

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0010, PROGRESS PAYMENTS, SF 1443**

FAR Parts affected: 32, 52, 53

A. Justification.

1. Administrative requirements. Certain Federal contracts provide for progress payments to be made to the contractor during performance of the contract. The requirement for certification and supporting information are necessary for the administration of statutory and regulatory limitation on the amount of progress payments under a contract.

2. Uses of information. This information is used to determine the proper amount of payment to be made. The contractual requirement for submission of reports, certificates, financial statements and other pertinent information is necessary for protection of the Government against financial loss through making of progress payments.

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. A Notice published in the *Federal Register* at 80 FR 6970, on February 9, 2015. No comments were received.

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 25.2 minutes per completion. This downward change is attributable to productivity gains realized through technology, as well as a lower overall number of contracts with progress payment reporting requirements.

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|--------------------------------------|------------------|
| Estimated respondents/yr..... | 25,161 |
| Responses annually..... | <u>x 32</u> |
| Total annual responses..... | 805,152 |
| Estimated hrs/response..... | <u>x .42</u> |
| Estimated total burden/hrs..... | 338,164 |
| Averages wages/hr*..... | <u>x \$56.70</u> |
| Estimated cost to the public/yr..... | \$19,173,890 |

14. Estimated cost to the Government. Time required for Governmentwide review is estimated at 45 minutes per response.

Annual Reporting Burden and Cost

| | |
|-------------------------------|------------------|
| Reviewing time/hr..... | 75 |
| Responses/yr..... | <u>x 805,152</u> |
| Review time/yr..... | 603,864 |
| Average wages/hr*..... | <u>x 56.70</u> |
| Total Government cost/yr..... | \$34,239,089 |

*The average hourly wage is based on OMB Circular A-76 guidance for quantifying the cost of efforts: (1) the complexity level was deemed to be at the GS-12/5 level, so the fiscal year 2015 hourly rate was applied to the estimated hours; and (2) a 36.25% fringe and overhead burden was added to the hourly rate.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. This submission requests an extension of OMB approval of an information collection requirement in the Federal Acquisition Regulation (FAR). The information collection requirement in the FAR remains unchanged. However, the estimated total annual public hour and cost burden has decreased. The time required to read and prepare information is estimated at 25.2 minutes (less than one-half hour) per completion. This downward change is attributable to technology-driven productivity gains (based on data from Bureau of Labor Statistics, 1990-2013). The anticipated number of respondents has been reduced (from 27,000 to 25,161), as well, and is proportional to the lower number of Federal contracts overall.

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.