

**1SUPPORTING STATEMENT  
ENVIRONMENTAL PROTECTION AGENCY**

**1. Identification of the Information Collection**

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

*Monthly Progress Reports (Renewal)*, EPA ICR Number 1039.15, OMB Control Number 2030-0005.

**1(b) Short Characterization/Abstract**

This Information Collection Request is an extension of Number [1039.14](#). Every month the Office of Acquisition Management (OAM) requires contractors provide the Contract Contracting Officer's Representative (COR) with a report detailing: (a) what was accomplished on the contract during that period; (b) expenditures for the same period of time; and (c) what remains to be done. This allows the Contract COR to monitor the efficiency and cost effectiveness of the work being performed. This information is being collected because appropriate Government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used for various cost-reimbursable and fixed-rate contracts. The information is used by Government personnel to monitor contract performance. EPA estimates that approximate 337 contracts and orders are subject to these reporting requirements. Monthly progress reports are submitted electronically and stored as a paper copy, and on the electronic contract-writing system *EAS Acquisition System (EAS)* in accordance with applicable record retention schedules.

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

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

Federal Acquisition Regulation (FAR) [16.301-3\(a\)\(4\)](#) and [16.601\(c\)\(1\)](#) require that cost-reimbursement, time-and-material and labor-hour contracts are monitored in terms of financial and technical efficiency. Environmental Protection Agency Acquisition Regulation (EPAAR) [1511.011-72](#) prescribes clause [1552.211-72, Monthly Progress Report](#) which provides the specific requirements for progress reports which is used for these types of contracts.

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

Progress reports will be used by the Contract COR to monitor the contractor's progress under a specific contract. If problems with the contractor's performance arise, the contracting officer may also review the progress reports to determine what action may need to be taken.

**3. Nonduplication, Consultations, and other Collection Criteria**

**3(a) Nonduplication**

Monthly progress reports are unique to each contract. Information concerning the financial and technical progress of a contractor under a specific contract is not available from other sources.

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

A [notice](#) to renew this information collection was posted to the [Federal Register](#) on June 13, 2018. Seven comments were received, which were not relevant to this ICR.

### **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 Information Collection**

Many EPA contracts and orders involve complex services requiring numerous contractor employees and extensive funding. It is imperative that the Agency be aware of the actions the contractor is taking and the amount of funding expended every month. Less frequent collection would jeopardize the Agency's ability to determine the reasonableness of costs and to take timely action in the event of technical or cost problems under its complex contracts and orders.

### **3(e) General Guidelines**

This ICR does not exceed any of the OMB guidelines found in [5 CFR 1320.5\(d\)\(2\)](#) and is in accordance with the Office of Management and Budget's general guidelines for Federal data collection, except that the information will be submitted more often than quarterly. Monthly progress reports are mandatory for those holding Agency contracts with progress reporting requirements and generally run from three to five years. Most contractors invoice once a month under these contracts. By submitting the progress report with the invoice, the contractor gives the Contract COR, who is responsible for monitoring the contract, an opportunity to review the financial information contained in the progress report, and compares it to the invoice. Monthly review of this information allows the Agency to promptly note when performance or cost problems arise, and take immediate action. This monthly information is required because of the complex nature of the work performed.

### **3(f) Confidentiality**

Information collected under this request, particularly cost and pricing data, is treated as Confidential Business Information (CBI). This information is protected from public release in accordance with the Agency's confidentiality regulation, [40 C.F.R. Part 2](#).

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

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

All contractors with clause [1552.211-72](#) in their contracts will be required to submit monthly progress reports. Respondents are anticipated to fall into one of the following North American Industry Classification System ([NAICS](#)) codes, which include but are not limited to: [541511](#) for custom computer programming services, [541620](#) for environmental consulting services, [621511](#) for medical laboratories, and [541380](#) for testing laboratories.

