

**SUPPORTING STATEMENT FOR PAPERWORKREDUCTION ACT SUBMISSION
9000-0115, NOTIFICATION OF OWNERSHIP CHANGES**

A. Justification.

1. Administrative requirements. Federal Acquisition Regulation (FAR) 52.215-19, Notification of Ownership Changes, provides that contractors shall notify the Administrative Contracting Officer when the contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records. The FAR cost principles at 31.205-52, Asset valuations, addresses the allowability of certain costs resulting from asset valuations following business combinations. In order to administer that cost principle adequately, notice of changes of ownership are necessary. The referenced contract clause, Notification of Ownership Changes, establishes the responsibility for a contractor to notify the Government in the event of an ownership change.

2. Uses of information. The notification of ownership change required by the clause will enable the Government to determine properly allowable costs in a timely manner.

3. Consideration of information technology. This collection requires notification “in writing” and the FAR definition “in writing” does not preclude electronic transmission. This collection is GPEA compliant.

4. Efforts to identify duplication. This requirement was 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. Similar information is not already available to the contracting officer or buyer.

7. Special circumstances for collection. Collection of information on a basis other than when a contractor files for bankruptcy is not practicable. Collection is consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency. A 60-day notice was published in the *Federal Register* at 81 FR 21871 on April 13, 2016. Two comments were received, but were irrelevant to the subject matter. A 30-day notice was published in the *Federal Register* at 81 FR 44023 on July 6, 2016. No comments were received.

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 hour and cost burden. Time required to prepare and read information is estimated at 1 hour and 1/2 hour, respectively, per completion.

Annual Reporting Burden

# Respondents	138
Responses per Respondent	<u>1</u>
Total Responses	138
Hours per Response	<u>1</u>
Total Hours	138
Avg. Wage per Hour	<u>\$80.68</u>
Total Reporting Cost	\$11,134

Annual Recordkeeping Burden

Review Time/Hrs.	0.5
Total Responses	13 8
Total Review Time	69
Avg. Wage Per Hour	<u>\$80.68</u>
Total Government Cost	\$5,567

Annual Cost to the Public

Total response and recordkeeping burden hours.....	207
Average wages + overhead*	x <u>\$80.68</u>
Total cost to the public.....	\$16,701

* Based on a GS-14, step 5 (equivalent) salary plus 36.45% burden, per OMB Circular A-76.

14. Estimated cost to the Government. Time required for Governmentwide review is estimated at 30 minutes per response.

Annual Reviewing Burden and Cost

Total annual responses.....		138
Review time per response.....	x	.5hr
Total burden hours.....		69
Average wages + overhead*	x	\$80.68
Total cost to the Government.....		\$5,567

* Based on a GS-14, step 5 (equivalent) salary plus 36.45% burden, per OMB Circular A-76.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. A new estimate of the number of respondents, based on current data, was conducted. The number of contractors required to report changes in ownership that are expected to impact their indirect costs and rate structures was based on two calculations: (1) the percentage of all Federal contractors who experience changes in ownership in a given year, and (2) that percentage was applied to all Federal contractors who must submit certified cost or pricing data in a given year. In FY15, the most recent year for which data are available, there were 5,098 unique entities with active contracts awarded that year.

That year, according to the System for Award Management, there were 542 unique entities that either: (a) submitted new representations, given a recent merger or acquisition (and stock ownership changes) without novation agreements, or (b) entered novation agreements (given a change in ownership of contractor assets). The rate of ownership changes equates to 10.63%. This percentage was applied to the total number of contracts awarded in FY15 that involved submission of certified cost or pricing data, or other pre-award or post-award cost determination (FAR 31.2), which was 1297. Assuming that the rate of ownership changes is constant for all types of Federal contractors, the number of contractors affected by this information collection requirement is 138.

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. Collection of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.