

## SUPPORTING STATEMENT

### OMB Control Number 0704-0332 — Defense Federal Acquisition Regulation Supplement Appendix I

#### A. JUSTIFICATION

##### 1. Need for the Information Collection

This justification supports a request for reinstatement and extension of an information collection requirement currently approved under OMB Control Number 0704-0332 for Defense Federal Acquisition Regulation Supplement (DFARS) Appendix I, which will expire on September 30, 2016. Section 831 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 1991 (Pub. L. 101-510, 10 U.S.C. 2302 Note, as amended) required DoD to establish the DoD Pilot Mentor-Protégé Program (“the Program”).

Congress requires DoD to collect certain information from program participants in section 811(d) of Pub. L. 106-65. Thus, the need for this information collection is to comply with existing laws. DoD has incorporated these information collection requirements into the DFARS in section I-112 of Appendix I. Program participants agree to comply with these information collection requirements when they execute their mentor-protégé agreements, receiving the program’s benefits in consideration.

This information is necessary to ensure that participants are fulfilling their contractual obligations under the mentor-protégé agreements and that the Government is receiving value for the benefits it is providing. The information is necessary for Congress to determine the impact of the program and the return on its investment. In addition, the information is necessary for program managers to direct developmental assistance to the most appropriate small business concerns and to ensure the program meets the Congressionally-mandated goal of enhancing the defense industrial base.

##### 2. Use of the Information

DoD has used and will use the information to ensure that participants are fulfilling their contractual obligations and to assess whether the objectives of the DoD Pilot Mentor-Protégé Program are being attained. DoD also has used and will use the information as source data for several reports to Congress required by section 811(d) of Pub. L. 106-65.

##### 3. Use of Information Technology

Use of technological collection techniques would not reduce the burden of providing this information because standardized or repetitive data is not involved. However, Program participants may submit the reports in formats that are compatible with their automated systems. All reports (100%) are submitted electronically.

#### 4. Non-duplication

The DoD Pilot Mentor-Protégé Program is unique to DoD; similar data collections from other Government sources or agencies do not exist. As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) part 19, Small Business Programs, to determine if adequate language already exists. The language in DFARS Appendix I applies solely to DoD and is not considered duplicative of the language in FAR part 19.

#### 5. Burden on Small Business

The collection is not expected to have a significant impact on a substantial number of small businesses. There are separate information collection requirements for protégés, who are small businesses, and for mentors, who are usually large businesses. The protégé is required to report annually, whereas the mentor is required to report twice as often. The protégé is only required to provide the minimum amount of information that will meet the statutory requirements, and those requirements are much less for protégés than for mentors. Therefore, the burden applied to small business is the minimum consistent with applicable laws, Executive Orders, regulations, and prudent business practices.

#### 6. Less Frequent Collection

If the information was collected less frequently, DoD would not be able to fulfill its responsibility of ensuring that participants were fulfilling their contractual obligations and that the Government was receiving value for the benefits it was providing. DoD would also be unable to provide the reports required by section 811(d) of Pub. L. 106-65.

#### 7. Paperwork Reduction Act Guidelines

There are no special circumstances for collection. Collection of this information is consistent with the guidelines at 5 CFR 1320.5(d)(2).

#### 8. Consultation and Public Comments

a. Public comments were solicited in the *Federal Register* on June 21, 2016 ([81 FR 40289](#)), as required by 5 CFR 1320.8(d). No comments were received in response to this notice.

b. DoD is constantly in communication with Congress to ensure it is collecting the information Congress needs to make an informed decision regarding the impact of the program and the return on its investment. Since the information collection requirement is being driven by Congress, its oversight needs are the principal basis used to determine collection elements, procedures, etc.

The Director of the Office of Small Business Program last testified before the House Small Business Committee regarding the Mentor-Protégé Program on October 27, 2015. Since

that hearing, there have been a number of informal conversations and information requests from various staff members supporting the Small Business and Armed Services Committees.

