

**SUPPORTING STATEMENT FOR
INFORMATION COLLECTION, OMB CONTROL NO. 9000-0007
SUBCONTRACTING PLANS/SUMMARY
SUBCONTRACT REPORT and SSR**

A. Justification.

1. Administrative requirements. In accordance with Federal Acquisition Regulation 19.702, any contractor receiving a contract for more than the simplified acquisition threshold must agree in the contract that small business, small disadvantaged business, historically underutilized business zone (HUBZone) small business, veteran-owned small business, service-disabled veteran-owned small business, and women-owned small business concerns will have the maximum practicable opportunity to participate in contract performance consistent with its efficient performance. Further, contractors receiving a contract exceeding, or a modification that would cause a contract to exceed, \$700,000 (\$1,500,000 for construction) must submit a subcontracting plan that provides maximum practicable opportunities for the above named concerns. Specific elements required to be included in the plan are specified in section 8(d) of the Small Business Act, and are implemented in FAR Subpart 19.7.

In conjunction with the subcontracting plan requirements, contractors must submit an annual summary of subcontracts awarded by prime and subcontractors for a specific Federal Government agency that required an individual subcontracting plan for the previous fiscal year. This is accomplished through the use of the Standard Form 295, Summary Subcontract Report, or the Summary Subcontract Report (SSR), the electronic equivalent of the of the Standard Form 295, submitted through the Electronic Subcontracting Reporting System.

Contractors must use the SSR in lieu of the SF 295.

2. Uses of information. A satisfactory subcontracting plan is required before a contract exceeding \$700,000 (\$1,500,000 for construction) can be awarded. The contracting officer must examine the information in the proposed plan to determine if the plan is in compliance with the Small Business Act and the FAR. In addition, the information is used for policy and management control purposes. Information submitted on Standard Form 295 is used to assess contractors' compliance with their subcontracting plans.

3. Consideration of information technology. Contractors are using the Electronic Subcontracting Reporting System. The eSRS is an electronic, web-based system for subcontract reporting that replaces the manual paper forms (SF 294) and provides a single point of entry for subcontracting requirements and reports. ESRS implements a real time contract retrieval interface with the Federal Procurement Data System (FPDS). The interface also permits contractors to entire their contract number into eSRS and have the data retrieved from the System for Award Management when the Data Universal Numbering System (DUNS) number is entered.

4. Efforts to identify duplication. This requirement is 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. Small businesses are not required to submit subcontracting plans or reports.

6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. Reporting the Summary Subcontract Report for Commercial Products Plans is done annually using eSRS. Without the proposed information collection, the Federal Government will lack sufficient data pertaining to the use of small business concerns and the various socioeconomic categories under the small business program.

7. Special circumstances for collection. Collection of information related to the plan must be done prior to award of the contract. Under sealed bid solicitations, plans must be submitted with bids so that all firms can be evaluated equally. Plans under negotiated acquisitions may be required only from the firm(s) being considered for award or, if the contracting officer determines it necessary, submitted with initial offers. Collection is generally 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 80 FR 32909, on June 10, 2015. No comments were received on this information collection. A 30-day notice was published in the *Federal Register* at 80 FR 66532 on October 29, 2015.

9. Explanation of any decision to provide any payment or gift to respondents, other than reenumeration 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 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 for reading, preparing information and data entry into eSRS is estimated as follows:

Estimated respondents.....	59,336
Average responses annually.....	<u>1</u>
Total annual responses.....	59,336
Estimated hrs/response.....	9.0 hrs
Total hours for SSR.....	534,024

Hourly rate.....\$30
 Total cost.....\$16,020,720

Task is expected to be accomplished by midlevel personnel equivalent to a GS-9, step 5, salary. Wages based on the equivalent of a GS-9, Step 5, of \$22.80, plus overhead of 33%, rounded to the nearest dollar.

14. Estimated cost to the Government.

Annual Recordkeeping Burden and Cost

Number of responses per year.....59,336
 Hours per response.....1
 Total hours.....59,336
 Hourly rate (including overhead) x\$30
 Total cost..... \$1,780,080

Task is expected to be accomplished by midlevel personnel equivalent to a GS-9, step 5, salary. Wages based on the equivalent of a GS-9, Step 5, of \$22.80, plus overhead of 33%, rounded to the nearest dollar.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14.

The FAR is revised to require a subcontracting plan for modifications of any value if the modification will cause the contract to exceed the threshold for requiring a plan and when subcontracting opportunities exist as well as to give contracting officers the discretion to require a plan when a small business prime contractor rerepresents as an other than small on the contract. These revisions require an adjustment to the number of annual respondents. The overall adjustments for this reporting requirement have changed significantly.

Since the revisions to the FAR will not require additional information in Summary Subcontract Reports, the hours per SSR remains unchanged at 9.0.

It is estimated that the revisions to the FAR will result in 1135 more subcontracting plans per year. There were 884 contracts in fiscal year (FY) 2013 where the small business contractor rerepresented as an other than small business; this figure is an overestimation of the impact of the revision to the FAR since this figure includes contracts valued at below the subcontracting plan threshold (e.g. \$700,000). There is estimated to be 251 contracts awarded in FY 2013 with values below the subcontracting plan threshold that were subsequently modified to cause the value of the contract to exceed the subcontracting plan threshold; the estimate is based on taking the 176 DoD contracts that actually fall under this criteria and, making an assumption that the civilian agencies account for 30% of the total federal spend, adding 75 to arrive at the total number of contracts awarded in FY2013 valued at below the threshold that were subsequently modified to increase the value of the contract to exceed the subcontracting plan threshold.

However, a downward adjustment is being made to the overall number of respondents to reflect a new basis for estimation. The 129,009 figure used in calculating the annual reporting burden published in 2013 was based on FPDS data and was meant to reflect contracts that were awarded in FY 2011 where the requirements for a subcontracting plan *would* apply. For the current estimation, the number of respondents is based on the *actual* number of contracts awarded with subcontracting plans in the past 15 years: 58,201. A period of 15 years is being used for the estimation because contracts and their subcontracting plans are in existence for more than a single year and so the annual burden should not only take into account contracts awarded in any particular year with a subcontracting plan, but also those contracts with subcontracting plans that are still active in that particular year. This results in a total of 59,336 respondents per year (1135 + 58,201).

The revisions to the FAR and the new basis for estimation of number of respondents will result in a total of 534,024 hours for Summary Subcontract Reports, a decrease of 627,057 hours from the annual reporting burden published in the Federal Register at 78 FR 17671, on March 22, 2013 (1,161,081 hours).

16. Outline plans for published results of information collections. Results will be collected by and available through the Federal Procurement Data Center.

17. Approval not to display expiration date. Not applicable.

18. A. Explanation of exception to certification statement. Not applicable.

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