

OMB CONTROL NUMBER 0704-0397
Supporting Statement

A. Justification

1. Requirement. This is a request for extension of OMB Control Number 0704-0397 that expires on August 31, 2015. The OMB 0704-0397 clearance covers Defense Federal Acquisition Regulation Supplement (DFARS) part 243, Contract Modifications, and the related clause at DFARS 252.243-7002, Requests for Equitable Adjustment. DFARS 252.243-7002 implements 10 U.S.C. 2410(a), Requests for Equitable Adjustment or Other Relief: Certification, which requires a contractor to certify, at the time of submission, that its request for equitable adjustment is made in good faith and that the supporting data are accurate and complete to the best of the contractor's knowledge and belief. The clause also clarifies the requirement for full disclosure of all relevant facts.

2. Purpose. The information submitted under the clause at DFARS 252.243-7002 is used by DoD contracting officers and auditors to evaluate requests for equitable adjustment.

3. Information Technology. Improved information technology is used to the maximum extent practicable. Where both the DoD and contractors are capable of electronic interchange, this information collection requirement may be submitted electronically.

4. Duplication. As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) and the DFARS to determine if adequate language already exists. This request for information does not duplicate any other requirement.

5. Small Business. The collections associated with small businesses are the minimum consistent with applicable laws, regulations, and prudent business practices.

6. Consequences for Non-Collection or Less Frequent Collection. This information is collected on occasion, only when the contractor determines to request an equitable adjustment to the contract price. Collecting this information less frequently would not comply with the certification requirements of 10 U.S.C. 2410(a).

7. Special Circumstances. The information will not be collected in a manner that requires an explanation of special circumstances.

8. Public Comments and Consultation. Public comments on the information collection requirement were solicited in the Federal Register on March 12, 2015 ([80 FR 12986](#)). No comments were received in response to the Federal Register notice.

9. Payment to Respondents. No payment or gift will be provided to respondents to this information collection requirement.

10. Confidentiality. The information collected will be disclosed only to the extent consistent with prudent business practices, current regulations, and in accordance with the requirements of the Freedom of Information Act. No assurance of confidentiality is provided to respondents.

11. Sensitive Questions. No sensitive questions are involved.

12. Estimate of Public Burden Hours and Associated Annual Cost.

The number of respondents and responses estimated for the collection of information and the resulting number of annual burden hours and cost to respondents were derived based on information obtained from the Federal Procurement Data System (FPDS). Estimates of processing times were validated with contracting professionals familiar with the process.

The clause at DFARS 252.243-7002, Requests for Equitable Adjustment, is prescribed at DFARS 243.205-71 for use in all solicitations and contracts estimated to exceed the simplified acquisition threshold (currently \$150,000). The clause requires the preparation and submission of a certification that the supporting data are accurate and complete when requesting an equitable adjustment. The clause also requires contractors to fully disclose all facts relevant to the requests for adjustment. The burden addressed in this information collection is the burden of preparing and submitting data, when required, and for certifying the data in support of a request for equitable adjustment.

For actions between the simplified acquisition threshold and the \$750,000 threshold, the estimated burden is calculated to include the time to prepare the data to support a request for equitable adjustment as well as to prepare and submit the accompanying certification.

The costs associated with the preparation and certification of cost or pricing data for contracts in excess of \$750,000 are addressed in the information collection associated with the FAR

clause, 52.215-21, Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data—Modifications. (See 9000-0013.) Therefore, the estimated cost and burden associated with the DFARS clause, when the contractor's request for an equitable adjustment is over \$750,000, includes only an estimate of the cost and burden to execute the certification requirement under the DFARS clause.

We estimate that there will be approximately 520 requests for equitable adjustment annually based on the number of modifications in FPDS described as an equitable adjustment action. Of this total, we estimate that approximately 55 percent, or 180, of the requests for equitable adjustment will be in excess of \$750,000 and 148 are between the simplified acquisition threshold and \$750,000.

Amount of Request	<u>\$150,000- \$750,000</u>	<u>≥ \$750,000</u>	<u>Total</u>
Respondents	148	180	328
Responses/respondent	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>
Responses	234	286	520
Hours per response	<u>.10</u>	<u>.5</u>	<u>4.8</u>
Total hours	2,340	143	2,483
Cost per hour			x <u>38</u>
Total annual cost to public			\$94,354

13. Estimated non-recurring cost. We estimate no cost burden other than the hourly burden shown in Item 12.

14. Estimated of Annual Cost to the Government.

We estimate the annual cost to the Government to review and analyze the responses to this information collection requirement to be approximately 100 hours per response up to \$750,000. Above \$750,000, certified cost or pricing data is generally required under FAR clause 52.215-21; therefore the review necessitated by the DFARS clause is minimal and is estimated at 0.5 hours per response.

Amount of Request	<u>\$150,000- \$750,000</u>	<u>≥ \$750,000</u>	<u>Total</u>
Responses	234	286	520
Hours per response	<u>100</u>	<u>.5</u>	<u>45</u>
Total hours	23,400	143	23,543
Cost per hour			x <u>\$38</u>
Total annual cost to government			\$894,634

15. Reason for changes in burden.

The annual public burden estimate for this information collection of 2,483 hours has increased from the prior 2012 estimate of 2,120 hours because of the use of more current data. The increase in burden hours of 363 hours results from an increase in the number of responses estimated for this renewal effort. The estimates used in calculating the current burden reflect the most recent data available from FPDS for fiscal year 2014. The FPDS data reflect that there were 520 modifications coded as equitable adjustments for actions that exceeded the simplified acquisition threshold. This is an 18% increase to the previous estimate for the prior renewal cycle, where 440 total responses were reported.

16. Expiration date. We do not seek approval not to display the expiration date for OMB approval of the information collection.

17. Certifications. There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. Collections of Information Employing Statistical Methods. Results will not be tabulated. Statistical methods will not be employed.