

**Supporting Statement for OMB Control Number 9000-0011,
Preaward Survey Forms (Standard Forms 1403, 1404, 1405, 1406,
1407, and 1408)**

A. Justification.

1. **Administrative requirements.** To protect the Government's interest and to ensure timely delivery of supplies of the requisite quality, contracting officers, prior to award, must make an affirmative determination that the prospective contractor is responsible, *i.e.*, capable of performing the contract. Before making such a determination, the contracting officer must have in his possession or must obtain information sufficient to satisfy himself that the prospective contractor: (i) has adequate financial resources; or the ability to obtain such resources; (ii) is able to comply with required delivery schedule; (iii) has a satisfactory record of performance; (iv) has a satisfactory record of integrity; and (v) is otherwise qualified and eligible to receive an award under appropriate laws and regulations. If such information is not in the contracting officer's possession, it is obtained through a preaward survey conducted by the contract administration office or surveying activity responsible for the plant and/or the geographic area in which the plant is located. The necessary data is collected by the contract administration office or a cognizant surveying activity from available data or through plant visits, phone calls, and correspondence and entered on Standard Forms 1403, 1404, 1405, 1406, 1407, and 1408 in detail commensurate with the dollar value and complexity of the procurement.

In accordance with Federal Acquisition Regulation (FAR) 9.106-1, Conditions for preaward surveys, preaward surveys are normally required only when the information on hand or readily available to the contracting officer, including information from commercial sources is not sufficient to make a determination regarding responsibility. Preaward surveys are discouraged for fixed priced contracts at or below the simplified acquisition threshold, and contracts involving the acquisition of commercial items, unless circumstances justify the survey's cost. In addition, if a prospective contractor is debarred, suspended, or ineligible, surveying activities shall not proceed with the preaward survey unless specifically requested to do so by the contracting officer (FAR 9.106-1(c)).

2. **Uses of information.** The information is used by Federal contracting officers to determine whether a prospective contractor is responsible.

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 portions of this information collection requirement electronically.

4. Efforts to identify duplication. This requirement is being issued under the FAR, which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication. Similar information is not already available to the contracting officer or buyer.

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. The FAR also provides conditions under which preaward surveys are to be accomplished that minimize the information collection burden on small businesses. These conditions include:

- FAR Subpart 9.1 provides a number of potential sources of information to use in determining the responsibility of a prospective Government contractor. Specifically, FAR 9.105-1 lists sources other than preaward surveys as preferred sources of contractor responsibility data.
- Although preaward surveys may be conducted on large and small business entities, as determined appropriate, the surveys are discouraged for fixed priced contracts at or below the simplified acquisition threshold and for contracts involving the acquisition of commercial items, unless circumstances justify the survey's cost. Actions at or below the simplified acquisition threshold are totally set aside for small business, thereby minimizing the circumstances under which preaward surveys would be conducted on small business entities.
- FAR 9.106-4(b) requires that a contract administration office/surveying activity consult the appropriate Small Business Administration field office before making an affirmative recommendation regarding a contractor's responsibility or nonresponsibility when that small business has received preferential treatment on an ongoing contract under Section 8(a) of the Small Business Act (15 U.S.C. 637) or has received a Certificate of Competency from the Small Business Administration during the last 12 months.

6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. The information is collected only when a preaward survey is deemed necessary. Information obtained during a preaward survey provides the contracting officer with a basis for determining a contractor's responsibility, i.e., capacity and capability to successfully perform a contract.

7. Special circumstances for collection. The collection is fully 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 78594 on November 8, 2016. No comments were received. A 30-day notice was published in the *Federal Register* at 82 FR 21544 on May 9, 2017.

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 hour burden.

There are no Governmentwide systems for collecting the number of preaward surveys completed in a fiscal year as preaward surveys are only required in limited circumstances where information for the prospective contractor cannot be obtained by the contracting officer to make an affirmative statement of responsibility.

A preaward survey would be needed only if the firm had not previously been a Government contractor and therefore had no record of past performance. The data from FPDS for FY 2015 showed a total of 24,791 contracts awarded Governmentwide that were over the \$150,000 simplified acquisition threshold, and for which commercial acquisition procedures were not used. The estimate for preaward surveys is 15% of the total or 3,719. Of the six Standard Forms (1403, 1404, 1405, 1406, 1407, and 1408), we estimated that Standard Form 1403 is used most frequently

because it is a general form and accounts for 30 percent or 1,116 times, Standard Forms 1404 and 1407 account for 15 percent or 558 times, Standard Form 1408 accounts for 20 percent or 744 times, and Standard Forms 1405 and 1406 account 10 percent or 372 times.

After consultation with subject matter experts, it was determined that the time required to prepare and complete the Standard Forms is estimated at 24 hours per response. Because preaward survey data is generally used for multiple contracts awarded within a 12 month period, it is estimated that only one (1) response would be reported annually per respondent per form.

