

**SUPPORTING STATEMENT  
FOR INFORMATION COLLECTION SUBMISSION  
9000-0152, SERVICE CONTRACTING**

**A. Justification.**

1. **Administrative requirements.** This collection of information covers Federal Acquisition Regulation (FAR) coverage that requires that offerors when submitting a proposal responding to a solicitation estimated at, or above, the Simplified Acquisition Threshold, for services being acquired on the basis of the number of hours to be provided, must identify uncompensated overtime hours, in excess of 40 hours per week, whether at the prime or subcontract level. This includes uncompensated overtime hours that are in the indirect cost pools for personnel whose regular hours are normally charged direct. This language implements the statutory requirements of Sec. 834, Public Law 101-510 (10 U.S.C. 2331). These policies are implemented in the FAR at 37.115, Uncompensated Overtime and prescribed in FAR provision 52.237-10, Identification of Uncompensated Overtime.

2. **Uses of information.** The information will be collected once from the offeror when submitting a proposal where uncompensated overtime is proposed. The information is used by government contracting officers when conducting the cost realism analysis of proposed labor rates for professional and technical services. Proposals which include unrealistically low labor rates, or which do not otherwise demonstrate cost realism, will be considered by the contracting officer in a risk assessment and evaluated appropriately. The primary purpose for obtaining the information and using it during the source selection process is to discourage the use of uncompensated overtime in proposals from the professional and technical services industry.

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 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 provision regarding uncompensated overtime applies equally to large and small business entities and provides an additional method to improve the Government's ability to acquire services of the requisite quality and to assess contractor performance and price. Because both large and small business concerns must be dealt with equally in this matter, the information collection does not create a disproportionate burden on small entities.

**6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Absent this information, contracting officers would not be able to perform an adequate cost realism assessment of offerors' proposed labor rates.

**7. Special circumstance for collection.** Collection is consistent with the guidelines in 5 CFR 1320.6.

**8. Efforts to consult with persons outside the agency.** A 60-day notice was published in the *Federal Register* at 83 FR 53875, on October 25, 2018. No comments were received. A 30-day notice was published in the *Federal Register* at 84 FR 11301 on March 26, 2019.

**9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractor or grantees.** There are no plans to provide any payments or gifts to respondents.

**10. Describe assurance of confidentiality provided to respondents.** This information will be disclosed only to the extent consistent with prudent business practices and current regulatory and statutory requirements.

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

**12. Estimated total annual public hour burden.** The burden placed on offerors is the time required to identify and support any hours in excess of 40 hours per week included in their proposal or subcontractor's proposal. FPDS shows that

for Fiscal Year 2018, there were 25,801 reported service contracts awarded at \$250,000 or more, of which 65 percent or 16,771 contracts will be competitively awarded. About 7 proposals will be received for each contract award. Of the total 117,397 (16,771, x 7) proposals received, only 25 percent or 29,349 proposals are expected to include uncompensated overtime hours. It is estimated that offerors will take about 30 minutes to identify and support any hours in excess of 40 hours per week included in their proposal or subcontractor's proposal. Estimated cost per hour is \$37.00 for a GS-9, Step 7.

Number of respondents:	29,349
No. of responses per respondent:	<u>X 1</u>
Total annual responses:	29,349
Hours per response:	<u>X .50</u>
Total hours:	14,675

**13. Estimated total annual public cost burden.**

Total annual public hours:	14,675
Average cost per hour:	<u>x\$37.00*</u>
Total annual cost to public:	\$542,975

\*Based on the OPM GS-9/step 9 salary (\$29.09 an hour/RUS) plus 36.25 percent burden, rounded to the nearest dollar, or \$37.00 an hour. The burden rate used is that 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-GS, Effective January 2018, found at [www.opm.gov](http://www.opm.gov)). The estimated cost per response is \$18.50.

**14. Estimated annual cost to the Government.** It is estimated that Government contracting officers will take about 15 minutes to review the offerors' proposals and ascertain the cost realism of the proposed labor rates.

Number of responses:	29,349
Average hours per response:	<u>x .25</u>
Total hours:	7,337
Average cost per hour:	<u>x\$37.00</u>
Total annual cost to government:	271,469

\*Based on the OPM GS-9/step 9 salary (\$29.09 an hour/RUS) plus 36.25 percent burden, rounded to the nearest dollar, or

\$37.00 an hour. The burden rate used is that 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-GS, Effective January 2018, found at [www.opm.gov](http://www.opm.gov)).

**15. Explain reasons for program changes or adjustments reported in Item 13 or 14.** The public burden hours for the information collection has increased due to the number of respondents being greater than the number of respondents from the previous collection based on the FPDS data.

**16. Outline plans for published results of information collections.** Results of this collection will not be published.

**17. Approval not to display expiration date.** Not applicable.

**18. Explanation of exception to certification statement.** Not applicable.

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**B. Collections of Information Employing Statistical Methods.** Statistical methods will not be employed.