

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0082, ECONOMIC PURCHASE QUANTITY—SUPPLIES**

A. Justification.

1. **Administrative requirements.** The provision at 52.207-4, Economic Purchase Quantity—Supplies, invites offerors to state an opinion on whether the quantity of supplies on which bids, proposals, or quotes are requested in solicitations is economically advantageous to the Government. Each offeror who believes that acquisitions in different quantities would be more advantageous is invited to (1) recommend an economic purchase quantity, showing a recommended unit and total price, and (2) identify the different quantity points where significant price breaks occur. This information is required by Public Law 98-577 and Public Law 98-525.
2. **Uses of information.** The information is used by contracting officers, inventory managers, and requirements development activities to avoid acquisitions in disadvantageous quantities and to develop a database for future acquisitions of the items of supply.
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 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 generally 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 81532, on December 30, 2015. No comments were received. A 30-day notice was published in the *Federal Register* at 81 FR 13368 on March 14, 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.**

The estimated number of respondents of 3,000 remains unchanged. The estimated number of responses (25) is unchanged. The estimated number of responses remains as a valid assumption for the average among small and large companies providing the information for this collection. The estimated hours per response remains at one hour.

Estimated respondents/yr.....	3,000
Responses annually.....	<u>x 25</u>
Total annual responses.....	75,000
Estimated hrs/response.....	<u>x 1</u>
Estimated total burden/hrs.....	75,000
Estimated cost to public (\$33.72 ¹ + 36.45% OH ²).....	\$3,450,821

*The estimated cost per response is \$46.01.

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 1 hour per response.

Annual Reporting Burden and Cost

Reviewing time/hr.....	1
Responses/yr.....	x <u>75,000</u>
Review time/yr.....	75,000
Average wages/hr(\$33.72).....	<u>x \$33.72</u>
Total Government cost.....	\$2,529,000

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). Costs are adjusted based on an update to the wage rates for the personnel preparing or reviewing the information.

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.

¹ The cost of \$33.72 per hour is based on a GS-12 Step 5 Salary (Base GS Salary table 2016)

² The 36.45% fringe benefit rate is derived from Circular No. A-76, Revised Supplemental handbook (Memorandum M-07-02 dated October 31, 2007).

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