**SUPPORTING STATEMENT**

**FOR INFORMATION COLLECTION, OMB CONTROL NO.**

**9000-0163, Small Business Size Rerepresentation**

1. **Justification.**

**1.** **Circumstances that make the collection of information necessary.** The Small Business Administration (SBA) regulation at 13 CFR 121.404(g) requires that a concern that initially represented itself as small at the time of its initial offer, must rerepresent its status as a small business under the following circumstances:

* Within thirty days of an approved contract novation;
* Within thirty days in the case of a merger or acquisition, where contract novation is not required; or
* Within 120 days prior to the end of the fifth year of a contract, and no more than 120 days prior to exercising any option thereafter.

The implementation of SBA’s regulation in section 19.301 of the Federal Acquisition Regulation (FAR) and FAR 52.219-28, Post-Award Small Business Program Rerepresentation, requires that contractors rerepresent size status by updating their representations at the prime contract level in the Representations and Certifications section of the System for Award Management (SAM), and notifying the contracting officer that it has made the required rerepresentation.

2. **Uses of information.** The purpose of implementing small business rerepresentation in the FAR is to ensure that small business size status is accurately represented and reported over the life of long-term contracts. The FAR also provides for provisions designed to ensure more accurate reporting of size status for contracts that are novated, merged or acquired by another business. This information is used by SBA, Congress, Federal agencies and the general public for various reasons such as determining if agencies are meeting statutory goals, set-aside determinations, and market research.

3. **Consideration of information technology**. We use improved information technology to the maximum extent practicable. Where both Government agencies and contractors are capable of electronic interchange, contractors may submit this information collection requirement electronically. In addition, contractors are able to use the Representations and Certifications section in the System for Award Management (SAM) and online solicitations and modifications.

4. **Efforts to identify duplication**. The FAR standardizes Federal procurement practices and eliminates unnecessary duplication.

5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** Small businesses and other entities are periodically required to rerepresent size status. The burden on Federal contractors is minimal because contractors can use SAM which requires small businesses placing offers on Federal contracts to electronically certify their status for the specific North American Industry Classification System (NAICS) code contained in the solicitation. In addition, small businesses must review and update the data, at the minimum, on an annual basis.

6**. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Without the information collection covered by this clearance, the Federal Government will be unable to ensure accurate reporting of small business data used to report on small business and other socioeconomic programs to Congress.

1. **Special circumstance for collection.** No special circumstances exist for this collection. The collection is consistent with the guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency.** A notice and request for comments was published in the *Federal Register* concurrently with the proposed FAR rule at 81 FR 88072, on December 6, 2016. No comments were received on the burden calculation for this information collection. A 30-day notice was published in the *Federal Register* at 84 FR 28815 on June 20, 2019.

1. **Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or guarantees.** There will be no payment or gift to respondents, other than remuneration of contractors.
2. **Describe assurance of confidentiality provided to respondents.** Information concerning a firm's size status is disclosed only to the extent consistent with prudent business practices and current regulations.
3. **Additional justification for questions of a sensitive nature.** No questions of a sensitive nature are asked.

12 & 13. **Estimated total annual public hour burden and cost burden.** The estimated total annual burden to the public applies to long-term contracts (a contract of more than five years in duration, including options) and to contracts that are novated, merged, or acquired. The Contractor is required to rerepresent to the Contracting Officer by validating or updating its representations in the Representations and Certifications section of SAM. The Contractor is required to notify the contracting officer by e-mail, or otherwise in writing, that the rerepresentations have been made, and provide the date on which they were made. It is estimated that approximately 2,200 contracts will recertify in a year.

The contracting officer at his or her discretion, may also request the Contractor to rerepresent its status as a small business for individual task or delivery orders. The Contractor is required to notify the contracting officer by e-mail, or otherwise in writing, that the rerepresentations have been made, and provide the date on which they were made. It is estimated that rerepresentation will be required for approximately 590 task or delivery orders in a year, with an estimate of 3 quotations per order.

# **(1) Rerepresentation on long-term contracts, and other contracts as a result of acquisitions, mergers, and novations:**

 a. Number of respondents: 2,200

 b. Responses per respondent: x 1

 c. Total annual responses: 2,200

 d. Hours per response: x .5

 e. Total hours: 1,100

 f. Hourly rate($27.48 + 36.35% OH)\*: × $ 37

 g. Total Cost $40,700

Task is expected to be accomplished by midlevel personnel equivalent to a GS-9, Step 5, of $27.48 plus overhead of 36.25%, rounded to the nearest dollar.

# **(2) Rerepresentation for individual task or delivery orders under multiple-award contracts:**

 a. Number of respondents: 590

 b. Responses per respondent: x 3

 c. Total annual responses: 1770

 d. Hours per response: x .5

 e. Total hours: 885

 f. Hourly rate($27.48 + 36.25% OH)\*: × $ 37

 g. Total Cost $ 32,745

Rerepresentation for individual task or delivery orders is expected to require the efforts of midlevel personnel equivalent to a GS-9, Step 5, $27.48 plus overhead of 36.25%, rounded to the nearest dollar. The estimated cos per response is $18.50.

**14.** **Estimated cost to the Government.** Government hours per response are based on the time required to review the rerepresentation and if necessary, modify the contract.

**(1) Estimate of annualized costs to the Federal Government:**

 a. Total annual responses**:** 2,200

 b. Hours per response: x 2

 c. Total hours: 4,400

 d. Average cost per hour: x 37

1. Total annual cost to

 Government: **$162,800**

Task is expected to be accomplished by midlevel personnel equivalent to a GS-9, Step 5, of $27.48, plus overhead of 36.25%, rounded to the nearest dollar.

**(2) Estimate of annualized costs to the Federal Government for review of small business rerepresentations for individual task or delivery orders:**

 a. Total annual responses: 1,770

 b. Hours per response: x .5

 c. Total hours: 885

 d. Average cost per hour: x 37

1. Total annual cost to

 Government: $ 32,745

This task is expected to be accomplished by midlevel personnel equivalent to a GS-9, Step 5, of $27.48, plus overhead of 36.25%, rounded to the nearest dollar.

**15**. **Explain reasons for program changes or adjustment reported in Item 13 or 14.** The FAR is revised to implement the new discretionary authority for contracting officers to require rerepresentations of small business contractors for task or delivery orders.

It is estimated that the revisions to the FAR will result in 1,770 more rerepresentations per year. The 1,770 figure is based on reasoning that contracting officers will exercise their discretionary authority to require rerepresentations only for large dollar value orders (i.e. over $1 million) and then only for a portion of such orders (i.e. 10%). According to the Federal Procurement Data System (FPDS), there were 5,879 task and delivery orders over $1 million awarded in fiscal year (FY) 2017. Ten percent of these orders are approximately 590 orders. Estimating that the Request for Quotations (RFQ) for each order resulted on average 3 quotations, there would be 1,770 rerepresentations per year (590 orders X 3 quotations per order) at the order-level.

The revision to the FAR will result in a total of 1,985 hours, an increase of 885 hours from the annual reporting burden published in the Federal Register at 83 FR 27004, on June 11, 2018 (1,100 hours).

**16.** **Outline plans for published results of information collection.** Results of this information collection will be published. The Public will be able to access the information through a Government hosted website.

**17.** **Approval not to display expiration date.** DoD, GSA and NASA are not seeking such approval.

**18.** **Explanation of exception to certification statement.** There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

**B. Collections of Information Employing Statistical Methods.**

Statistical methods are not used in this information collection.