

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION 9000-0068  
ECONOMIC PRICE ADJUSTMENT**

**A. Justification.**

1. **Administrative requirements.** FAR 16.203, Fixed-price contracts with economic price adjustment, and associated clauses at 52.216-2, 52.216-3, and 52.216-4 provide for upward and downward revision of the stated contract price upon occurrence of specified contingencies. In order for the contracting officer to be aware of price changes, the firm must provide pertinent information to the Government.
2. **Uses of information.** The information is used to determine the proper amount of price adjustments required under the contract.
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 person outside the agency.** A 60-day notice was published in the Federal Register at 81 FR 3420 on January 21, 2016. No comments were received. A 30-day notice was published in the Federal Register at 81 FR 21870 on April 13, 2016.
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 for questions of a sensitive nature.** No sensitive questions are involved.

**12 & 13. Estimated total annual public hours and cost burden.**

Annual Public Burden and Cost

Number of respondents.....	4,497
Number of responses per respondent.....	<u>x 1</u>
Total responses.....	4,497
Preparation time per response.....	<u>x 1.5</u>
Total burden hours.....	6,746
Labor Rate.....	<u>x \$46</u>
Estimated cost to the public.....	\$310,316
Affected Public: Businesses or other for-profit and not-for-profit institutions.	
Frequency: On occasion.	

Note: The labor rate of \$33.72 per hour is based on a GS-12 Step 5 salary (Base GS Salary Table 2016).  $\$33.72 \times .3625 = \$45.94$  rounded to \$46. The 36.25% fringe benefit rate is derived from OMB Memorandum M-08-13, dated March 11, 2008. The total cost per response is approximately \$69.

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

Annual Reporting Burden and Cost

Total annual responses.....	4,497
Review time per response.....	<u>x 1</u>
Total burden hours.....	4,497
Labor Rate.....	<u>\$46</u>
Total Government cost (hrs x \$32.73/hr + 36.25% OH)..	\$206,862

**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 remains unchanged, except for the use of more current wage rate information. The estimated annual reporting burden has decreased from what was published in the Federal Register at 78 FR 12318, on February 22, 2013. The estimated total burden hours has decreased from 11,945 to 4,497. The downward adjustment is based on information from the Federal Procurement Data System. The number of responses is adjusted from 11,945 to 4,497 based on FPDS data, and the estimated hours per response of 1.5 hours remains the same. The 1.5 hours allows for additional time to meet the requirements under the relevant clauses.

**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