

**ICR SUPPORTING STATEMENT  
1 ENVIRONMENTAL PROTECTION AGENCY**

**1. Identification of Information Collection**

**1(a) Title of Information Collection**

Contractor Cumulative Claim and Reconciliation (Renewal), EPA ICR No. 0246.13, OMB Control No. 2030-0016.

**1(b) Short Characterization**

The Federal Acquisition Regulation ([FAR](#) [4.804-5](#)) states that the office administering a contract is responsible for initiating administrative close out following physical completion of the contract. Funds status review is a mandatory part of contract closeout and includes settlement of interim or disallowed costs and settlement of indirect cost rates.

After a contract completion under a cost reimbursement type contract, the contractor submits EPA Form 1900-10 which summarizes all cost incurred in performance of the contract and sets forth the final indirect rates. This form is reviewed by the contracting office to determine the final costs reimbursable to the contractor. A copy of the form is attached to this request.

**2. Need and Use of the Collection**

**2(a) Need/Authority for the Collection**

[FAR 52.216-7](#) states that the Government will pay only the costs determined to be allowable by the contracting officer in accordance with [FAR Subpart 31.2](#). Furthermore, [FAR 52.216-7](#) states that indirect cost rates shall be established for each fiscal year at the close of a contractor's fiscal year. EPA Form 1900-10 summarizes this information for the entire contract period and provides a basis for cost review by contracting, finance, and audit personnel. As stated above [FAR 4.804-5](#) requires that the office administering the contract shall ensure that the costs and indirect cost rates are settled.

**2(b) Practical Utility/Users of the Data**

Information collected on the 1900-10 will be used by the contracting, financial, and audit personnel to determine the final amount of costs reimbursable to the contractor. EPA personnel and auditors from the Defense Contract Audit Agency ([DCAA](#)), if requested, will review the information in order to determine the final contract costs prior to final payment under the contract.

**3. Non-Duplication, Consultations, and Other Collection Criteria**

**3(a) Non-Duplication**

Information collected is contract-specific. Cumulative contract cost information, as requested, is not available from any other source.

**3(b) Public Notice Required Prior to ICR Submission to OMB**

A [notice](#) to renew this information collection was posted to the [Federal Register](#) on April 25, 2018. [One comment](#) was received, which was irrelevant.

**3(c) Consultations**

To determine contractor burden associated with the information collection identified in this request, the following vendors were contacted but did not respond; therefore, the estimated burden figures from the existing ICR are considered to still be applicable. Estimated time to process the information collection is described in Section 6, *Estimating the Burden and Cost of the Collection*.

<u>Representative</u>	<u>Firm</u>	<u>Phone</u>
Joe Baer	Tech Law	(304) 230-1230
Lisa Friday	Weston Solutions	(610) 701-3157
Eric Simpson	Sovereign Consulting	(508) 339-3200

**3(d) Effects of Less Frequent Collection**

The information is collected only once at contract closeout. This information is required by the [Federal Acquisition Regulation](#) to be collected at that time.

**3(e) General Guidelines**

This ICR does not exceed any of the OMB guidelines and regulations under [5 CFR 1320.5\(d\)\(2\)](#).

**3(f) Confidentiality/Sensitive Questions**

Information collected under this request, particularly cost and pricing data, is treated as CBI. This information is protected from public release in accordance with the Agency's confidentially regulation, [40 C.F.R. Part 2.201](#) et seq. No questions concerning sexual behavior or attitudes, religious beliefs, or other matters usually considered private are included in this information collection.

**4. The Respondents and the Information Requested**

**(a) Respondents/North American Industry Classification System Codes**

All contractors who have completed an EPA cost reimbursement type contract will be required to submit EPA Form 1900-10. These contractors represent a wide range of industries corresponding with the North American Industry Classification System ([NAICS](#)) code which include, but are not limited to: [541511](#), *Custom Computer Programming Services*; [621511](#), *Medical Laboratories*; and [541380](#), *Testing Laboratories*.

#### **4(b) Information Requested**

A copy of the EPA Form 1900-10 is attached as Attachment A.

