

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0071, PRICE REDETERMINATION**

A. Justification.

1. **Administrative requirements.** FAR 16.205, Fixed-price contracts with prospective price redetermination, provides for firm fixed prices for an initial period of the contract with prospective redetermination at stated times during performance. FAR 16.206, Fixed price contracts with retroactive price redetermination, provides for a fixed ceiling price and retroactive price redetermination within the ceiling after completion of the contract. In order for the amounts of price adjustments to be determined, the firms performing under these contracts must provide information to the Government regarding their expenditures and anticipated costs. The contracting officer shall, when contracting by negotiation, insert the clause at 52.216-5, Price Redetermination-Prospective, in solicitations and contracts when a fixed-price contract is contemplated.
2. **Uses of information.** The information is used to establish fair price adjustments to Federal contracts.
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. It is estimated that 10% are submitted electronically.
4. **Efforts to identify duplication.** This requirement is being 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.** The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, 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.** Collection of information on a basis other than solicitation-by-solicitation is not practical.
7. **Special circumstances for collection.** Collection is consistent with guidelines in 5 CFR 1320.6.
8. **Efforts to consult with person outside the agency.** A 60-day notice was published in the *Federal Register* at 80 FR 81533, on December 30, 2015. No comments were received. A 30-day notice was published in the *Federal Register* at 81 FR 11796 on March 7, 2016.
9. **Explanation of any decision to provide any payment or gift to respondents, other than remuneration 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 hours and cost burden.** FY 2014 FPDS data shows that 139 unique vendors were awarded Fixed-Price Redetermination contracts. Past collections have shown that each vendor responded on average 9 times a year. Time required to read and prepare information is estimated at 8 hours per completion. Average wages are for a GS-9, Step 5, base rate from the 2015 OPM salary table.

Annual Public Burden and Cost

Number of respondents.....	139
Number of responses per respondent.....	<u>x 9</u>
Total responses.....	1,251
Preparation time per response.....	<u>x 8</u>
Total burden hours.....	10,008
Average wages	(\$ 28.60 + 36.25% OH) <u>x \$39.00</u>
Estimated cost to the public.....	\$ 390,312

*The estimated cost per response is approximately \$312

[* Based on the salary table for GS-9/step 5 salary (\$28.60 an hour) plus 36.25 percent burden, rounded to the nearest dollar, or \$39 an hour. The burden rate used is that mandated by OMB memorandum M-08-13 for use in public-private competition, as updated by OMB for the current year. Reference Salary Table 2015-GS, Effective January 2015, found at www.opm.gov.]

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 2 hours per response.

Annual Reporting Burden and Cost

Total responses.....	1,251
Review time per response.....	<u>x 2</u>
Total burden hours.....	2,502
Average wages and overhead.....	(\$28.60 + 36.25% OH) <u>x \$39.00</u>
Total Government cost.....	\$97,578

[* Based on the salary table for GS-9/step 5 salary (\$28.60 an hour) plus 36.25 percent burden, rounded to the nearest dollar, or \$39 an hour. The burden rate used is that mandated by OMB memorandum M-08-13 for use in public-private competition, as updated by OMB for the current year. Reference Salary Table 2015-GS, Effective January 2015, found at www.opm.gov.]

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 Federal Acquisition Regulation (FAR). The public annual number of responses has decreased due to the change in the number of respondents based on FY 2014 FPDS data.

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