

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION  
9000-0073, ADVANCE PAYMENTS**

**1. Administrative requirements.** Advance payments may be authorized under Federal contracts and subcontracts. Advance payments are the least preferred method of contract financing and require special determinations by the agency head or designee. Specific financial information about the contractor is required before such payments can be authorized (see Federal Acquisition Regulation (FAR) 32.4 and 52.232-12).

**2. Uses of information.** The information is used to determine if advance payments should be provided to the contractor.

**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 burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, 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.** Collection of information on a basis other than solicitation-by-solicitation or contract-by-contract is not practical. Therefore, these collections are conducted as infrequently as possible.

**7. Special circumstances for collection.** Collection is consistent with 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 84 FR 8332 on March 7, 2019. No comments were received. A 30-day notice was published in the Federal Register at 84 FR 24516 on May 28, 2019.

**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, current regulations, and statutory requirements.

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

**12 & 13. Estimated total annual public hours and cost burden.**  
The estimated number of respondents per year is based on the total number of government contracts awarded in fiscal year 2018 that provided advance payments, excluding both contracts for commercial items and contracts below the micro-purchase threshold. During this time period, the Government awarded 218 contracts that were identified in Federal Procurement Data System as including advance payments or unusual progress payments. Since advance payments are the least preferred method of financing, it is estimated that a third of the awards are for advance payments. Therefore, it is estimated that there are 73 annual respondents.

It is estimated that 12 responses would be reported annually per respondent. This is based on the requirement for the initial application by the contractor in accordance with FAR 32.408 and the requirements for monthly supplemental information in accordance with FAR 52.232-12(m) and paragraph (j) within Alternate V.

The amount of time required to read and prepare this information is estimated at 6 hours per response for the initial application submission under 32.408 and 1 hour per response for the 11 supplemental monthly information submissions per year under 52.232-12(m) and paragraph (j) within Alternate V. This results in an average of 1.42 hours per response. This is based on the estimated time it would take to gather necessary information, prepare necessary paperwork, and convey this information to the Government.

Estimated number of respondents	73
Estimated number of responses per respondent per year	<u>x 12</u>
Total annual responses	876
Estimated preparation time per response (hours)	<u>x 1.42</u>
Total burden hours	1,244

Estimated wages and overhead*	<u>x \$54</u>
Total estimated cost to public	\$67,176

\* Based on a GS-12, Step 5 or \$39.85/hour (from the OPM GS Salary Table 2019-RUS), added overhead at 36.25 percent, and rounded to the nearest whole dollar, or \$54/hour. The estimated cost per response is \$76.68.

**14. Estimated cost to the Government.**

Total Annual Responses	876
Review time per response (hours)*	<u>x 1.08</u>
Total burden Hours	946
Average wages and overhead**	<u>x \$65</u>
Total estimated annual cost to the Government	\$61,490

\* Review time is average time based on estimated 2 hours to review initial application and 1 hour to review 11 monthly supplemental information submissions per year.

\*\* Based on a GS-13, Step 5 or \$47.38/hour (from the OPM GS Salary Table 2019-RUS), added overhead at 36.25 percent, and rounded to the nearest whole dollar, or \$65/hour.

**15. Explain reasons for program changes or adjustments reported in Item 13 or 14.** The following adjustments were made to the estimates: The annual public burden increased to include burden unaccounted for in the previous renewal. However, as a result, the total annual public burden decreased by 1,756 hours due to a decrease in the estimated number of respondents, partially offset by an increase in the number of estimated responses per respondent. The revised number of responses per respondent accounts for the supplemental monthly information submission required by FAR 52.232-12(m) and paragraph (j) within Alternate V that was not properly accounted for in the previous information collection request.

Finally, the estimated costs to the public were adjusted based on an update to the wage rates for the personnel preparing and submitting the information.

**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.