##### **(i) Data Items**

Data requested in EPA Form 1900-10 has not changed since the last OMB review. This information includes major cost elements such as direct labor, direct material and supplies, equipment, travel, subcontract costs, consultant fees, indirect costs and fixed fees. Indirect costs are broken down showing base year and rate for each cost center for each year of contract performance.

Please note that EPA has omitted the expiration date from form 1900-10. As stipulated in [5 CFR 1320.8\(b\)\(1\)](#), the collection of information should display a currently valid [OMB Control Number](#) and, if appropriate, an expiration date. Because this form has been in use for a number of years without change, and since the collection activity and use of the form continue to be required, it is not appropriate to include the expiration date on the form.

##### **(ii) Respondent Activities**

In order to complete the EPA Form 1900-10, respondents must total all costs incurred under the contract, including costs for direct labor, all equipment, materials and supplies, travel, subcontracts, consulting fees, indirect costs, and fees. During contract performance, this information is included on the contractor's monthly invoice for reimbursement. To calculate total contract costs, the contractor adds the cost from each invoice submitted under the contract. If costs were claimed on an invoice that was disallowed, the contractor would subtract the disallowed amount from the total.

Negotiated indirect cost rates are applied to the base costs in order to determine the indirect costs for each cost center. This information is also contained in the contractor's invoices, and in correspondence concerning allowable costs and negotiated agreements on indirect rates. None of the information collected under this ICR needs to be created or researched; instead the data is compiled from various existing sources and summarized for this information collection. After the data is compiled, it must be reviewed for accuracy against existing records. It is customary business practice for a contractor to maintain the type of financial performance information required to complete EPA Form 1900-10.

**5. The Information Collected – Agency Activities, Collection Methodology, and Information Management**

**5(a) Agency Activities**

Once EPA Form 1900-10 is reviewed by the Agency, the data is reconciled with Agency records, and audited. If the information collected is correct, final contract payment is made.

**5(b) Collection Methodology and Management**

Information submitted is checked against Agency records such as invoices, correspondence, and negotiated agreements. Respondents have the option of reporting in their own computerized format provided all the required data is present. Completed forms, after review, become part of the contract files and will not be disclosed outside the Government.

**5(c) Small Entity Flexibility**

Data requested is required by the Federal Acquisition Regulation. It is not possible to develop separate or simplified requirements for small businesses or other small entities because the information required is necessary to complete the closing out of a contract, an alternate collection of information for small businesses is not appropriate.

**5(d) Collection Schedule**

Data is collected once at contract completion. Generally, this is after a five-year period of performance.

**6. Estimating the Burden and Cost of the Collection**

**6(a) Estimating Respondent Burden Hours**

Respondent burden hours are estimated at 6.3 hrs/respondent.

**6(b) Estimating the Respondent Burden Costs**

Respondent burden costs are estimated at \$920.37/respondent.

**(i) Estimating Labor Costs**

The annual labor cost to all respondents is estimated at \$4,601.85 based on the following calculations. Contractors may claim the cost of completing this form under the appropriate contract.

<u>ACTIVITY</u>	<u>TIME TO COMPLETE</u>	<u>AVG RATE/HR</u>	<u>COST</u>
1. Gather information	105.0 minutes	\$160.29	\$280.51

2. Compile data	135.0 minutes	\$160.29	\$360.65
3. Review data	82.5 minutes	\$160.29	\$220.40
4. Complete form	60.0 minutes	\$58.81	\$ 58.81
Total	382.5 minutes		\$920.37

Step 1 thru 3 of the collection activity is normally performed by an Administrative Services Manager, and administrative support personnel are responsible for completing step 4. The cost associated with this effort was estimated using hourly rates based upon the [May 2017 National Occupational Employment and Wage Estimates](#) published by the U.S. Department of Labor's Bureau of Labor Statistics. The occupational categories used are *Administrative Services Manager* and *Office and Administrative Support*.

Since the labor rates used in this estimate are from 2017, an escalation factor of 3% was applied for each year to determine an average wage for the respective year. The cost for each labor category was determined by multiplying the escalated hourly labor rate by an estimated loading factor of 2.95 to reflect industries' overhead, fringe benefits, and general and administrative costs for each year (2018-2020) that the ICR will be in effect. The 2.95 estimate was provided by an EPA cost analyst as representative of labor related burdens experienced by EPA contractors. The loaded labor costs for 2018 thru 2020 were added together then divided by three (number of years for the ICR) to arrive at an annualized labor cost for each labor category.

