

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Information Collection Request, OMB Control No. 3090-0293,
Reporting and Use of Information Concerning Integrity and Performance of Recipients of
Grants and Cooperative Agreements**

A. JUSTIFICATION

This is a request for a revision and renewal of OMB Control Number 3090-0293, Reporting and Use of Information Concerning Integrity and Performance of Recipients of Grants and Cooperative Agreements. The use of the word “recipient” in this Information Collection Request refers to both grant and cooperative agreement recipients. Use of the words “person” and non-federal entity” are understood to include both individuals and organizations and that apply for and receive Federal awards.

1. Explain the circumstances that make the collection of information necessary. The Duncan Hunter National Defense Authorization Act of 2009 (Public Law 110-417) was enacted on October 14, 2008. Section 872 of this Act required the development and maintenance of an information system that contains specific information on the integrity and performance of covered federal agency contractors and grantees.

Federal Awardee Performance and Integrity Information System (FAPIS) was developed to address these requirements. FAPIS provides users access to integrity and performance information from the FAPIS reporting module in the Contractor Performance Assessment Reporting System (CPARS), proceedings information from the Entity Management section of the System for Award Management (SAM) database, and suspension/debarment information from the Performance Information section of SAM.

As required by 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, effective January 1, 2016, Federal agencies are required to review and consider any information about the applicant that is in FAPIS before making any award in excess of the simplified acquisition threshold (currently \$150,000) over the period of performance.

Non-Federal entities (NFEs) are required to disclose in FAPIS any information about criminal, civil, and administrative proceedings, and/or affirm that there is no new information to provide. This applies to NFEs that receive Federal awards (currently active grants, cooperative agreements, and procurement contracts) greater than \$10,000,000 for any period of time during the period of performance of an award/project.

2. Use of information. In accordance 41 U.S.C. 2313, the Federal awarding agency is required to review the non-public segment of the OMB-designated integrity and performance system accessible through SAM (currently FAPIS) prior to making a Federal award where the Federal share is expected to exceed the simplified acquisition threshold, defined in 41 U.S.C. 134, over

the period of performance. At a minimum, the information in the system for a prior Federal award recipient must demonstrate a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, or procurement awards; and integrity and business ethics. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards

3. Use of information technology. Prior to making a Federal award, the Federal awarding agency is required by 31 U.S.C. 3321 and 41 U.S.C. 2313 to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information as appropriate.

4. Efforts to identify duplication. An applicant may review and comment on any information about itself that a federal awarding agency previously entered. Federal agencies will consider any comments by the applicant, in addition to other information in FAPIIS in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants as described in 2 CFR § 200.205 Federal Awarding Agency Review of Risk Posed by Applicants.

5. If the collection of information impacts small businesses or other small entities, describe methods used to minimize burden. As required by 2 CFR 200 Appendix XII, NFEs are required to disclose in FAPIIS any information about criminal, civil, and administrative proceedings, and/or affirm that there is no new information to provide. This applies to NFEs that receive federal awards (currently active grants, cooperative agreements, and procurement contracts) greater than \$10,000,000 for any period of time during the period of performance of an award/project.

6. Consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently. The Federal awarding agency must comply with the guidelines on governmentwide suspension and debarment in 2 CFR part 180, and must require NFEs to comply with these provisions. These provisions restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.

7. Special circumstances for collection. A federal awarding agency may make a Federal award to a recipient who does not fully meet these standards, if it is determined that the information is not relevant to the current Federal award under consideration or there are specific conditions that can appropriately mitigate the effects of the non-Federal entity's risk in accordance with § 200.207 specific conditions.

8. Consultations outside the Agency. The Federal Register Notice soliciting public comment was published in the Federal Register at 82 FR 57267 on December 4, 2017. No comments were received. A 30-day notice was published in the Federal Register at 83 FR 8085 on February 23, 2018.

9. Explain any decision to provide payments or gifts to respondents, other than remuneration of contractors or grantees. Not applicable.

10. Describe assurance of confidentiality provided to respondents. SAM collects information about proceedings only if the non-federal entity meets the conditions set forth in FAR 52.209-7, 52.209-8, or 2 C.F.R. 200 Appendix XII. This information is not displayed in SAM. It is sent to FAPIIS.gov for display as applicable. As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

11. Provide additional justification for any questions of a sensitive nature. No questions of a sensitive nature are requested.

12. Provide an estimate in hours of the burden of the collection of information.

SAM collects information about proceedings only if the NFEs meet the conditions set forth in FAR 52.209-7, 52.209-8, or 2 C.F.R. 200 Appendix XII. While completing their entity registration in SAM, there are two Proceeding Screening Questions the NFEs must answer. The NFEs answer two Proceeding Screening Questions, and if applicable, submit information required about each proceeding.

For the two Proceeding questions, the NFEs may provide “Yes”, “No”, or “Not Applicable” responses. If applicable, Proceedings data must be entered into SAM if the NFEs answer “Yes” to both of the Proceedings Screening Questions. Given that the amount of current Federal contracts and grants is basic knowledge for any recipient of such awards, the estimated number of hours for NFE to answer Proceedings Screening Question #1 and # Proceedings Screening Question #2 is 0.1 hours, respectively.

