

**SUPPORTING STATEMENT
INFORMATION COLLECTION; OMB Control No.9000-0077
QUALITY ASSURANCE REQUIREMENTS**

FAR Section Affected: 52.246-2 thru 52.426-8, 52.246-12, and 52.246-15

A. Justification.

1. Administrative requirements. This clearance covers the information that contractors may be required to submit to comply with the Federal Acquisition Regulation (FAR) requirements under the following clauses:

- 52.246-2 Inspection of Supplies—Fixed-Price;
- 52.246-3 Inspection of Supplies—Cost-Reimbursement;
- 52.246-4 Inspection of Services—Fixed Price;
- 52.246-5 Inspection of Services—Cost-Reimbursement;
- 52.246-6 Inspection—Time-and-Material and Labor-Hour;
- 52.246-7 Inspection of Research and Development—Fixed-Price;
- 52.246-8 Inspection of Research and Development—Cost-Reimbursement;
- 52.246-12 Inspection of Construction; and
- 52.246-15 Certificate of Conformance

With the exception of 52.246-15, Certificate of Conformance, these "inspection clauses:"

- a) Require the contractor to provide and maintain an inspection system that is acceptable to the Government;
- b) Give the Government the right to inspect and test all work; and
- c) Require the contractor to keep complete records of all inspection work performed by the Contractor and made available to the Government.

Records required under these clauses are kept as a part of a contractor's normal business operations. To ensure they provide a quality product or service, every business must have standards and methods for reviewing or inspecting the quality of their product or service. These standards will

differ by industry and the complexity of the product or service provided.

Per FAR 46.202-1, for contracts for commercial items the Government relies on a contractor's existing quality assurance system. Likewise, when the contract amount is expected to be less than the simplified acquisition threshold (currently \$250,000), these clauses do not apply.

The FAR "inspection clauses" are used for quality assurance depending on the type of contract, or the product or service being provided. The corresponding quality/inspection systems the contractors are required to implement have requirements for record keeping and in some cases documenting the quality or inspection system. These clauses do not require the transmittal or sending of documentation to the Government. Instead, the Government may review these records to confirm the contract quality requirements are being met. This review is risk-based and may or may not include the review of all quality assurance records. Generally, the records are more likely to be reviewed when the contractor is not meeting quality standards or as part of Government Contract quality assurance surveillance for complex requirements. Subject matter experts estimate these records are requested from 10% or fewer of contractors.

FAR clause 52.246-15, Certificate of Conformance, is different from the inspection clauses. When authorized for use by the Contract Administration Office, it requires the contractor to complete and sign a certificate of conformance (CoC). This clause is used in solicitations and contracts for supplies or services at the discretion of the contracting officer when it is in the Government's interest, small losses would be incurred in the event of a defect; or because of the contractor's reputation or past performance, or when it is likely that the supplies or services furnished will be acceptable and any defective work would be replaced, corrected, or repaired without contest.

2. Uses of information. The information is used to assure that supplies and services provided under Government contracts conform to contract requirements.

3. Consideration of information technology. Information technology is used 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. For FAR clause 52.246-15, Department of Defense contractors no longer provide a Certificate. Instead, through the Procurement Integrated Enterprise Environment (PIEE) formerly known as Wide Area WorkFlow System (WAWF) the contractor simply indicates shipment with CoC by selecting a radial button.

4. Efforts to identify duplication. This requirement is being issued under the Federal Acquisition Regulation (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. A 60-day notice was published in the *Federal Register* at 84 FR 28813, on June 20, 2019. No comments were received.

B. A 30-day notice published in the *Federal Register* at 84 FR 46012 on September 3, 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 and current regulations.

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

12 & 13. Estimated total annual public hour and cost burden.

(a) FAR 52.246-2: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering supplies under fixed-price contracts. For fiscal years 2016-2018, an average of 7,132 unique vendors were awarded a fixed price contract. Approximately 1,361 contractors are awarded fixed-price contracts each year for supplies, (The Federal Procurement Data System (FPDS) shows approximately 19% of all contract actions are for products/supplies). Approximately 136 of these entities will need to submit these records in a given year (1,361*10%). On average, it takes one hour for contractors to retrieve, prepare, and submit the information.

A.	Number of respondents	136
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	136
D.	Hours per response	<u>x 1</u>
E.	Total hours	136
F.	Cost per hour	<u>x \$37.44*</u>
G.	Total annual cost to respondents	\$5,091.84

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(b) FAR 52.246-3: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering supplies under cost-reimbursement contracts. For fiscal years 2016-2018, an average of 6,043 unique vendors were awarded a cost-reimbursement contract. Approximately 1,148 contractors are awarded cost-reimbursement contracts each year for supplies, (FPDS shows approximately 19% of all contract actions are for products/supplies) Approximately 115 of these entities will need to submit these records in a given year (1,148*10%). We estimate that it takes approximately one hour for each contractor to retrieve, prepare, and submit the necessary information.