The following are the loaded labor rates used in the calculations in the table above:

Administrative Services Manager:

$$\begin{aligned}
 2017 &= (\$49.70 \times 1.03) = \$51.20 \\
 2018 &= (\$51.20 \times 1.03) = \$52.74 \times 2.95 = \$155.58 \\
 2019 &= (\$52.74 \times 1.03) = \$54.32 \times 2.95 = \$160.24 \\
 2020 &= (\$54.32 \times 1.03) = \$55.95 \times 2.95 = \underline{\$165.05} \\
 &\quad \$480.87/3 = \$160.29
 \end{aligned}$$

Office and Administrative Support:

$$\begin{aligned}
 2017 &= (\$18.24 \times 1.03) = \$18.79 \\
 2018 &= (\$18.79 \times 1.03) = \$19.35 \times 2.95 = \$ 57.08 \\
 2019 &= (\$19.35 \times 1.03) = \$19.93 \times 2.95 = \$ 58.79 \\
 2020 &= (\$19.93 \times 1.03) = \$20.53 \times 2.95 = \underline{\$ 60.56} \\
 &\quad \$176.43/3 = \$58.81
 \end{aligned}$$

EPA processed approximately five contract closeouts per year using EPA Form 1900-10. As indicated above, each form takes 382.5 minutes, or about 6.3 hours to process. The five yearly actions, multiplied by the cost to process one action, \$920.37, are used to determine the above annual cost burden to the respondents. The five yearly actions, multiplied by 6.3 hours equates to an annual hourly burden of 31.5 hours. The total annual respondent burden is \$920.37 x 5 contracts/year = \$4,601.85. Respondents have pointed out that the complexity of the contracts to be closed out increases the amount of time needed to gather the required information. Most firms keep all of their financial data required for completion of this form in a computer database.

**(ii) Capital/ Start-up Costs**

Respondents will not be required to acquire capital goods to provide the requested information; therefore, capital start-up costs have not been included in this estimate.

**(iii) Operating and Maintenance Costs**

Operating and maintenance costs, which include such items as file storage, photocopying, and postage, will be nominal.

**(iv) Annualizing Capital Costs**

**6(c) Estimating Agency Burden and Cost**

Once the Agency receives the information, it is reviewed by the employee conducting contract close-out. The average annual Agency burden and cost over the next three years is estimated to be 2.5 labor hours (for estimated five respondents/year) at a cost of \$221.60 per year, calculated as follows:

<u>ACTIVITY</u>	<u>TIME REQUIRED</u>	<u>RATE</u>	<u>COST</u>
1. Review data against Agency records	30 minutes	\$88.64	\$44.32

The Agency’s current effort is estimated to be performed by an employee at the GS-12 level and will take approximately thirty minutes, which is about the same as previous years. The [GS-12 hourly salary for 2018](#) with a locality pay for “Rest of US” is \$39.85, and a 3 percent escalation factor has been applied for any cost-of-living increases given to federal workers in 2019 or 2020. These wage rates were then multiplied by a factor of 2.16 to reflect Federal employee benefits. The 2.16 estimate was provided by an EPA cost analyst as representative of labor-related burdens for government employees. The loaded labor costs for 2018 thru 2020 were added together then divided by three (number of years for the ICR) for an annualized loaded rate of \$88.64 for the three years the ICR is in effect. The annual Agency burden is \$44.32 x 5 contracts/year = \$221.60.

$$\begin{aligned}
 2018 &= && \$39.85 \times 2.16 = \$86.07 \\
 2019 &= (\$39.85 \times 1.03) = \$41.02 \times 2.16 = \$88.61 \\
 2020 &= (\$41.02 \times 1.03) = \$42.25 \times 2.16 = \underline{\$91.26} \\
 &&& \$265.94/3 = \$88.64
 \end{aligned}$$

**6(d) Estimating the Respondent Universe and Total Burden Costs**

EPA estimates that it will process approximately five respondent forms/year during the next three years for a total of fifteen respondent forms.

