

**Supporting Statement
For Paperwork Reduction Act Submission
9000-0154, Construction Rate Requirements-Price Adjustment (Actual Method)**

A. Justification.

- 1. Circumstances that make the collection of information necessary.** The Federal Acquisition Regulation (FAR) clause at 52.222-32, Construction Rate Requirements-Price Adjustment (Actual Method), requires that a contractor must submit at the exercise of each option to extend the term of the contract, a statement of the amount claimed for incorporation of the most current wage determination by the Department of Labor (DOL), and any relevant supporting data, including payroll records, that the contracting officer may reasonably require. The contracting officer may include this clause in fixed-price solicitations and contracts, subject to the Construction Wage Rate Requirements statute, that will contain option provisions to extend the term of the contract.
- 2. Uses of information.** This information is used by Government contracting officers to establish the contract price adjustment for the construction requirements of the contract to reflect the contractor's actual increase or decrease in wages and fringe benefits due to incorporation of the DOL's Construction Wage Rate Requirements statute wage determination applicable at the exercise of an option to extend the term of the contract, or incorporation of a Construction Wage Rate Requirements statute wage determination otherwise applied to the contract by operation of law.
- 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 request for information does not duplicate any other requirement.
- 5. If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** The collections associated with small businesses are the minimum consistent with applicable DOL 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.** This information is collected on occasion, only when the Government exercises an option to extend the term of a contract containing this clause. Collecting this information less frequently would prevent application of the proposed method of price adjustment.
- 7. Special circumstances for collection.** No special circumstances for collection exist.
- 8. Efforts to consult with person outside the agency.** Under the procedures established for development of the FAR, agency and public comments were solicited before finalization of the

text. Two notices were published in the *Federal Register* at 80 FR 11205, on March 2, 2015, and at 80 FR 33495, on June 12, 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. The information collected will be disclosed only to the extent consistent with prudent business practices, and current laws and 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.

The annual total burden hours as follows:

We discussed the burden requirements of this clause with construction experts in various agencies. There is no centralized database that maintains statistics on the number of contractors that request price adjustments using the subject clause. Where definitive information was available, we used it. In those instances where definitive information was not available, we relied on the judgment of the construction experts.

The prescribed clause 52.222-32 at FAR 22.407(g) is for optional use in fixed-price solicitations and contracts, subject to the Construction Wage Rate Requirements statute, that contain option provisions to extend the term of the contract. Generally, this clause is only appropriate if contract requirements are predominantly services subject and the construction requirements are substantial and segregable.

The burden addressed in this information collection requirement is the burden of compiling and submitting the required information. The contractor is already required by law to keep payroll records and other supporting data. Real property experts indicate that there is no database that maintains statistics on the number of contractors that use this clause to seek a price adjustment. FPDS indicates that 8,422 construction contractors in FY 2013 could potentially have had contracts with recurring options. However, we believe there are only approximately 10% of these that would contain the subject clause, since most would not have a price adjustment clause, and there are other FAR prescribed price adjustment clauses.

Estimated respondents/yr.....	842
Annual responses.....	<u>x 1</u>
Total annual responses.....	842
Estimated hrs/response.....	<u>x 40</u>
Estimated total burden/hrs.....	33,680
Average wages (\$48.35+32.85%).....	<u>x \$64.23</u>
Estimated annual cost to public.....	\$2,163,266
Cost per response.....	\$2569.20

14. Estimated annual cost to the Government.

The estimated cost of \$48.35 per hour is based on the equivalent of a GS-13, step 5 salary plus 32.85 percent burden.

Responses/yr.....	842
Reviewing time/response.....	<u>x 5</u>
Review time/yr.....	4210
Average wages (\$50+32.85%).....	<u>x \$64.23</u>
Total cost to Government.....	\$270,408

The estimated cost of \$48.35 per hour is based on the equivalent of a GS-13, step 5 salary plus 32.85 percent burden.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. No change is being made.

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 Statistical Methods of Information Employing Statistical Methods.

Statistical Methods are not used in this information collection.