

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0070, PAYMENTS**

- 1. Administrative requirements.** Firms performing under Federal contracts must provide adequate documentation to support requests for payment under these contracts. The documentation may range from a simple invoice to detailed cost data. The information is usually submitted once, at the end of the contract period or upon delivery of the supplies or services, but could be submitted more often depending on the payment schedule established under the contract (see Federal Acquisition Regulation (FAR) 52.232-1 through FAR 52.232-4, FAR 52.232-6, 52.232-7, and 52.232-10).
- 2. Uses of information.** The information is used to determine the proper amount of payments to Federal contractors.
- 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.
- 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 16268, on April 18, 2019. No comments were received. A 30-day notice published in the *Federal Register* at 84 FR 37874 on August 2, 2019.
- 9. Explanation of any decision to provide any payment or gift to respondents, other than remunerations of contractors or guarantees.** 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 for the types of contracts that include the FAR clauses covered by this information collection (see Federal Acquisition Regulation (FAR) 52.232-1 through FAR 52.232-4, FAR 52.232-6, 52.232-7, and 52.232-10). The type of contracts covered and associated product service codes are identified in the bullets below. Contracts for commercial items and micro-purchasers are excluded, because the FAR clauses covered by this information collection are not included in contracts for commercial items and micro-purchases.

- Fixed price supply contracts (10-99)
- Fixed-price service contracts excluding construction (A-H, J-N, P-X, Z1)
- Personal service contracts excluding fixed price, time-and material, and labor hour contracts (R497)
- Transportation or transportation-related services excluding fixed price, time-and material, and labor hour contracts (V)
- Regulated communication services by common carriers excluding fixed price, time-and material, and labor hour contracts (D304 & D322)
- Time-and-materials contracts (All)
- Labor-hour contracts (All)

For fiscal year 2018, there were a total of 1,724,163 such contracts awarded. As a result, the number of estimated respondents is 1,724,163.

Estimated number of respondents	1,724,163
Estimated number of responses per respondent per year*	<u>x 6</u>
Total annual responses	10,344,978
Estimated preparation time per response (hours)**	<u>x .25</u>
Total burden hours	2,586,245
Estimated wages and overhead***	<u>x \$54</u>
Total estimated cost to public	\$139,657,230

* Responses per respondent is based on the average contract including 6 invoices per year.

** Time required to read and prepare information on invoices (beyond that provided as a normal business practice) is estimated at an average of 15 minutes for Federal contracts. Estimates range from low as one minute (for such actions as small purchases and fixed-price contracts) to as high as 30 minutes for more complicated actions. The figure is a weighted average.

*** 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 \$13.50.

14. Estimated cost to the Government.

Total Annual Responses	10,344,978
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Review time per response (hours)*	<u>x .24</u>
Total burden Hours	2,482,795
Average wages and overhead**	<u>x \$54</u>
Total estimated annual cost to the Government	\$134,070,930

* Time required for Government review is estimated at ten minutes for simple submissions, one hour for moderately complex submissions, and four hours for difficult submissions. Further, it is estimated that 10% of actions will be difficult, 20% will be moderately complex, and 70% will be simple. The figure is a weighted average.

** 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.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The information collection remains unchanged. However, the total annual public burden increased by 186,245 hours due to an increase in the number of annual responses. In addition, the estimated costs to the public were adjusted based on an update to the wage rates for the personnel preparing or 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.