

Supporting Statement for Paperwork Reduction Act Submission
New Collection
Surety Bond Guarantee Program
Quarterly Contract Completion Report
(SBA Form 2461)
(Control # 3245 - 0395)

1. Circumstances Necessitating the Collection of Information:

The Small Business Administration (SBA) is requesting approval for a new information collection titled the “Quarterly Contract Completion Report (SBA Form 2461)”. Through its Surety Bond Guarantee (SBG) Program, SBA can guarantee bid, payment, and performance bonds for small and emerging contractors on contracts up to \$6.5 million, and up to \$10 million with the signed certification of a Federal contracting officer. See, Section 411 of the Small Business Investment Act of 1958, as amended, 15 U.S.C. 694b. (a copy of this provision is attached) The bonds are required to bid on and secure construction, service, and supply contracts for federal, state, local, and private entities. SBA’s guarantee provides the incentive necessary for sureties to bond these small and emerging contractors, providing greater access to contracting opportunities.

The SBG Program consists of the Prior Approval Program and the Preferred Surety Bond (PSB) Program. In the Prior Approval Program, sureties must apply for each bond guarantee and must receive SBA’s approval prior to issuing bonds. PSB Sureties can issue, monitor, and service bonds without SBA’s prior approval. Currently, SBA does not receive a final notification of contracts successfully completed or a final accounting of contractor and surety fees due and paid on these contracts. SBA recently issued a final rule that amended the SBG regulations to require surety companies to report that information to SBA using the Quarterly Contract Completion Report (SBA Form 2461). A copy of this rule is attached.

2. How, By Whom, and For What Purpose Information Will Be Used:

The data collected on SBA Form 2461 will include the SBG or PSB Number, the contractor’s name, the original contract amount, the revised contract amount, the contract completion date, the outstanding contractor fees due to SBA or to be refunded to the contractor, and the outstanding surety fees due to SBA or to be rebated to the surety company.

SBG program personnel will use this information to help ensure that any fees due are paid to the appropriate party and to adjust the contract status in the E-App system located at www.sba.gov/surety-bonds.

The information will also be used by program personnel to monitor program performance and to report on program demographics to SBA management.

3. Technological Collection Techniques:

Respondents may submit this form electronically through email. The fillable form will be available in PDF format on the agency’s website.

4. Avoidance of Duplication:

The information on this form is not otherwise collected by SBA.

5. Impact on Small Businesses and Other Small Entities:

This information collection does not impact small businesses or other small entities. This form will be submitted by sureties participating in the SBG Program.

6. Consequences If Collection of Information Is Not Conducted:

The data collected on the Quarterly Contract Completion Report will be used by sureties to report the status of successfully completed contracts to SBA. If the information contained on SBA Form 2461 was not collected, and the final contract amount either increased or decreased, SBA may not be able to determine whether any additional fees are due SBA (if the final contract amount increased), or whether any fees should be refunded to the contractor or rebated to the surety (if the final contract amount decreased) in accordance with regulatory requirements.

7. Existence of Special Circumstances:

Not applicable.

8. Solicitation of Public Comments:

Consistent with the Paperwork Reduction Act (5 U.S.C. 1320) and the implementing OMB regulations, 5 CFR 1320.11, SBA published the required public comment notice in a proposed rule titled Miscellaneous Amendments to Business Loan Programs and Surety Bond Guarantee Program (RIN 3245-AF85) that was published in the Federal Register on August 9, 2016 (81 FR 52595). The comment period ended on October 11, 2016, and three comments were received with respect to this new report.

One commenter stated that they understand SBA's objective in requiring a quarterly report on contract completion and that the report would provide SBA with more timely information, but stated that it is likely that some participating sureties may consider this new report to be a disincentive to participating in the program. Two other commenters expressed concern that the new form would create an administrative burden limiting Sureties' participation in the SBG Program, with one of the commenters suggesting as an alternative that this new report be required every six months. SBA considered these comments, but decided not to accept the recommendations. SBA does not currently receive a final accounting of fees due and paid by the Surety and Principal on successfully completed contracts, and, consequently, is unable to ensure that fees due the Government as a result of an increase in the contract amount on contracts that did not default are paid in a timely manner. This report will assist SBA in ensuring that fees due on these contracts are accurately calculated and paid timely.

9. Payments or Gifts:

Payments or gifts to respondents are not provided.

10. Assurance of Confidentiality:

The data collected can be accessed only by SBA personnel who have “a need to know”. Confidential information submitted to the Agency will be protected to the extent permitted by law, including the Freedom of Information (5 U.S.C. 552) and the Right to Financial Privacy Act (12 U.S.C. 3401).

11. Questions of a Sensitive Nature:

This collection of information does not include sensitive or private questions.

12. Estimation of the Hourly Burden of the Collection of Information:

There are currently 23 surety companies participating in the SBG Program. Each surety would submit the SBA Form 2461 quarterly to SBA. SBA estimates that it would take 1 hour to complete the report.

Total Annual Responses = 92

Hours Per Response = 1 hour

Total Estimated Annual Burden Hours = 92

The following estimated annual cost burden to respondents is based on 92 burden hours.

Professional Employee Time – equivalent to a GS-13, Step 5 (Washington DC area)

92 hours x \$50.04/hour = \$4,604

The total estimated annual cost burden to respondents = \$4,604

13. Estimate of the Total Amount of Cost Burden for Submission:

There is no additional cost to respondents that is associated with the Quarterly Contract Completion Report.

14. Estimated Annualized Cost to the Federal Government:

The estimated annual cost to the Federal government includes professional duties, including the evaluation of information provided to assess any additional fees due.

Professional Employee Time – GS-13, Step 5 (Washington DC area)

2 hours x 92 responses = 184 hours

184 hours x \$50.04/hour = \$9,207

The estimated annualized cost to the Federal Government = \$9,207.

15. Explanation of Program Changes in Items 13 or 14 on OMB Form 83-1:

Not Applicable. This is a new collection.

16. Collection of Information Whose Results Will Be Published:

This collection of information will not be published, except for aggregated statistical data in various agency performance or budget reports.

17. Expiration Date for Collection of Information:

SBA will display the expiration date.

18. Exceptions to Certifications in Block 19 on OMB Form 83-1:

None.

B. Collection of Information Employing Statistical Methods:

Not Applicable.