

**Supporting Statement
For Paperwork Reduction Act Submission
9000-0154, Construction Wage Rate Requirements-Price Adjustment
(Actual Method)**

FAR part affected: 52.222-32

A. Justification.

1. Administrative requirements. The Federal Acquisition Regulation (FAR) clause at 52.222-32, Construction Wage Rate Requirements-Price Adjustment (Actual Method), requires that a contractor must submit at the exercise of each option to extend the term of the contract, a statement of the amount claimed for incorporation of the most current wage determination by the Department of Labor (DoL), and any relevant supporting data, including payroll records, that the contracting officer may reasonably require. The contracting officer may include this clause in fixed-price solicitations and contracts, subject to the Construction Wage Rate Requirements statute, that will contain option provisions to extend the term of the contract.

2. Uses of information. This information is used by Government contracting officers to establish the contract price adjustment for the construction requirements of the contract to reflect the contractor's actual increase or decrease in wages and fringe benefits due to incorporation of the DOL's Construction Wage Rate Requirements statute wage determination applicable at the exercise of an option to extend the term of the contract, or incorporation of a Construction Wage Rate Requirements statute wage determination otherwise applied to the contract by operation of law.

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 collections associated with small businesses are the minimum

consistent with applicable DOL 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. This information is collected on occasion, only when the Government exercises an option to extend the term of a contract containing this clause. Collecting this information less frequently would prevent application of the proposed method of price adjustment.

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 person outside the agency. A 60-day notice was published in the *Federal Register* at 83 FR 23278, on May 18, 2018. No comments were received. A 30-day notice was published in the *Federal Register* at 83 FR 38313 on August 6, 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 hours and cost burden.

We discussed the burden requirements of this clause with construction experts in various agencies. There is no centralized database that maintains statistics on the number of contractors that request price adjustments using the subject clause. Where definitive information was available, we used it. In those instances where definitive information was not available, we relied on the judgment of the construction experts.

The clause 52.222-32, prescribed at FAR 22.407(g), is for optional use in fixed-price solicitations and contracts, subject to the Construction Wage Rate Requirements statute, that contain option provisions to extend the term of the contract. Generally,

this clause is only appropriate if contract requirements are predominantly services subject to the Service Contract Labor Standards statute and the construction requirements are substantial and segregable.

The burden addressed in this information collection requirement is the burden of compiling and submitting the required information. The contractor is already required by law to keep payroll records and other supporting data. Real property experts indicate that there is no database that maintains statistics on the number of contractors that use this clause to seek a price adjustment. The Federal Procurement Data System (FPDS) indicates that 5,309 construction contractors in FY 2017 could potentially have had contracts with recurring options. However, we believe there are only approximately 10% of these that would contain the subject clause, since most would not have a price adjustment clause, and there are other FAR prescribed price adjustment clauses. The estimated cost per response is \$2582.

Estimated respondents/yr.....	531
Annual responses/respondent.....	<u>x 1</u>
Total annual responses.....	531
Estimated hrs/response.....	<u>x 40</u>
Estimated total burden/hrs.....	21,240
Average wages*.....	<u>x \$64.55</u>
Estimated cost to public.....	\$1,371,042

14. Estimated annual cost to the Government.

Total annual responses.....	531
Total hours per response.....	<u>x 5</u>
Total burden hours.....	2,655
Average wages*	<u>x \$64.55</u>
Total cost to Government.....	\$171,380

*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-13/step 5 level (\$47.38/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 842 to 531 and the decrease in burden hours from 33,680 to 21,240 is an adjustment due to the decrease in the number of construction contractors in FPDS in FY 2017 that could potentially have had contracts with recurring options.

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.