## **6(e) Bottom Line Burden Hours and Cost Tables**

### **(i) Respondent Tally**

The average annual respondent burden and cost over the next three years is estimated to be 31.5 labor hours (for estimated five respondents/year) at a cost of \$4,601.85 per year.

### **(ii) The Agency Tally**

The average annual Agency burden and cost over the next three years is estimated to be 2.5 labor hours (for estimated five respondents/year) at a cost of \$221.60 per year.

## **6(f) Reasons for Change in Burden**

There is no change of hours in the total estimated respondent burden compared with the ICR currently approved by OMB. The loaded labor costs were adjusted upwards to account for inflation.

## **6(g) Burden Statement**

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 382.5 minutes per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in EPA Acquisition Regulation ([EPAAR](#)) [1501.370](#), *OMB Approvals Under the Paperwork Reduction Act*.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OARM-2018-0124, which is available for public viewing at the Office of Environmental Information (OEI) Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, NW, Washington, D.C. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the OEI Docket is (202) 566-1752. An electronic version of the public docket is available at [www.regulations.gov](http://www.regulations.gov). This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those

documents in the public docket that are available electronically. Once in the system, select “search,” then key in the docket ID number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OARM-2018-0124 and OMB Control Number 2030-0016 in any correspondence.





**PA United States Environmental Protection Agency  
Contractor's Cumulative Claim and Reconciliation**

OMB No. 2030 - 0016

1. Contractor's Address (include zip code)

2. Contract No.

3. Total amounts claimed under this contract (less disallowances concurred by the contractor and disallowances not subject to appeal) and approved on Public Vouchers Nos. \_\_\_\_\_ to \_\_\_\_\_ (including completion vouchers).

Item	Amount
Direct Labor	\$
Direct Material and Supplies	\$
Equipment	\$
Travel	\$
Subcontract Costs	\$
Other Direct Costs	\$
Consultant Fees	\$
Fixed Fee	\$
Indirect Costs (Total From Section 4)	\$
<b>Total Amount Claimed</b>	<b>\$</b>

4. Reconciliation of Indirect Costs Claimed. Record the amount of indirect costs calculated, for each cost center, using negotiated final indirect cost rate(s). Use provisional rate(s) if final rates are not negotiated for any fiscal year period(s). Use the reverse side of this form, if necessary, to display all years and cost centers.

	Cost Center	Cost Center	Cost Center	Cost Center	Cost Center
FY					
Base					
Rate					
Indirect Costs					
FY					
Base					
Rate					
Indirect Costs					
FY					
Base					
Rate					
Indirect Costs					
<b>Totals</b>					

No monies or other benefits may be paid unless this report is completed and filed as required in the EPA billing instructions.

I certify that the information provided on this form and attachments thereto are accurate and complete. I acknowledge that any knowingly false or misleading information may be punishable by fine and/or imprisonment under applicable law.

Name and Title (Print or Type)	Signature	Date
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**Paperwork Reduction Act Notice**

Public reporting burden for this collection of information is estimated to average 6.3 hours per response, including the time for searching existing data sources, gathering and maintaining data, and completing and reviewing data. Send comments regarding this burden estimate or any other aspect of this collection of information (including suggestions for reducing this burden) to:

- (1) Manager, Acquisition Policy and Training Service Center (mail code 3803R)  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460; *and*
- (2) Paperwork Reduction Project (OMB No. 2030-0016)  
Office of Information and Regulatory Affairs  
Office of Management and Budget  
Washington, DC 20503.

	Cost Center	Cost Center	Cost Center	Cost Center	Cost Center
<b>FY</b>					
<b>Base</b>					
<b>Rate</b>					
<b>Indirect Costs</b>					
<b>FY</b>					
<b>Base</b>					
<b>Rate</b>					
<b>Indirect Costs</b>					
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<b>Base</b>					
<b>Rate</b>					
<b>Indirect Costs</b>					
<b>Totals</b>					

*No monies or other benefits may be paid unless this report is completed and filed as required in the EPA billing instructions.*