

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO. 9000-0012
TERMINATION SETTLEMENT PROPOSAL FORMS-FAR
(SF 1435 THROUGH 1440)**

FAR Sections Affected: SFs 1435 through 1440

A. Justification.

1. Administrative requirements. This justification supports revision and renewal of the expiration date of OMB Control No. 9000-0012. This clearance covers the information that contractors must submit to comply with the termination settlement proposal requirements in the Federal Acquisition Regulation (FAR). The termination settlement proposal forms (Standard Forms 1435 through 1440) are used by all Executive agencies, including the Department of Defense, for settling terminated prime contracts and subcontracts per FAR subpart 49.6, Contract Termination Forms and Formats. The forms provide a standardized format for listing essential cost and inventory information needed to support the terminated contractor's negotiated position. No other format exists for the collection of this information that we are aware of.

2. Uses of information. The contracting officer uses the information to determine/support reimbursement costs upon settlement of a terminated contract.

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. These requirements are 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. A 60-day notice was published in the *Federal Register* at 84 FR 65158, on November 26, 2019. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 85 FR 6545, on February 5, 2020.

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 hour and cost burden.

Based on data retrieved from the Federal Procurement Data System (FPDS) there was an estimated average of 4,995 unique vendors that would have been subject to the termination settlement proposal forms (Standard Forms 1435 through 1440). This data was based on the estimate average number of terminations for convenience (complete or partial) for Fiscal Years 2017, 2018, and 2019.

The previously approved burden hours per response of 2.4 hours are still relevant for this information collection. No public comments were received in prior years that have challenged the validity of the Government's estimate.

Estimated respondents/yr.....	4,995
Responses annually per respondent.....	<u>x 2.82</u>
Total annual responses.....	14,128
Estimated hrs/response.....	<u>x 2.4</u>
Estimated total burden hours.....	33,907
Hourly rate*.....	<u>x \$55</u>
Estimated cost to the public	\$1,864,885

*Based on the OPM GS-12/step 5 salary (\$40.51 an hour) plus 36.25% fringe and overhead burden rate, the one mandated by OMB memorandum M-08-13 for use in public-private competition, rounded to the nearest dollar, or \$55 an hour. Reference Salary Table 2019-RUS, Effective January 2019, found at www.opm.gov.

14. Estimated cost to the Government.

Responses per year.....	14,128
Reviewing time/response (hours).....	<u> x 6</u>
Review time per year (hours).....	84,768
Hourly rate*.....	<u> x \$55</u>
Estimated cost to the Government.....	\$4,662,240

15. Explain reasons for program changes or adjustments reported in Item 13 and 14. The increase of responses from 8,247 to 14,128 and the associated increase in estimated burden hours from 19,793 to 33,907 is an adjustment due to use of the most current data available for unique vendors that would have been subject to the termination settlement proposal forms.

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.