

**SUPPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION
9000-0189, Identification of Predecessors**

A. Justification

- 1. Administrative requirements.** FAR Case 2013-020, Information on Corporate Contractor Performance and Integrity, adds a new provision 52.204-20, Predecessor of Offeror to require each offeror to identify in the System for Award Management (SAM) on an annual basis, if the offeror is, within the last three years, a successor to another entity that received a Federal Government award and, if so, to provide the CAGE code and legal name of the predecessor. This requirement is to implement section 852 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) with regard to Federal contracts.
- 2. Use of information.** The information on predecessors, collected on an annual basis for inclusion in the annual representations and certifications in SAM, is used to identify such entities in the Federal Awardee Performance and Integrity Information System (FAPIIS) to allow retrieval of integrity and performance data on the most recent predecessor of an apparent successful offeror to whom award is anticipated. FAR 9.104-6 requires contracting officers to consult FAPIIS before awarding a contract in excess of the simplified acquisition threshold.
- 3. Consideration of information technology.** Improved information technology is used 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. This collection is not duplicative of any other information required from offerors.
- 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. In order to minimize burdens, the rule has been drafted to rely on information on ownership of offeror being required under a separate case, focusing only on direct owner and subsidiaries of the offeror, limits the review of predecessor entities to the prior three years, and only requires information on the most recent predecessor, if any.
- 6. Describe consequence to Federal program or policy activities if the collection is not conducted less frequently.** The information is entered in the SAM representations and certifications, so it need only be provided annually or when the information changes.

This is the minimum frequency required to keep the information up-to-date.

7. Special circumstances for collection. The collection is fully consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency. A 60-day notice was published in the *Federal Register* at 79 FR 71975, on December 4, 2014. Public comments were received from two respondents and each public comment was addressed. No changes were made in the final rule as a result of these comments. A 30-day notice was published in the *Federal Register* at 80 FR 66533 on October 29, 2015.

9. Explanation of any decision to provide any payment or gift to respondents other than remuneration of contractors or grantees. Not applicable.

10. Describe assurance of confidentiality provided to respondents. This information is disclosed only to the extent consistent with prudent business practices, current regulations.

11. Additional justification for questions of a sensitive nature. No questions of a sensitive nature are involved.

12.. Estimated total annual public hour burden.

Consistent with the analysis provided with OMB clearance 9000-0185, Federal procurement data shows that 2,020,767 offers were made on solicitations that resulted in 704,100 awards. There was an average of 2.87 offers made per solicitation that resulted in an award. Federal procurement data also shows that of the 704,100 awards, 144,184 were to unique contractors. Federal procurement data does not distinguish unique offerors. It is possible, but not likely, that 144,184 offers were made by unique contractors that resulted in 144,184 awards to unique contractors. It is possible, but not likely, that for each of 144,184 awards to unique contractors, the average of 2.87 offerors per solicitation would have been composed of unique offerors, totaling 413,800 unique offerors required to report under this burden. Without data available to show the average number of unique offerors, the Government is unable to accurately calculate the number of unique offerors. In order to ensure that the burden is not underestimated, the Government has elected to employ a methodology of estimating using 2.87 unique offerors as the average per unique award, resulting in the higher estimated total of 413,800 respondents. The number of responses per respondent is one as the reporting of information is done one time in the online SAM representations and certifications.

The Government estimates only .1 hours per response, because the offeror is only required to check one box, unless the offeror confirms that it is, within the last 3 years, a successor to an entity that had a Federal award. In such case, the offeror is requested to provide the CAGE Code and legal name of that entity.

Estimated respondents per year:	413,800
Responses per respondent:	<u>1</u>

Total annual responses:	413,800
Preparation hours per response:	<u>.1</u>
Total response burden hours:	41,380
Average Wage (\$30.81 + 36%)	<u>\$42*</u>
Total cost to respondents	\$ 1,737,960

13. There are no costs in addition to those shown in item 12 or 14.

14. Estimated Cost to the Government.

Total annual responses:	413,800
Preparation hours per response:	<u>.1</u>
Total response burden hours:	41,380
Average Wage (\$30.81 + 36%)	<u>\$42*</u>
Total cost to Government for entering data.	\$ 1,737,960

The time for contracting officers to review the data when making a responsibility determination is currently covered under OMB clearance 9000-0094.

* We used a rate equivalent to a GS-12, Step 3 or \$30.81/hour (from the 2012 OPM GS Salary Table), added overhead at 36 percent (the OMB-mandated burden rate for A-76 public-private competitions, rounded to the nearest percent), and rounded the average wage to the nearest whole dollar, or \$42/hour.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. This is a new information collection requirement, so there are no changes or adjustments.

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. Collection of Information Employing Statistical Methods. Statistical methods are not used in this information collection.