A.	Number of respondents	115
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B.	Responses per respondents	$\underline{x \quad 1}$
C.	Total annual responses	115
D.	Hours per response	$\underline{x \quad 1}$
E.	Total hours	115
F.	Cost per hour	$\underline{x \quad \$37.44^*}$
G.	Total annual cost to respondents	\$4,305.60

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(c) FAR 52.246-4: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering services under a fixed-price contract. For fiscal years 2016-2018, an average of 7,132 unique vendors were awarded a fixed price contract. Approximately 5,706 contractors are awarded fixed-price contracts each year for services (FPDS shows approximately 80% of all contract actions are for services). Approximately 571 of these entities will need to submit these records in a given year (5,706*10%). It takes approximately one hour for each contractor to retrieve, prepare, and submit the necessary information.

A.	Number of respondents	571
B.	Responses per respondents	$\underline{x \quad 1}$
C.	Total annual responses	571
D.	Hours per response	$\underline{x \quad 1}$
E.	Total hours	571
F.	Cost per hour	$\underline{x \quad \$37.44^*}$
G.	Total annual cost to respondents	\$21,378.24

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(d) FAR 52.246-5: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering services under a cost-reimbursement contract. For fiscal years 2016-2018, an average of 6,043 unique vendors were awarded a cost-reimbursement contract.

Approximately 4,834 contractors are awarded cost-reimbursement contracts each year for supplies, (FPDS shows approximately 80% of all contract actions are for services) Approximately 483 of these entities will need to submit these records in a given year (483*10%). We estimate that it takes approximately one hour for each contractor to retrieve, prepare, and submit the necessary information.

A.	Number of respondents	483
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	483
D.	Hours per response	<u>x 1</u>
E.	Total hours	483
F.	Cost per hour	<u>x \$37.44*</u>
G.	Total annual cost to respondents	\$18,083.52

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(e) FAR 52.246-6: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering time-and-material and labor-hour contracts. For fiscal years 2016-2018, an average of 38 unique vendors were awarded a time-and-material or labor-hour contract. Approximately 38 will need to submit these records in a given year (377*10%). On average, it takes one hour for contractors to retrieve, prepare, and submit the information.

A.	Number of respondents	38
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	38
D.	Hours per response	<u>x 1</u>
E.	Total hours	38
F.	Cost per hour	<u>x \$37.44*</u>
G.	Total annual cost to respondents	\$1,422.72

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(f) FAR 52.246-7: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering fixed-price research and development contracts. For fiscal years 2016-2018, an average of 7,132 unique vendors were awarded a fixed price contract. An average of 71 unique vendors were awarded a fixed price research and development contract (FPDS shows less than 1% of all contract actions are for research and development). Approximately seven of these entities will need to submit these records in a given year (71*10%). On average, it takes one hour for contractors to retrieve, prepare, and submit the information.

A.	Number of respondents	7
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	7
D.	Hours per response	<u>x 1</u>
E.	Total hours	7
F.	Cost per hour	<u>x \$37.44*</u>
G.	Total annual cost to respondents	\$265.82

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(g) FAR 52.246-8: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government covering research and development, cost-reimbursement contracts. For fiscal years 2016-2018, an average of 6,043 unique vendors were awarded a cost-reimbursement contract. An average of 60 unique vendors were awarded a cost-reimbursement research and development contract (FPDS shows less than 1% of all contract actions are for research and development). Approximately six of these entities will need to submit these records in a given year (60*10%). On average, it takes one hour for contractors to retrieve, prepare, and submit the information.

A.	Number of respondents	6
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	6

D.	Hours per response	<u>x 1</u>
E.	Total hours	6
F.	Cost per hour	<u>x \$37.44*</u>
G.	Total annual cost to respondents	224.64

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(h) FAR 52.246-12: There is no centralized database that maintains statistics on the number of contractors that provide and maintain an inspection system acceptable to the Government when a fixed-price contract for construction is contemplated and the contract amount is expected to exceed the simplified acquisition threshold. For fiscal years 2016-2018, an average of 2,340 unique vendors were awarded a construction contract. Approximately 234 of these entities will need to submit these records in a given year (2,340*10%). On average, it takes one hour for contractors to retrieve, prepare, and submit the information.

A.	Number of respondents	234
B.	Responses per respondents	<u>x 1</u>
C.	Total annual responses	234
D.	Hours per response	<u>x 1</u>
E.	Total hours	234
F.	Cost per hour	<u>x \$37.44*</u>
G.	Total annual cost to respondents	\$8,760.96

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(i) FAR 52.246-15: There is no centralized database that maintains statistics on the number of contractors that provide CoCs to the Government for supplies or services as allowed in certain instances instead of source inspection. FPDS data shows for FY 2016 through 2018 there was an average of 21,315 new contracts awarded which could be subject to FAR clause 52.246-15.

