

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO.9000-0135
PROSPECTIVE SUBCONTRACTOR REQUESTS FOR BONDS**

FAR sections affected: 52.228-12

A. Justification.

1. Administrative requirements. Part 28 of the Federal Acquisition Regulation (FAR) contains guidance related to obtaining financial protection against losses under Federal contracts (e.g., bonds, bid guarantees, etc.). Part 52 contains the corresponding provisions and clauses. These collectively implement the statutory requirement for Federal contractors to furnish payment bonds under construction contracts subject to 40 U.S.C. chapter 31, subchapter III, Bonds. This information collection is mandated by section 806(a)(3) of Public Law 102-190, as amended by sections 2091 and 8105 of the Federal Acquisition Streamlining Act of 1994 (10 U.S.C. 2302 note) (Pub. L. 103-335). Accordingly, the clause at 52.228-12, Prospective Subcontractor Requests for Bonds, requires prime contractors to promptly provide a copy of a payment bond, upon the request of a prospective subcontractor or supplier offering to furnish labor or material under a construction contract for which a payment bond has been furnished pursuant to 40 U.S.C. chapter 31.

2. Uses of information. Given that payment bonds (in conjunction with performance bonds) are used to secure the contractor's obligations (thereby assuring that payments are made to subcontractors and vendors under the contract), the requester will use information on payment bonds to determine whether to engage in business with that prime contractor.

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 Public Law 102-190, as amended by Public Law 103-335, which applies to construction contracts subject to 40 U.S.C. chapter 31. While this information is also available from the contracting officer, the statute placed responsibility upon the prime contractor for provision of information to prospective subcontractors or suppliers. The statute imposes the same requirement on both large and small businesses.

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 55289 on September 4, 2020. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 85 FR 71652, on November 10, 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.

Fiscal year 2019 data¹ from the Federal Procurement Data System revealed that the annual number of construction contracts over \$150,000 (and therefore subject to this collection), awarded by GSA, amounted to 565 – 556 to small businesses, and 9 to other than small businesses. It is estimated that each prime contractor has an average of 10 subcontractors (565 x 10) resulting in a total universe of 5,650 subcontractors. Of that universe, it is estimated that 25% of the subcontractors would request

¹ Ad hoc report included new construction awards – no task orders included in this report.

information on surety bonds, resulting in 1,412 (25% of 5,650) responses by the prime contractor. It is also estimated that it would take an average of 20 minutes to accommodate each request, resulting in 480 burden hours.

General Services Administration

Estimated respondents/yr.....	565
Responses annually.....	<u>x 2.5</u>
Total annual responses.....	1,412
Estimated hrs/response.....	<u>x .34</u>
Estimated total burden hrs.....	480
Hourly rate*.....	<u>x \$57</u>
Estimated cost to the public.....	\$27,360

* Based on the OPM GS-12/step 5 salary (\$41.66 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 \$57 an hour. Reference Salary Table 2020-RUS, Effective January 2020, found at www.opm.gov.

14. Estimated cost to the Government. Given that the information requester is typically a potential vendor or subcontractor (not the Government), and that the information provider is the prime contractor, the Government will not incur any administrative costs with this collection.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The decrease of responses from 11,110 to 1,412 and the associated decrease in estimated burden hours from 3,777 to 480 are because the reported burden-

a) Accounts only for GSA. This information collection is being converted into a common form. GSA is the sponsor agency of this common form. All executive agencies covered by the FAR will use this common form, and report their agency burden separately; and

b) Was adjusted using 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.