

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO.9000-0196
Payments to Small Business Subcontractors**

FAR Section Affected: 52.242-5

A. Justification.

1. Administrative requirements. This clearance covers the information that contractors must submit to comply with the Federal Acquisition Regulation (FAR) clause at 52.242-5, Payments to Small Business Subcontractors. This clause requires the prime contractor to self-report to the contracting officer when the prime contractor makes late or reduced payments to small business subcontractors. The notice shall include the reason(s) for making the reduced or untimely payment.

2. Use of information. The contracting officer uses the information to record the identity of contractors with a history of late or reduced payments to small business subcontractors in the Federal Awardee Performance and Integrity Information System (FAPIIS). The contracting officer considers and evaluates the contractor's written explanation for a reduced or an untimely payment to determine whether the reduced or untimely payment is justified.

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 was 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 information is collected only from prime contractors who are required to have subcontracting plans. Small businesses are not required to have

subcontracting plans, so they do not submit responses under this information collection.

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 5660, on January 31, 2020. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 85 FR 19484, 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. FPDS for FY 2019 lists 1,263 new commercial item contracts over \$700,000 where the size determination was other than small and a subcontracting plan was required awarded to 890 unique vendors. FPDS for FY 2019 also lists 2,524 new noncommercial item contracts over \$700,000 where the size determination was other than small and a subcontracting plan was required awarded to 1,476 unique vendors. It is estimated that no more than 20 percent of contractors with new commercial and noncommercial contracts, where the size determination was other than small and where a subcontracting plan was required (20% of (890 + 1,476) = 473), would have to notify the contracting officer that the prime contractor paid a reduced or an untimely

payment to a small business subcontractor. It is also estimated that the average time required for a contractor to prepare the information for this collection is 2 hours. It is further estimated that each respondent would submit 1 response.

Estimated respondents/yr.....	473
Responses annually.....	<u>x 1</u>
Total annual responses.....	473
Estimated hrs/response.....	<u>x 2</u>
Estimated total burden hrs.....	946
Hourly rate*.....	<u>x \$47</u>
Estimated cost to the public.....	\$44,462

* Based on the OPM GS-11/step 5 salary (\$34.76 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 \$47 an hour. Reference Salary Table 2020-RUS, Effective January 2020, found at www.opm.gov.

14. Estimated cost to the Government. Governmentwide review is estimated at one hour per response.

Total annual responses.....	473
Review Time per response (hours).....	<u>x 1</u>
Review time per year (hours).....	473
Hourly rate*.....	<u>x \$47</u>
Estimated cost to the Government.....	\$22,231

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The increase of responses from 456 to 473 and the associated increase in estimated burden hours from 912 to 946 is an adjustment due to use of the most current data available.

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.