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

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

The monthly progress reports submitted by contractors provide the following information:

- (i) Progress made during the reporting period, including percent of project completed, description of the action of work accomplished, and a schedule of deliverables for the reporting period.
- (ii) Difficulties encountered and remedial action taken during the reporting period, and anticipated activity during the subsequent reporting period.
- (iii) A list of outstanding actions awaiting the contracting officer's authorization.
- (iv) Cumulative costs at the contract level for: the amount claimed for the current reporting period, the amount obligated, originally invoiced, paid, suspended, disallowed and remaining approved for the cumulative period and contract life.
- (v) Labor hours consisting of a list of employees, their labor categories, and the number of hours worked.
- (vi) Labor hours expended and direct labor hours and costs detailed for the current reporting period.
- (vii) Labor hours negotiated, expended and remaining; and labor hours and costs detailed for the contract period and cumulative contract life.

(viii) The estimated labor hours and costs to be expended during the next reporting period.

(ix) The current dollar ceilings, net amount invoiced, and remaining amounts in funding categories.

(x) Unbilled allowable costs for the current reporting period and cumulative for the contract.

(xi) Actual average direct labor costs compared with the negotiated average for the current contract period.

(xii) Similar financial status information to that already outlined, at the work assignment level or task/delivery order level.

## **(ii) Respondent Activities**

Respondents are required to compile and submit monthly progress reports that contain the data items in (4)(b)(i) above.

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

### **5(a) Agency Activities**

Once the information is received by the Agency, it is reviewed by the Contract COR against existing financial data, contractor deliverables and agency records for verification. If no discrepancies are noted, the report is placed in the contract file.

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

The Agency monitors monthly contractor activity by requiring progress reports. Many contractor respondents prepare computerized reports, and software programs are available which track financial data. There is no specified submission format so long as the required data is provided and contractors can provide their data electronically.

### **5(c) Small Entity Flexibility**

Most contractors invoice once a month under service contracts and orders. Progress reports are required every month so that charges on the invoice can be reconciled with financial and technical information provided in the progress report.

### **5(d) Collection Schedule**

Contractors are required to submit monthly progress reports.

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

The overall respondent burden is estimated to be 24 hours per monthly response, and a total annual burden of 97,056 hours (24 hours per response x 4,044 responses). The overall respondent cost of the collection is \$2,325 per monthly response, and a total annual cost of \$9,402,300.

### 6(a) Estimating Respondent Burden

The overall respondent burden is estimated to be 24 hours per monthly response, and a total annual burden of 97,056 hours. The estimated respondent burden of 24 hours consists of 9 hours to gather information, and 15 hours to compile and process the information. No estimated capital or start-up costs because respondents do not need to acquire any capital goods in order to provide the requested information.

### 6(b) Estimating Respondent Costs

(i) **Estimating Labor Costs:** Contractor burden is based on historical data:

<u>Collection Activity</u>	<u>Hours Per Month</u>	<u>Rate</u>	<u>Cost</u>
1. Gather information	9	\$160.29	\$1,443
2. Compile and Process information	15	\$ 58.81	<u>\$ 882</u>
TOTALS	24		\$2,325

Step 1 is normally performed by an Administrative Services Manager, and administrative support personnel are responsible for completing step 2. 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:

2017 = (\$49.70 x 1.03) = \$51.20  
 2018 = (\$51.20 x 1.03) = \$52.74 x 2.95 = \$155.58  
 2019 = (\$52.74 x 1.03) = \$54.32 x 2.95 = \$160.24  
 2020 = (\$54.32 x 1.03) = \$55.95 x 2.95 = \$165.05  
 \$480.87/3 = \$160.29

Office and Administrative Support:

2017 = (\$18.24 x 1.03) = \$18.79  
 2018 = (\$18.79 x 1.03) = \$19.35 x 2.95 = \$ 57.08  
 2019 = (\$19.35 x 1.03) = \$19.93 x 2.95 = \$ 58.79  
 2020 = (\$19.93 x 1.03) = \$20.53 x 2.95 = \$ 60.56  
 \$176.43/3 = \$58.81

The prior ICR calculated that EPA had 266 active contracts and orders requiring monthly progress reports in 2014. This figure has increased to 337 in 2018 due in part to shorter-value and shorter-length contracts being awarded due to budget uncertainty; e.g., continuing funding resolutions, sequestration budget cuts. The estimated 337 contracts and orders each require a monthly progress report (337 contracts/orders x 12 months each = 4,044 responses). Respondents on average take 24 hours per month to complete each response. Therefore, total burden for one year is 97,056 hours (24 hours per response x 4,044 responses). The annual cost to respondents based on the figures shown above is \$9,402,300 (\$2,325 per response x 4,044 responses). Contractors are reimbursed for these costs under the applicable contract.

