	\$3,500.65
3 Years	15	95.625	\$10,321.95	\$180	\$10,501.95

(ii) The Agency Tally

Annual agency cost is estimated at \$132.25.

	Agency Actions	Hours	Cost per Action	Total Cost
Annual	5	2.5	\$26.45	\$132.25
3 Years	15	7.5	\$26.45	\$396.75

6(f) Reasons for Change in Burden

There is a decrease of 48 hours in the total estimated respondent burden compared with the ICR currently approved by OMB. This is due to the decreased number of contracts closed in the past period. However, there has been an increase of individual respondent burden hours of 2.375 hours (142.5 minutes per response). The increase in the burden from the previous approval is based on the respondents' increased time needed per action due is likely due to the complexity of some of the contracts to be closed out and the timeliness of consulted subcontractors; which results in more information to be compiled and reviewed, as well as increases the amount of time needed to gather the required information.

6(g) Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 6 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or 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, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An

agency may not conduct or sponsor, and a person is not 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-2011-0997, which is available for online viewing at www.regulations.gov, or in person 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 at www.regulations.gov. This site can be used 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. When 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, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OARM-2011-0997 and OMB Control Number 2030-0016 in any correspondence.



**PA United States Environmental Protection Agency
Contractor's Cumulative Claim and Reconciliation**

OMB No. 2030 - 0016

1. Contractor's Address (include zip code)

2. Contract No.

3. Total amounts claimed under this contract (less disallowances concurred by the contractor and disallowances not subject to appeal) and approved on Public Vouchers Nos. to (including completion vouchers).

Item	Amount
Direct Labor	\$
Direct Material and Supplies	\$
Equipment	\$
Travel	\$
Subcontract Costs	\$
Other Direct Costs	\$
Consultant Fees	\$
Fixed Fee	\$
Indirect Costs (Total From Section 4)	\$
Total Amount Claimed	\$

4. Reconciliation of Indirect Costs Claimed. Record the amount of indirect costs calculated, for each cost center, using negotiated final indirect cost rate(s). Use provisional rate(s) if final rates are not negotiated for any fiscal year period(s). Use the reverse side of this form, if necessary, to display all years and cost centers.

	Cost Center				
FY					
Base					
Rate					
Indirect Costs					
FY					
Base					
Rate					
Indirect Costs					
FY					
Base					
Rate					
Indirect Costs					
Totals					

No monies or other benefits may be paid unless this report is completed and filed as required in the EPA billing instructions.

I certify that the information provided on this form and attachments thereto are accurate and complete. I acknowledge that any knowingly false or misleading information may be punishable by fine and/or imprisonment under applicable law.

Name and Title (Print or Type)

Signature

Date

Paperwork Reduction Act Notice

Public reporting burden for this collection of information is estimated to average 40 minutes per response, including the time for searching existing data sources, gathering and maintaining data, and completing and reviewing data. Send comments regarding this burden estimate or any other aspect of this collection of information (including suggestions for reducing this burden) to:

- (1) Manager, Policy and Oversight Service Center (mail code 3802R)
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460; and
- (2) Paperwork Reduction Project (OMB No. 2030-0016)
Office of Information and Regulatory Affairs
Office of Management and Budget
Washington, DC 20503.

	Cost Center				
FY					
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Indirect Costs					
Totals					

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