

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO.9000-0034
EXAMINATION OF RECORDS BY COMPTROLLER
GENERAL AND CONTRACT AUDIT**

FAR Section(s) Affected: 52.212-5(d), 52.214-26, 52.215-2

A. Justification.

1. Administrative requirements. The objective of this information collection, for the examination of records by Comptroller General and contract audit, is to require contractors to maintain certain records and to ensure the Comptroller General and/or agency have access to, and the right to, examine and audit records, which includes: books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form, for a period of three years after final payment. The records retention period is required by the statutory authorities at 10 U.S.C. 2313, 41 U.S.C. 4706, and 10 U.S.C. 2306, and are implemented through the following Federal Acquisition Regulation clauses: 52.214-26, Audit and Records-Sealed Bidding; 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Items; and 52.215-2, Audit and Records-Negotiation.

2. Uses of information. The information must be retained so that audits necessary for contract surveillance, verification of contract pricing, and reimbursement of contractor costs can be performed. This information collection does not require contractors to create or maintain any record that the contractor does not maintain in its ordinary course of business.

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 information electronically.

4. Efforts to identify duplication. This requirement was 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 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 85 FR 5659, on January 31, 2020. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 85 FR 19485 on April 7, 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. For this information collection the following data was retrieved from the Federal Procurement Data System (FPDS) for Fiscal Year (FY) 2019. The parameters for this information collection were based on the prescription from each of the applicable clauses. The time required to read and prepare the required information is estimated at 60 minutes (1 hour) per response.

- (a) **52.212-5(d)**. Contracts awarded using other than sealed bid, over the simplified acquisition threshold (SAT) (\$250,000)¹ using commercial procedures.

FPDS for FY 2019 shows 17,231 contracts awarded to 11,000 unique vendors. The estimated number of responses per respondent is 2. This is derived by dividing the number of contracts (17,231) by the number of unique vendors (11,000) (17,231/11,000 = 1.57, rounded to 2 contracts). Paragraph (d) of this clause does not flow down to subcontractors.

Estimated respondents/yr.....	11,000
Responses annually.....	<u>x 2</u>
Total annual responses.....	22,000
Estimated hrs/response.....	<u>x 1</u>
Estimated total burden/hrs.....	22,000
Hourly rate*.....	<u>x \$68</u>
Estimated cost to public.....	\$1,496,000

- (b) **52.215-2**. Negotiated awards over the SAT using other than commercial procedures.

FPDS for FY 2019 shows 17,416 contracts awarded to 9,224 unique vendors. The estimated number of responses per respondent is 6. This is derived by dividing the number of contracts (17,416) by the number of unique vendors (9,224) (17,416/9,224 = 1.89, rounded to 2 contracts), times an average of three subcontracts per contract (considering this clause flows down to subcontractors).

Estimated respondents/yr.....	9,224
Responses annually.....	<u>x 6</u>
Total annual responses.....	55,344
Estimated hrs/response.....	<u>x 1</u>
Estimated total burden/hrs.....	55,344
Hourly rate*.....	<u>x \$68</u>
Estimated cost to public.....	\$3,763,392

- (c) **52.214-26**. Sealed bid awards over the threshold for submission of certified cost or pricing data (\$2 million²).

¹ Using the increased simplified acquisition threshold of \$250,000 as proposed by FAR Case 2018-004, Increased Micro-Purchase and Simplified Acquisition Thresholds (84 FR 52420), per section 805 of the National Defense Authorization Act for Fiscal Year 2018.

² Using the increased threshold for requesting certified cost or pricing data (FAR 15.403-4(a)(1)) of \$2 million as proposed by FAR Case 2018-005, Modifications to Cost or Pricing Data Reporting Requirements (84 FR

FPDS for FY 2019 shows 717 contracts awarded to 454 unique vendors. The estimated number of responses per respondent is 6. This is derived by dividing the number of contracts (717) by the number of unique vendors (454)(717/454 = 1.58, rounded to 2 contracts) (considering this clause flows down to subcontractors).

Estimated respondents/yr.....	454
Responses annually.....	<u>x 6</u>
Total annual responses.....	2,724
Estimated hrs/response.....	<u>x 1</u>
Estimated total burden/hrs.....	2,724
Hourly rate*.....	<u>x \$68</u>
Estimated cost to public.....	\$185,232

Summary

Estimated respondents/yr.....	20,678
Total annual responses.....	80,068
Estimated total burden hrs.....	80,068
Hourly rate*.....	<u>x \$68</u>
Estimated cost to the public.....	\$5,444,624

* Based on the OPM GS-13/step 5 salary (\$49.54 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 \$68 an hour. Reference Salary Table 2020-RUS, Effective January 2020, found at www.opm.gov.

14. Estimated cost to the Government. Time required for Government-wide review is estimated at 16 hours.

Total annual responses.....	20,678
Review Time per response (hours).....	<u>x 16</u>
Review time per year (hours).....	330,848
Hourly rate*.....	<u>x \$68</u>
Estimated cost to the Government.....	\$22,497,664

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The decrease of responses from 185,814 to 80,068 and the associated decrease in estimated burden hours from 185,814 to 80,068 is an adjustment due to use of the most current data available and the increase in

52428), per section 811 of the National Defense Authorization Act for Fiscal Year 2018.

the SAT and the threshold for requesting certified cost or pricing data.

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.