Based on subject matter expertise, the CoC is less often authorized in the contract and by the Contract

Administration Office, in lieu of source inspection. To account for the few that are requested, it is estimated that 3% of the 21,315 contracts (21,315 contracts * 3% = 639) might require a CoC and it takes approximately 30 minutes for each respondent to prepare and submit the CoC.

A.	Number of respondents	639
B.	Responses per respondents	<u>x1</u>
C.	Total annual responses	639
D.	Hours per response	<u>x .50</u>
E.	Total hours	320
F.	Cost per hour	<u>x \$37.44*</u>
G.	Total annual cost to respondents	\$11,980.80

*Based on GS-9, Step 5, with an hourly rate of \$27.48 from the Office of Personnel Management (OPM) 2019 General Schedule for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$37.44.

(j) Estimated annual total burden to the public

Estimated Annual Total Burden to the Public							
Clause 52.246	Respondents	Responses	Total Annual Responses	Hours per Respondent	Total Annual Hours	Rate	Total Annual Cost to Public
-2	136	1	136	1	136	\$37.44	\$5,091.84
-3	115	1	115	1	115	\$37.44	\$4,305.60
-4	571	1	571	1	571	\$37.44	\$21,378.24
-5	483	1	483	1	483	\$37.44	\$18,083.52
-6	38	1	38	1	38	\$37.44	\$1,422.72
-7	7	1	7	1	7	\$37.44	\$265.82
-8	6	1	6	1	6	\$37.44	\$224.64
-12	234	1	234	1	234	\$37.44	\$8,760.96
-15	639	1	639	.5	320	\$37.44	\$11,980.80
TOTAL	0	9	0	9.5	0	\$37.44	0

14. **Estimated annual cost to the Government.** The time elements are based on receiving, reviewing, and analyzing the information submitted by the contractor. The hourly rate of \$39.85 is based on a GS-12, step 5 salary from the Office of Personnel Management (OPM) 2019 General Schedule

for the rest of the U.S. locality pay, plus a fringe factor of 1.3625 for a total of \$54.30.

(a) FAR 52.246-2:

A.	Total annual responses	136
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	136
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$7,384.80

(b) FAR 52.246-3:

A.	Total annual responses	115
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	115
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$6,244.50

(c) FAR 52.246-4:

A.	Total annual responses	571
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	571
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$31,005.30

(d) FAR 52.246-5:

A.	Total annual responses	483
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	483
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total hours	\$26,226.90

(e) FAR 52.246-6:

A.	Total annual responses	38
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	38
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$2,063.40

(f) FAR 52.246-7:

A.	Total annual responses	7
B.	Review time per response	<u>x 1</u>

C.	Total burden hours	7
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$380.10

(g) FAR 52.246-8:

A.	Total annual responses	6
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	6
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$325.80

(h) FAR 52.246-12:

A.	Total annual responses	234
B.	Review time per response	<u>x 1</u>
C.	Total burden hours	234
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$12,706.20

(i) FAR 52.246-15:

A.	Total annual responses	639
B.	Review time per response	<u>x .25</u>
C.	Total burden hours	160
D.	Average cost per hour	<u>x \$54.30</u>
E.	Total Government cost	\$8,688.00

(j) Estimated annual total burden to the Government

Estimated Annual Total Burden to the Government					
Clause 52.246	Total Annual Responses	Hours per Respondent	Total Annual Hours	Rate	Total Annual Cost to Gov.
-2	136	1	136	\$54.30	\$7,384.80
-3	115	1	115	\$54.30	\$6,244.50
-4	571	1	571	\$54.30	\$31,005.30
-5	483	1	483	\$54.30	\$26,226.90
-6	38	1	38	\$54.30	\$2,063.40
-7	7	1	7	\$54.30	\$380.10
-8	6	1	6	\$54.30	\$325.80
-12	234	1	234	\$54.30	\$12,706.20
-15	639	.25	160	\$54.30	\$8,688.00

TOTAL	0	9.25	0	54.30	0
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15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The FAR quality assurance clause requirements have not changed. The information collection burden has decreased from 119,214 hours to 2,229 hours due to a new set of assumptions made based on input from quality assurance subject matter experts. They confirmed observations that contractors do not routinely submit records under the inspection clauses as previously assumed. This information is collected infrequently on an as needed basis. Records referred to under the inspection clauses are part of a contractor's normal business operations and standard industry practice. It is projected that only a small number of contractors, approximately 10%, will be asked to provide records to the Government. Additionally, for all the inspection clauses, it is estimated the amount of time to respond will be one-hour regardless of the contract type. For clause 52.246-15, subject matter experts estimate the CoC is rarely used. Estimates on its collection were greatly reduced.

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.