

**SUBMISSION FOR OMB REVIEW
OMB CONTROL NO. 9000-0190;
Prohibition on Contracting With Inverted Domestic
Corporations–
Representation and Notification
SUPPORTING STATEMENT
(FAR Case 2015-006)**

A. SUPPORTING STATEMENT

1. Administrative requirements.

This is a request for a new information collection requirement. DoD, GSA, and NASA are issuing a final rule consistent with section 745 of Division D of the Consolidated Appropriations Act, 2008 (Pub. L. 110-161) and similar provisions in subsequent appropriations acts through the present. Use of funds appropriated or otherwise made available by any Act of Congress is prohibited for contracting with any foreign incorporated entity that is treated as an inverted domestic corporation, or with a subsidiary of such a corporation.

This statutory requirement is implemented by–

a. FAR 52.209-2, Prohibition on Contracting with Inverted Domestic Corporations–Representation. Paragraph (d)(2) requires each offeror to represent whether it is, or is not, an inverted domestic corporation or a subsidiary of an inverted domestic corporation; and

b. FAR 52.209-10, Prohibition on Contracting with inverted Domestic Corporations. Paragraph (c) requires the contractor to promptly notify the contracting officer in the event the contractor becomes an inverted domestic corporation or a subsidiary of an inverted domestic corporation.

2. Use of information. Federal agencies will use this information to comply with the prohibition against contracting with inverted domestic corporations.

3. Use of information technology. Improved information technology will be used to the maximum extent practicable. Where offerors or contractors have automated systems that contain the information needed to report this requirement, they may submit the information in formats that are compatible with the automated systems. The responses to this representation will be included in the annual representations

and certifications in the System for Award Management (SAM).

4. Describe efforts to identify duplication. As a matter of policy, DoD reviews the Federal Acquisition Regulation to determine if adequate language already exists. This information collection does not duplicate any other requirement.

5. If the collection of information impacts small businesses (item 5) describe any methods used to minimize the burden. The information collection associated with small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

6. Describe the consequences to Federal activities if the collection is not conducted or is conducted less frequently.

The information will be collected annually, unless an offeror's circumstances change. Less frequent collection of the information would not provide current information upon which to base source selection.

7. Special circumstances for collection. Collection is consistent with the guidelines in 5 CFR 1320.5(d). The information will not be collected in a manner that requires an explanation of special circumstances.

8. Efforts to consult with persons outside the agency. FAR Case 2014-006; Prohibition on Contracting With Inverted Domestic Corporations—Representation and Notification; proposed rule published in the Federal Register at 79 FR 74558 on December 15, 2004. No comments were received. A second information collection notice was published in the Federal Register at 80 FR 34158 on June 15, 2015. No comments were received.

9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees. No payment or gift will be provided to respondents, other than remuneration of contractors or grantees.

10. Describe assurance of confidentiality provided to respondents. The information collected will be disclosed only to the extent consistent with prudent business practice, current regulations, and statutory requirements. No assurance of confidentiality is provided to respondents.

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

12. Estimated total annual public hour burden. Burden hours on the public.

a. Based on the number of active registrants for contracts in SAM, DoD, GSA, and NASA estimate the following burden hours associated with 52.209-2(d)(2):

Number of respondents.....	352,000
Responses per respondent.....	<u>X 1</u>
Responses.....	52,000
Hours per response.....	<u>X 0.2</u>
Hours.....	70,400

Average wages: \$50*
Public cost: \$3,520,000.

* Based on a GS-13, step 3 (equivalent) salary (\$37), plus 36.25 percent burden, rounded to nearest dollar.

b. Based on the estimates of acquisition professionals., DoD, GSA, and NASA estimate the following burden hours associated with 52.209-10(c):

Number of respondents	2
Responses per respondent.....	<u>X 1</u>
Responses	2
Hours per response	<u>X 5</u>
Hours	10

Average wages: \$75*
Public cost: \$750.

* Based on a GS-15, step 5 (equivalent) salary (\$55), plus 36.25 percent burden, rounded to nearest dollar.

c. Total

Respondents	352,000
Responses per respondent.....	<u>X 1</u>
Responses	352,002
Hours per response	<u>X 0.2</u>
Hours.....	70,400

Average wages: Approximately \$50
Public cost: \$3,520,750.

13. Estimated total annual public cost burden. DoD, GSA, and NASA do not estimate any annual cost burden apart from the hour burden in Item 12.

14. Estimated cost to the Government. DoD, GSA, and NASA estimate that it will take the Government an average of .01 hours to review and process the information in each response identified in paragraph 12.a. and 5 hours to review and process the information in each response identified in paragraph 12.b.

The estimated annual cost to the Government is as follows:

a. 52.209-2(d)(2)

Responses.....	352,000
Hours per responses.....	<u>x 0.01</u>
Hours.....	3,520

Average wages: \$50*
Total cost to Govt: \$176,000.

b. 52.209-10(c)

Responses.....	2
Hours per response.....	<u>x 5</u>
Hours.....	10

Average wages: \$75*
Total cost to Govt: \$750.

c. Total:

Responses.....	352,002
Hours per response.....	<u>x 0.01</u>
Hours.....	3,530

Average wages: Approximately \$50 (composite)
Total cost to Govt: \$176,750.

* Based on a GS-13, step 3 salary (\$37), plus 36.25 percent burden, rounded to the nearest dollar.

** Based on a GS-15 step 5 (\$55), plus 36.25 percent burden, rounded to the nearest dollar.

15. Explain reasons for program changes or adjustment reported in Item 13 or 14. This is a new information collection requirement.

16. Outline plans for published results of information collection. Results of this information collection will not be tabulated or published.

17. Approval not to display expiration date. DoD does not seek approval to not display the expiration dates for OMB approval of the information collection.

18. A. Explanation of exception to certification statement. There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. Collections of Information Employing Statistical Methods

Statistical methods will not be employed.