

SUPPORTING STATEMENT

Defense Federal Acquisition Regulation Supplement (DFARS) Appendix I, DoD Pilot Mentor-Protégé Program; OMB Control Number 0704-0332

A. JUSTIFICATION

1. Need for the Information Collection

This supporting statement supports a revision to the existing OMB clearance as a result of DFARS Case 2016-D011. Section 831 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 1991 (Pub. L. 101-510, 10 U.S.C. 2302 Note, as amended) required DoD to establish the DoD Pilot Mentor-Protégé Program (“the Program”). Section 811(d) of the NDAA for FY 2000 (Pub. L. 106-65) and section 861 of the NDAA for FY 2016 (Pub. L. 114-92) require DoD to collect certain information from program participants. Thus, the need for this information collection is to comply with existing laws. DoD has incorporated these information collection requirements into the Defense Federal Acquisition Regulation Supplement (DFARS) in section I-112 of Appendix I. Program participants agree to comply with these information collection requirements when they execute their mentor-protégé agreements, receiving the program’s benefits in consideration.

Appendix I requires Program participants who are mentors to report the following data on performance under the mentor-protégé agreement: 1) dollars obligated; 2) expenditures; 3) dollars credited toward subcontracting goals as a result of assistance provided under the mentor-protégé agreement; 4) new awards of subcontracts to the protégé firm; 5) technical or management assistance provided by mentor firm personnel; 6) extensions, increases in the scope of work, or additional payments not previously reported for prior awards of subcontracts to the protégé firm; 7) progress payments or advance payments made to the protégé firm under a subcontract; 8) loans made by the mentor firm to the protégé firm; 9) Federal contracts awarded to the mentor and protégé firms as a joint venture; 10) assistance obtained by the mentor firm for the protégé firm from Small Business Development Centers, Procurement Technical Assistance Centers, Historically Black colleges and universities, and minority institutions of higher education; and 11) a narrative describing the successes, problems, and impact on DoD contracts of the assistance provided under the mentor-protégé agreement. The reporting requirements for the mentor firms are imposed by statute. Mentor firms submit their reports to the Office of Small Business Programs (OSBP).

Appendix I requires Program participants who are protégés to report data on the progress they made during the prior fiscal year in employment, revenues, and participation in DoD contracts. These reporting requirements for the protégé firms are imposed by the Program. Protégé firms may submit their reports to OSBP or to their mentor for inclusion in the mentor’s report.

This information is necessary to ensure that participants are fulfilling their obligations under the mentor-protégé agreements and that the Government is receiving value for the benefits it is providing. The information is necessary for Congress to determine the impact of the

program and the return on its investment. In addition, the information is necessary for program managers to direct developmental assistance to the most appropriate small business concerns and to ensure the program meets the Congressionally-mandated goal of enhancing the defense industrial base.

2. Use of the Information

DoD has used and will use the information to ensure that participants are fulfilling their obligations and to assess whether the objectives of the DoD Pilot Mentor-Protégé Program are being attained. DoD also has used and will use the information as source data for several reports to Congress required by section 811(d) of Pub. L. 106-65 and section 861(a)(10) of Pub. L. 114-92.

DoD provides an electronic reporting format that mentor firms can use to submit the information. Use of the reporting format is recommended, but not required. DoD does not provide a reporting format for the protégé firms. The protégés may submit their report in any format.

3. Use of Information Technology

Use of technological collection techniques would not reduce the burden of providing this information because standardized or repetitive data is not involved. However, Program participants may submit the reports in formats that are compatible with their automated systems. All reports (100%) are submitted electronically.

4. Non-duplication

The DoD Pilot Mentor-Protégé Program is unique to DoD; similar data collections from other Government sources or agencies do not exist. As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) part 19, Small Business Programs, to determine if adequate language already exists. The language in DFARS Appendix I applies solely to DoD and is not considered duplicative of the language in FAR part 19.

5. Burden on Small Business

The collection is not expected to have a significant impact on a substantial number of small businesses. There are separate information collection requirements for protégés, who are small businesses, and for mentors, who are usually large businesses. The protégé is required to report annually, whereas the mentor is required to report twice as often. The protégé is only required to provide the minimum amount of information that will meet the statutory requirements, and those requirements are much less for protégés than for mentors. Therefore, the burden applied to small business is the minimum consistent with applicable laws, Executive Orders, regulations, and prudent business practices.

6. Less Frequent Collection

If the information was collected less frequently, DoD would not be able to fulfill its responsibility of ensuring that participants were fulfilling their obligations and that the Government was receiving value for the benefits it was providing. DoD would also be unable to provide the reports required by section 811(d) of Pub. L. 106-65 and section 861(a)(10) of Pub. L. 114-92.

7. Paperwork Reduction Act Guidelines

There are no special circumstances for collection. Collection of this information is consistent with the guidelines at 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

a. DoD is constantly in communication with Congress to ensure it is collecting the information Congress needs to make an informed decision regarding the impact of the program and the return on its investment. Since the information collection requirement is being driven by Congress, its oversight needs are the principal basis used to determine collection elements, procedures, etc.

b. Respondents are assumed to be in constant communication with Congress. However, DoD also consults with all program participants on a regular and periodic basis – forwarding their comments regarding these information collection requirements to Congress as appropriate. Ultimately, Congress decides how much weight to give this feedback when it sets the program’s reporting requirements in the statutes it adopts.

c. This information collection is consistent with the guidelines in 5 CFR 1320.6. In accordance with 5 CFR 1320.8(d), public comments were solicited with the proposed rule for DFARS Case 2016-D011 published in the *Federal Register* on September 23, 2016 ([81 FR 65610](#)). No comment were received on the proposed changes to the information collection.

d. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* on January 26, 2018 ([83 FR 3687](#)).

