

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
NOVATION/CHANGE OF NAME REQUIREMENTS
OMB CONTROL No. 9000-0076**

A. Justification

1. **Administrative requirements.** FAR 42.1203 and 42.1204 provide requirements for contractors to request novation/change of name agreements and supporting documents when a firm performing under Government contracts wishes the Government to recognize (1) a successor in interest to these contracts, or (2) a name change, it must submit certain documentation to the Government.
2. **Uses of information.** The information is used to justify the Government's recognition of a third party as successor in interest, since 41 U.S.C. 15 prohibits transfer of Government contracts.
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 Federal Acquisition Regulation (FAR) which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication. Contractors change the name of their business first at the state level before they can submit that information to the Federal Government to have a novation/change of name agreement done to complete the process.
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. It is not anticipated that the collection will have a significant economic impact on small entities because this information is already collected at the state level. No additional burden is placed on small businesses to provide this information to the Federal Government.
6. **Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Similar information is not already available to the contracting officer or buyer. If the Federal Government does not receive the novation/change of name agreements and supporting documents, then the contractor is not in compliance with the terms of the contract.
7. **Special circumstances for collection.** Collection of information on a basis other than contract-by-contract is not practical. Contractors are required to provide notice when a novation or change of name occurs and the information collection is in accordance with the terms and conditions of each individual contract.

8. **Efforts to consult with persons outside the agency.** A 60-day notice was published in the *Federal Register* at 83 FR 25458 on June 1, 2018. No comments were received. A 30-day notice was published in the *Federal Register* at 83 FR 47341 on September 19, 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. The information provided by contractors for this collection will be used only for its intended purpose. The Federal Government protects information consistent with the principles of the Privacy Act of 1974, the E-Government Act of 2002, and the Federal Records Act.

11. **Additional justification for questions of a sensitive nature.** No sensitive questions are involved.

12 & 13. **Estimated total annual public hour burden and cost burden.** According to data available from the Federal Procurement Data System for fiscal years 2015 through 2017, an average of 1296 modifications citing novation agreement as the reason for the modification were issued annually for an average of 547 unique vendors. Time required to read and prepare information is estimated at 2 hours per completion based on reviews by subject matter experts. This estimate is based on a junior lawyer at a small firm performing the task. The average salary of \$76,400 per year is based on national salary surveys. The equivalent GS salary is a grade 12, step 7, which makes \$76,320 per year based on the OPM 2018 salary table. From this data, the estimated cost per response is \$98.

Annual Burden and Cost to Public

Respondents	547
Responses per respondent	<u>X 1</u>
Total responses	547
Preparation hours per response	<u>X 2.0</u>
Total response burden hours	1,094
Hourly rate	<u>X *\$50</u>
Total Cost to public	\$54,700

Hourly rate calculated by adding an overhead factor of 36.25% (taken from OMB Memo M-08-13, which provides standard cost factors for agency use) to the 2018 calendar year Office of Personnel Management rate for a GS-12, step 7, (\$36.57) and rounding to the nearest dollar (\$50). The total cost per response is estimated at \$100.

14. **Estimated cost to the Government.** Time required for Government wide review is estimated at 1 hour per response. The hourly rate for the cost to the government is \$50.00, which reflects the salary of a GS-12, step 7, equivalent according to the Office of Personnel Management burdened hourly rate for a GS-12, step 7, for calendar year 2018.

Annual Government Burden and Cost

Reviewing time/hr	1
Responses	<u>X 547</u>
Review time/yr	547
Average wages/hr	<u>X *\$50</u>
Average wages/yr	\$27,350

* Hourly rate calculated by adding an overhead factor of 36.25% (taken from OMB Memo M-08-13, which provides standard cost factors for agency use) to the 2018 calendar year Office of Personnel Management rate for a GS-12, step 7, (\$36.57) and rounding to the nearest dollar (\$50).

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

Estimates are based on data available in the Federal Procurement Data System for fiscal years 2015 through 2017, which accounts for the decrease from 1,178 estimated respondents to 547 estimated respondents. This has resulted in the public burden hours being reduced to 1,094 from 2,356 for the information collection. In addition, the salary estimate is revised to use a higher level equivalent GS salary to account for the salary increase due to inflation for a junior lawyer at a small firm who is estimated to perform this task.

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.