

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0152, SERVICE CONTRACTING**

A. Justification.

1. **Administrative requirements.** This collection of information covers Federal Acquisition Regulation (FAR) coverage that requires that offerors when submitting a proposal responding to a solicitation estimated at \$100,000 or more, for services being acquired on the basis of the number of hours to be provided, must identify uncompensated overtime hours, in excess of 40 hours per week, whether at the prime or subcontract level. This includes uncompensated overtime hours that are in the indirect cost pools for personnel whose regular hours are normally charged direct. This language implements the statutory requirements of Sec. 834, Public Law 101-510 (10 U.S.C. 2331). These policies are implemented in the FAR at 37.115, Uncompensated Overtime and prescribed in FAR provision 52.237-10, Identification of Uncompensated Overtime.

2. **Uses of information.** The information will be collected once from the offeror when submitting a proposal where uncompensated overtime is proposed. The information is used by government contracting officers when conducting the cost realism analysis of proposed labor rates for professional and technical services. Proposals which include unrealistically low labor rates, or which do not otherwise demonstrate cost realism, will be considered by the contracting officer in a risk assessment and evaluated appropriately. The primary purpose for obtaining the information and using it during the source selection process is to discourage the use of uncompensated overtime in proposals from the professional and technical services industry.

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 issued under the 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 provision regarding uncompensated overtime applies equally to large and small business entities and provides an additional method to improve the Government's ability to acquire services of the requisite quality and to assess contractor performance and price. Because both large and small business concerns must be dealt with equally in this matter, we believe that the rule does not create a disproportionate burden on small entities.

6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. Absent this information, contracting officers would not be able to perform an adequate cost realism assessment of offerors' proposed labor rates.

7. Special circumstance for collection. Collection is consistent with the 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 80 FR 43778 on July 23, 2015. No comments were received. A 30-day notice was published in the *Federal Register* at 80 FR 61817 on October 14, 2015. No comments were received.

9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractor or grantees. There are no plans to provide any payments or gifts to respondents.

10. Describe assurance of confidentiality provided to respondents. This information will be disclosed only to the extent consistent with prudent business practices and current regulatory and statutory requirements.

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

12. Estimated total annual public hour burden. The burden placed on offerors is the time required to identify and support any hours in excess of 40 hours per week included in their proposal or subcontractor's proposal. It is estimated

that there will be 17,500 service contracts awarded annually at \$100,000 or more, of which 65 percent or 11,375 contracts will be competitively awarded. About 7 proposals will be received for each contract award. Of the total 79,625 (11,375 x 7) proposals received, only 25 percent or 19,906 proposals are expected to include uncompensated overtime hours. It is estimated that offerors will take about 30 minutes to identify and support any hours in excess of 40 hours per week included in their proposal or subcontractor's proposal. Estimated cost per response is \$22.30.

Number of respondents:	19,906
No. of responses per respondent:	<u>X 1</u>
Total annual responses:	19,906
Hours per response:	<u>X .50</u>
Total hours:	9,953

13. Estimated total annual public cost burden.

Total annual public hours:	9,953
Average cost per hour:	<u>x32.73¹</u>
	\$325,762
Benefits and overhead:	<u>+ 36.25%²</u>
Total annual cost to public:	\$443,851

14. Estimated annual cost to the Government. It is estimated that Government contracting officers will take about 15 minutes to review the offerors' proposals and ascertain the cost realism of the proposed labor rates.

Number of responses:	19,906
Average hours per response:	<u>x .25</u>
Total hours:	4,977
Average cost per hour:	<u>x\$32.73</u>
	\$162,897
Benefits and overhead:	<u>+ 36.25%</u>
Total annual cost to government:	21,947

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 FAR. The information collection requirement in the FAR remains unchanged.

¹ The cost of \$32.73 per hour is based on a GS-12 Step 5 salary (Base GS Salary Table 2012).

² The 36.25% fringe benefit rate is derived from OMB Memorandum M-08-13, dated March 11, 2008.

16. **Outline plans for published results of information collections.** Results of this collection will not be 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 will not be employed.