9. Gifts or Payment

No payment or gift will be provided to respondents, other than remuneration of contractors under their contracts.

10. Confidentiality

This information is disclosed only to the extent consistent with prudent business practices, current regulations, and statutory requirements. DoD asserts that information supplied by the program’s participants falls under Exemption 4 of the Freedom of Information Act as “trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.”

11. Sensitive Questions

No sensitive questions are involved.

12. Respondent Burden, and its Labor Costs

Estimation of Respondent Burden

The estimate of public burden is based on the number of mentor firms (42) plus the number of protégé firms (85) participating in the Program as of February 29, 2016. Data was provided by the DoD Mentor-Protégé Program Coordinator. The hours per response have changed since the last request for clearance due to the new reporting requirements included in section 861 of the NDAA for FY 2016 (Pub. L. 114-92). The number of responses per respondent is a weighted average because each mentor firm may have a different number of protégés. Mentor firms report twice a year for each protégé firm regarding details of the amount and impact of the assistance the mentors provided to the protégés. Protégé firms report once a year regarding their progress in terms of employment, revenue, and participation in DoD contracts. Therefore, there are a total of 255 responses (85 x 2 for mentor firms + 85 x 1 for protégé firms = 255), or 2 responses per respondent.

Estimation of Respondent Burden Hours: Appendix I, I-112 (Mentor Firms)	
Number of respondents	42
Responses per respondent	4
Number of responses	170
Hours per response	3
Estimated hours (number of responses multiplied hours per response)	510
Cost per hour (hourly wage)	\$46*
Annual public burden (estimated hours multiplied by cost per hour)	\$23,431

Estimation of Respondent Burden Hours: Appendix I, I-112 (Protégé Firms)	
Number of respondents	85
Responses per respondent	1
Number of responses	85
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	85
Cost per hour (hourly wage)	\$46*
Annual public burden (estimated hours multiplied by cost per hour)	\$3,905
TOTAL Estimation of Respondent Burden Hours: Appendix I, I-112	

(Mentor Firms and Protégé Firms)	
Number of respondents	127
Responses per respondent	2
Number of responses	255
Hours per response (approximately)	2.3
Estimated hours (number of responses multiplied hours per response)	595
Cost per hour (hourly wage)	\$46
Annual public burden (estimated hours multiplied by cost per hour)	\$27,336

* The hourly rate is computed based on the Office of Personnel Management GS-12 step 5 hourly pay rate (\$33.72), without locality pay, plus 36.25% (\$12.22) benefits totaling \$45.94 per hour, rounded up to \$46 per hour. The 36.25% fringe benefit rate is derived from Circular No. A-76, Revised Supplemental Handbook (Memorandum M-08-13 dated March 11, 2008).

13. Respondent Costs Other Than Burden Hour Costs

DoD does not estimate any annual cost burden for respondents other than the burden hours reported in item 12.

14. Cost to the Federal Government

The cost incurred by the Government is based on the time required to receive, review, and analyze the information submitted by the contractors. DoD estimates that it will take the Government approximately three hours to review and process the information in each response.

Estimation of Respondent Burden Hours: Appendix I, I-112	
Number of responses	255
Hours per response	3
Estimated hours (number of responses multiplied hours per response)	765
Cost per hour (hourly wage)	\$46*
Annual public burden (estimated hours multiplied by cost per hour)	\$35,147

* The hourly rate is computed based on the Office of Personnel Management GS-12 step 5 hourly pay rate (\$33.72), without locality pay, plus 36.25% (\$12.22) benefits totaling \$45.94 per hour, rounded up to \$46 per hour. The 36.25% fringe benefit rate is derived from Circular No. A-76, Revised Supplemental Handbook (Memorandum M-08-13 dated March 11, 2008).

15. Reasons for Change in Burden

The change in burden is the result of the additional reporting requirements in section 861 of the NDAA for FY 2016 (Pub. L. 114-92). Section 861 requires mentor firms to report details of the assistance provided and subcontracts awarded to protégé firms, as well as a narrative describing the success this assistance has had in addressing the developmental needs of the protégé firm.

OMB Control # 0704-0332	Prior Estimate	Current Estimate	Change in Burden
Number of respondents	122	127	+5
Responses per respondent	2	2	0
Total annual responses	240	255	+15
Hours per response	1	2.3	+1.3
Total hours	240	595	+355
Total annual cost to public	\$11,026	\$27,336	+\$16,310

16. Publication of Results

The information may be aggregated and published in the reports required by law. The information may also be released to Congress and to the Government Accountability Office. Any publication of that data is beyond the scope of DoD’s control.

17. Non-Display of OMB Expiration Date

DoD is not requesting approval to omit display of the expiration date of OMB approval on the instrument of collection.

18. Exceptions to “Certification for Paperwork Reduction Submissions”

There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods will not be employed.