Annual Reporting Burden

Standard Form 1403 Preaward Survey of Prospective Contractor (General)

Estimated respondents/yr.....	1,116
Responses annually	x <u>1</u>
Total annual responses.....	1,116
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs.....	26,784

Total response and recordkeeping burden hours.....	26,784
Average wages + overhead (\$33.72/hr + 36.45%*).....	<u>\$46</u>
	\$1,232,064

Standard Form 1404 Preaward Survey of Prospective Contractor Technical

Estimated respondents/yr (rounded).....	558
Responses annually	x <u>1</u>
Total annual responses.....	588
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs (rounded).....	13,392

Total response and recordkeeping burden hours.....	13,392
Average wages + overhead*(\$33.72/hr + 36.45%*).....	<u>\$46</u>
	\$616,032

Standard Form 1405 Preaward Survey of Prospective Contractor Production

Estimated respondents/yr (rounded).....	372
Responses annually	x <u>1</u>
Total annual responses.....	372
Estimated hrs/response.....	x <u>24</u>

Estimated total burden/hrs (rounded).....	8,928
Total response and recordkeeping burden hours.....	8,928
Average wages + overhead (\$33.72/hr + 36.45%*).....	\$46
	\$410,688

**Standard Form 1406 Preaward Survey of Prospective Contractor
Quality Assurance**

Estimated respondents/yr.....	372
Responses annually	x <u>1</u>
Total annual responses.....	372
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs.....	8,928

Total response and recordkeeping burden hours.....	8,928
Average wages + overhead (\$33.72/hr + 36.45%*).....	\$46
	\$410,688

**Standard Form 1407 Preaward Survey of Prospective Contractor
Financial Capability**

Estimated respondents/yr.....	558
Responses annually	x <u>1</u>
Total annual responses.....	558
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs.....	13,392

Total response and recordkeeping burden hours	13,392
Average wages + overhead (\$33.72/hr + 36.45%*).....	\$46
	\$616,032

**Standard Form 1408 Preaward Survey of Prospective Contractor
Accounting System**

Estimated respondents/yr.....	744
Responses annually	x <u>1</u>
Total annual responses.....	744
Estimated hrs/response.....	x <u>24</u>
Estimated total burden/hrs.....	17,856

Total response and recordkeeping burden hours.....	17,856
Average wages + overhead (\$33.72/hr + 36.45%*).....	\$46
	\$821,376

* We used a rate equivalent to a GS-12, Step 5 or \$33.72/hour (from the 2016 OPM GS Salary Table), added overhead at 36.45 percent (the OMB-mandated burden rate for A-76 public-private competitions), and rounded the average wage to the nearest whole dollar, or \$46/hour

14. **Estimated cost to the Government.** Time required for Government-wide review is estimated at 48 hours per response.

Annual Recordkeeping Burden and Cost

Standard Form 1403 Preaward Survey of Prospective Contractor

(General)

Total annual responses.....	1,116
Review time per response (hours).....	x 48
Total burden hours.....	53,568
Average wages + overhead (\$33.72/hr + 36.45%)**.....	
<u>\$46</u>	
Total Government Cost.....	\$2,464,128

Standard Form 1404 Preaward Survey of Prospective Contractor

Technical

Total annual responses.....	558
Review time per response (hours).....	x 48
Total burden hours.....	26,784
Average wages + overhead (\$33.72/hr + 36.45%)**.....	
<u>\$46</u>	
Total Government Cost.....	\$1,232,064

Standard Form 1405 Preaward Survey of Prospective Contractor

Production

Total annual responses.....	372
Review time per response (hours).....	x 48
Total burden hours.....	17,856
Average wages + overhead (\$33.72/hr + 36.45%)**.....	
<u>\$46</u>	
Total Government Cost.....	\$821,376

Standard Form 1406 Preaward Survey of Prospective Contractor

Quality Assurance

Total annual responses.....	372
Review time per response (hours).....	x 48
Total burden hours.....	17,856
Average wages + overhead (\$33.72/hr + 36.45%)**.....	
<u>\$46</u>	
Total Government Cost.....	\$821,376

Standard Form 1407 Preaward Survey of Prospective Contractor
Financial Capability

Total annual responses.....	558
Review time per response (hours).....	x 48
Total burden hours.....	26,784
Average wages + overhead (\$33.72/hr + 36.45%)**.....	
<u>\$46</u>	
Total Government Cost.....	\$1,232,064

Standard Form 1408 Preaward Survey of Prospective Contractor
Accounting System

Total annual responses.....	744
Review time per response (hours).....	x 48
Total burden hours.....	35,712
Average wages + overhead (\$33.72/hr + 36.45%)**.....	
<u>\$46</u>	
Total Government Cost.....	\$1,642,752

** * We used a rate equivalent to a GS-12, Step 5 or \$33.72/hour (from the 2016 OPM GS Salary Table), added overhead at 36.45 percent (the OMB-mandated burden rate for A-76 public-private competitions), and rounded the average wage to the nearest whole dollar, or \$46/hour

15. Explain reasons for program changes or adjustments reported in Item 13 or 14.

The Federal Procurement Data System for FY 2015 showed a total of 24,791 contracts awarded Governmentwide that were over the \$150,000 simplified acquisition threshold, and for which commercial acquisition procedures were not used. Preaward surveys would only be needed if the firm had not previously been a Government contractor. The estimate for preaward surveys is 15% of the total or 3,719. There is a very small increase in the burden from the last extension due to a slight increase in the total awarded contracts.

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.