Respondents are assumed to be in constant communication with Congress. However, DOD also consults with all program participants on a regular and periodic basis – forwarding their comments regarding these information collection requirements to Congress as appropriate. Ultimately, Congress decides how much weight to give this feedback when it sets the program’s reporting requirements in the statutes it adopts.

c. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* on August 29, 2016 ([81 FR 59201](#)).

d. Due to an administrative error, the electronic renewal package was not processed timely; therefore, a second 30-day notice to reinstate the information collection was published in the *Federal Register* on December 12, 2017 ([82 FR 58381](#)).

#### 9. Gifts or Payment

No payment or gift will be provided to respondents, other than remuneration of contractors under their contracts.

#### 10. Confidentiality

This information is disclosed only to the extent consistent with prudent business practices, current regulations, and statutory requirements. DoD asserts that information supplied by the program’s participants falls under Exemption 4 of the Freedom of Information Act as “trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.”

#### 11. Sensitive Questions

No sensitive questions are involved.

#### 12. Respondent Burden, and its Labor Costs

##### Estimation of Respondent Burden

The estimate of public burden is based on the number of mentor firms (42), plus the number of protégé firms (80) participating in the Program as of February 29, 2016. Data was provided by the Mentor-Protégé Program Coordinator. The hours per response and per record keeper are the same as they were in the last request for clearance. The number of responses per respondent is a weighted average. Mentor firms report twice a year on each protégé firm, and protégé firms report once a year. Therefore, there are a total of 240 responses (80 x 2 for mentor firms + 80 x 1 for protégé firms = 240), or 1.97 responses per respondent.

Estimation of Respondent Burden Hours: Appendix I, I-112	
Number of respondents	122
Responses per respondent (approximately 2)	2
Number of responses	240
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	240
Cost per hour (hourly wage)	\$46*
Annual public burden (estimated hours multiplied by cost per hour)	\$11,026

\* The hourly rate is computed based on the Office of Personnel Management GS-12 step 5 hourly pay rate (\$33.72), without locality pay, plus 36.25% (\$12.22) benefits totaling \$45.94 per hour, rounded up to \$46 per hour. The 36.25% fringe benefit rate is derived from Circular No. A-76, Revised Supplemental Handbook (Memorandum M-08-13 dated March 11, 2008).

### 13. Respondent Costs Other Than Burden Hour Costs

DoD does not estimate any annual cost burden for respondents other than the burden hours reported in item 12.

### 14. Cost to the Federal Government

The cost incurred by the Government is based on the time required to receive, review, and analyze the information submitted by the contractors. DoD estimates that it will take the Government approximately one hour to review and process the information in each response.

Estimation of Respondent Burden Hours: Appendix I, I-112	
Number of responses	240
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	240
Cost per hour (hourly wage)	\$46*
Annual public burden (estimated hours multiplied by cost per hour)	\$11,026

\* The hourly rate is computed based on the Office of Personnel Management GS-12 step 5 hourly pay rate (\$33.72), without locality pay, plus 36.25% (\$12.22) benefits totaling \$45.94 per hour, rounded up to \$46 per hour. The 36.25% fringe benefit rate is derived from Circular No. A-76, Revised Supplemental Handbook (Memorandum M-08-13 dated March 11, 2008).

15. Reasons for Change in Burden

The burden was reduced due to a decrease in the amount of time respondents will take to complete the collection.

Change in Burden	2013	2017	Difference
Number of respondents	115	122	+7
Total annual responses	225	240	-15
Total hours	582	240	-342
Cost per hour (rounded)	\$37	\$46	
Total Costs	\$21,534	\$11,026	-\$10,508

16. Publication of Results

The information may be aggregated and published in the reports required by law. The information may also be released to Congress and to the Government Accountability Office. Any publication of that data is beyond the scope of DoD's control.

17. Non-Display of OMB Expiration Date

DoD is not requesting approval to omit display of the expiration date of OMB approval on the instrument of collection.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods will not be employed.