

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0026, CHANGE ORDER ACCOUNTING**

A. Justification.

1. **Administrative requirements.** FAR 43.205 allows a contracting officer, whenever the estimated cost of a change or series of related changes exceeds \$100,000, to assert the right in the clause at FAR 52.243-6, Change Order Accounting, to require the contractor to maintain separate accounts for each change or series of related changes. Each account shall record all incurred segregable, direct costs (less allocable credits) of work, changed and unchanged, allocable to the change. These accounts are to be maintained until the parties agree to an equitable adjustment for the changes or until the matter is conclusively disposed of under the Disputes clause. This requirement is necessary in order to be able to account properly for costs associated with changes in supply and research and development contracts that are technically complex and incur numerous changes.

2. **Uses of information.** The accounts to be maintained by the contractor are used to determine the equitable adjustment to the contract as a result of the Government-ordered change.

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 consistent with guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency.**

A notice was published in the *Federal Register* at 81 FR 3420 on January 21, 2016. One comment was received. The following is an analysis of the public comments:

Comment: The commenter seeks to collect additional data regarding the timeliness of action by the Contracting Officer with respect to an ongoing construction project that is not currently required by FAR clause 52.205, Change Order Accounting.

Response: This comment is out of scope because the commenter wants to increase the quantity of required information collected. To increase the requirement would necessitate a change to the clause itself within the FAR. The respondent did not express an opinion on whether the stated number of burden hours is out of sync with what they believe to be the actual number of hours a contractor expends to comply with the clause.

9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or guarantees. 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 questions of a sensitive nature. No sensitive questions are involved.

12 & 13. Estimated total annual public hour and cost burden.

Annual Reporting Burden

	52.243-6
Number of Respondents	8,850
Responses per Respondent	12
Annual Responses	106,200
Hours per Response	1
Total Hours	106,200
Cost per Hour	\$ 46
Total Annual Cost to Public	\$ 4,885,200

Note: The cost per hour is based on the equivalent hourly pay rate for a GS-12, Step 5, or \$33.72 (from the OPM Salary Table for 2016) plus overhead at 36.25 percent (from the OMB-mandated burden rate to be used for A-76 public-private competitions), or \$45.94, rounded to the nearest whole dollar, or \$46.

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

Annual Reporting Burden and Cost

	52.243-6
Reviewing Time/Hour	1
Responses per Year	8,850
Review Time per Year	8,850
Cost per Hour	\$ 46
Total Annual Cost to Government	\$ 407,100

Note: The cost per hour is based on the equivalent hourly pay rate for a GS-12, Step 5, or \$33.72 (from the OPM Salary Table for 2016) plus overhead at 36.25 percent (from the OMB-mandated burden rate to be used for A-76 public-private competitions), or \$45.94, rounded to the nearest whole dollar, or \$46.

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 FAR. The information collection requirement in the FAR is reduced significantly. The reduction was possible because the improvement in Generally Accepted Accounting Principles (GAAP), the use of FAR cost principles (FAR subpart 31.2), and expanded use of Cost Accounting Standards (CAS) enable the Government, in most cases, to account for the cost of changes without having to resort to change order accounting.

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.