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

Because it will not be necessary for respondents to acquire any capital goods to provide the requested information, EPA has not estimated any capital/start-up costs.

**(iii) Capital/Startup vs. Operation and Maintenance (O&M) Costs**

Operating and maintenance costs consist of postage and photocopying, are estimated at \$12.50 per response x 4,044 responses = \$50,550.

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

Agency burden estimates were developed by procurement personnel who work with the types of contracts addressed in this ICR. On the average, the same amount of time is required to review the data for each type of contract. Progress reports are reviewed by the contracting officer and the Contract COR responsible for the contract. Agency burden is calculated as follows:

<u>Collection Activity</u>	<u>Hours Per Month</u>	<u>Rate</u>	<u>Cost</u>
Audit/review data submissions	2	\$105.44	\$210.88

Burden hours for the contracting officer and the Contract COR are combined for a total of two (2) hours, which is about the same as previous years, and is based on both of these individuals being GS-13s. The [GS-13 hourly salary for 2018](#) with a locality pay for “Rest of US” is \$47.38, 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 \$105.44 for the three years the ICR is in effect.

2018 =  $\$47.38 \times 2.16 = \$102.34$   
 2019 =  $(\$47.38 \times 1.03) = \$48.80 \times 2.16 = \$105.41$   
 2020 =  $(\$48.80 \times 1.03) = \$50.26 \times 2.16 = \underline{\$108.57}$   
 $\$316.32/3 = \$105.44$

Therefore, total annual agency burden is summarized as follows:

Total burden hours = 4,044 responses x 2 hours per response = 8,088 hours.

Total burden costs: \$210.88 per response x 4,044 responses = \$852,798.

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

There are an estimated 337 active contracts and orders that each require a monthly progress report (337 contracts/orders x 12 months each = 4,044 responses). Respondents on average take 24 hours per month to complete each response. Therefore, total burden for one year is 97,056 hours (24 hours per response x 4,044 responses). The annual cost to respondents based on the figures shown above is \$9,402,300 (\$2,325 per response x 4,044 responses).

#### **6(e) Bottom-Line Annual Burden Hours and Costs**

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

Total Number of Respondents:	337
Total Annual Responses:	4,044
Total Burden Hours:	97,056 hours
Total Burden Costs:	\$ 9,402,300

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

Total Burden Hours:	8,088 hours
Total Burden Costs:	\$ 852,798

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

There is an increase of 19,650 hours (97,056 - 77,406) in the total estimated respondent burden compared with the ICR currently approved by OMB because OAM has approximately 337 contracts and orders requiring response in 2018 instead of only 266 in 2014. This figure

has increased to 337 due in part to shorter-value and shorter-length contracts and orders being awarded due to budget uncertainty; e.g., continuing funding resolutions, sequestration budget cuts.

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

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 24 hours per response. “Burden” means the total time, effort, or financial resources expended by persons to generate, maintain, retain, 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; disclosing and providing information; training personnel to be able to respond to a collection of information; searching data sources; completing and reviewing the collection of information; and transmitting or otherwise disclosing the information. An agency may not conduct or sponsor, nor is a person 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-2018-0229, 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 through EPA Dockets (EDOCKET) at <http://www.epa.gov/edocket>. Please use EDOCKET 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-2018-0229 and OMB Control Number 2030-0005 in any correspondence.

### **Part B of the Supporting Statement**

This part is not applicable because no statistical methods were used in collecting this information.