Once the NFEs respond “Yes” to both Proceedings Screening Question #1 and #2, the NFEs must enter their Proceedings data into the database; thus, the estimated burden for entering this detailed data is 0.5 hours. The NFEs are required to enter their Proceedings data into the database semiannually; therefore, there will be a total burden estimate of 1 hour for each NFE. This time estimate does not include the time necessary to maintain the recipient’s information internally. Most large organizations and some small organizations will most likely have established systems to track compliance.

A data query of SAM revealed 13,683 NFEs answered Proceedings Screening Question #1; 1,663 NFEs answered Proceedings Screening Question #2; and, 24 NFEs entered Proceedings data based on their “Yes” responses to both Proceedings Screening Questions.

Proceedings Screening Question #1:

Total annual responses	13,683
Preparation time per response (per hour)	<u>.1</u>
Total response burden hours	1,368

Proceedings Screening Question #2:

Total annual responses	1,663
Preparation time per response (per hour)	<u>.1</u>
Total response burden hours (rounded)	166

Proceedings Details:

Number of respondents	24
Responses per respondent	<u>2</u>
Total annual responses	48
Preparation time per response (per hour)	<u>.5</u>
Total response burden hours	24

Total # of responses	15,370
Total burden hours	1,559
Average wage + overhead per hour	<u>52.00*</u>
Cost to the public for information collection	<u>\$81,068.00</u>

*Estimated an hourly rate of \$38.20 and an annual salary of \$79,720 annual salary, equivalent to a GS-12, Step 1, based on the OPM 2017 General Schedule salary table, Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA or \$38.20 per hour, plus 36.25 percent overhead burden which is the rate mandated by OMB for A-76 public-private competitions, and rounded to the nearest whole dollar, or \$52.00.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection for Proceeding Question#3 (excluding the burden hours in 12. above). At this time, all or most recipients have entered relevant organization data in the SAM in accordance with other information collection and systems requirements. Therefore, the estimate includes an average of 100 hours per year for recordkeeping for each of the 24 respondents to the request for additional information, for a total of 2,400 annual recordkeeping hours.

Recordkeeping hours	2,400
Average wage + overhead per hour	x <u>52.00*</u>
Cost to the public for recordkeeping hours	<u>\$124,800.00</u>

<u>Total burden hours (#'s 12 and 13 combined)</u>	3,935
Average wage + overhead per hour	x <u>52.00*</u>
<u>Total cost to the public</u>	<u>\$204,620.00</u>

*Estimated an hourly rate of \$38.20 and an annual salary of \$79,720 annual salary, equivalent to a GS-12, Step 1, based on the OPM 2017 General Schedule salary table, Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA or \$38.20 per hour, plus 36.25 percent

overhead burden which is the rate mandated by OMB for A-76 public-private competitions, and rounded to the nearest whole dollar, or \$52.00.

14. Provide estimate of annualized cost to the Federal Government. It is estimated that for each of the 24 responses, the Federal Government will be reviewing and analyzing the information for approximately .5 hrs. Information is to be updated into the database semiannually; therefore, the Federal Government will be reviewing and analyzing information approximately 1 hour for each of the 24 responses.

Number of respondents	24
Responses per respondent	<u>x 2</u>
Total annual responses	48
Government review and analysis per response (per hour)	<u>.5</u>
Total Government review hours	24

Average wages/hr. (GS 12/1)	<u>x 38.22*</u>
Average wages/yr.	\$79,720
Benefits + overhead	<u>x 100%</u>
Total Government Cost	\$159,440

*Estimated an hourly rate of \$38.22 and an annual salary of \$79,720, equivalent to a GS-12, Step 1, based on the OPM 2017 General Schedule salary table, Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA.

15. Explain the reasons for any program changes or adjustments. The initial burden cost estimates for FAPIIS were made in the year 2010 prior to any available operational cost data on the database. After several years in operation, FAPIIS’ operational efficiency has resulted in actual lower burden costs when compared to the initial estimated costs for the collection, record keeping, review, and analysis of data. FAPIIS’ automation of the data collection, record keeping, and displaying of the data has reduced the burden hours and cost for NFEs to track and enter their Proceedings data into the database. The actual cost to the public for collection of information in FAPIIS was \$81,068, a 43% decrease from the initial estimate cost. The actual cost to the public for recordkeeping hours was \$124,800, a 99% decrease from the initial estimate. The actual total cost to the public for data collection and record keeping was \$240,000, a 97%% decrease from the initial estimate. Oppositely, the Government’s estimated average wages/hr. and the annual salary increased 7% and 39%, respectively. The actual total cost to the Government for reviewing and analyzing the information was \$159,440, which was a 39% increase over the initial estimated cost.

16. Outline plans for published results of the information collection. Results of this information collection will not be tabulated or published.

17. Approval not to display the expiration date. Not applicable.

18. Explanation of exception to the certification statement. Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Statistical methods are not used in this information collection.