

**Supporting Statement
For Paperwork Reduction Act Submission
9000-0010, PROGRESS PAYMENTS, SF 1443**

FAR parts affected: 52.232-16, SF1443

A. Justification.

1. Administrative requirements. The contracting officer must include the clause at Federal Acquisition Regulation (FAR) 52.232-16, Progress Payments, in solicitations that may result in contracts providing for progress payments based on costs; and fixed-price contracts under which the Government will provide progress payments based on costs.

This information collection requirement pertains to the certification (Standard Form 1443, Contractor's Request for Progress Payment) and supporting information submitted by the contractor. This information collection requirement is necessary for the administration of statutory and regulatory limitation on the amount of progress payments under a contract.

For this renewal cycle, three clauses and one subpart reference are removed from the collection as they are only notices and do not require the submission of any information to the Government in response to the notice. They are: FAR subpart 32.5; 52.232-13, Notice of Progress Payments; 52.232-14, Notice of Availability of Progress Payments Exclusively for Small Business Concerns; and 52.232-15, Progress Payments Not Included. As a result, the title of the OMB collection is also being updated to read "Progress Payments; FAR Section Affected 52.232-16 and the SF 1443."

2. Uses of information. This information is used to determine the proper amount of payment to be made. The contractual requirement for submission of reports, certificates, financial statements and other pertinent information is necessary for protection of the Government against financial loss through making of progress payments.

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 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.

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. Collection of information is on a contract basis for firms eligible for progress payments. Less frequent collection is not practical and could result in delay of payments to contractors who qualify for progress payments.

7. Special circumstances for collection. We will not collect the information in a manner that requires an explanation of special circumstances.

8. Efforts to consult with persons outside the agency. A 60-day notice was published in the *Federal Register* at 83 FR 18566, on April 27, 2018. No comments were received. A 30-day notice published in the *Federal Register* at 83 FR 34850, on July 23, 2018.

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 and cost burden. Time required to read and prepare information is estimated at 25.2 minutes per completion.

Based on Fiscal Year (FY) 2017 data in the Electronic Document Access (EDA) system (DoD official contract file system), 19,755

DoD contract awards contain FAR clause 52.232-16, Progress Payments.

Estimated respondents/yr.....	19,755
Annual responses/respondent.....	<u>x 32</u>
Total annual responses.....	632,160
Estimated hrs/response.....	<u>x .42</u>
Estimated total burden/hrs.....	265,507
Average wages/hr*.....	<u>x \$54.30</u>
Estimated annual cost to the public....	\$14,417,030

The estimated cost per response is \$22.80.

14. Estimated cost to the Government. Time required for Governmentwide review is estimated at 45 minutes per response.

Annual Reporting Burden and Cost

Total annual responses.....	x 632,160
Total hours per response.....	<u>x .75</u>
Total annual burden hours.....	474,120
Average wages/hr*.....	<u>x 54.30</u>
Total annual cost to Government	\$25,744,716

*The average hourly wage, based on OMB Circular A-76 guidance for quantifying the cost of efforts, includes: (1) the complexity level deemed to be at the OPM GS-12/step 5 level (\$39.85/hour), so the calendar year 2018 hourly rate was applied to the estimated hours; and (2) a 36.25% fringe and overhead burden rate, the one mandated by OMB memorandum M-08-13 for use in public-private competition, as updated by OMB for the current year. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The decrease of responses from 805,152 to 632,160 is an adjustment due to the decrease in the number of Federal contracts. This results in a commensurate reduction in the annual burden hours of 72,657, (from 338,164 to 265,507 hours) and is proportional to the lower number of Federal contracts overall.

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. Collections of Information Employing Statistical Methods. Statistical methods are not used in this information collection.