

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO. 9000-0163
Small Business Size Rerepresentation**

FAR section affected: 52.219-28

A. Justification.

1. Administrative requirements.

This clearance covers the information that contractors must submit to comply with the following Federal Acquisition Regulation (FAR) requirements:

52.219-28, Post-Award Small Business Program Rerepresentation.

This clause requires contractors who originally represented themselves as a small business for a contract award to rerepresent their size and socioeconomic status at the prime contract level by updating their representations in the Representations and Certifications section of the System for Award Management (SAM). Contractors are also required to notify the contracting officer by email, or otherwise in writing, that the rerepresentations have been made, and provide the date on which they were made.

Small business contractors are required to rerepresent their size and socioeconomic status upon occurrence of any of the following:

- Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include FAR clause 52.219-28 if the novation agreement was executed prior to inclusion of this clause in the contract.
- Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include FAR clause 52.219-28 if the merger or acquisition occurred prior to inclusion of this clause in the contract.
- For long-term contracts-
 - Within 60 to 120 days prior to the end of the fifth year of the contract; and

- Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.
- When contracting officers explicitly require it for an order issued under a multiple-award contract.

2. Uses of information. The collected information is used by the Small Business Administration, Congress, Federal agencies and the general public for various reasons such as determining if agencies are meeting statutory goals, set-aside determinations, and market research.

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. Without the information collection covered by this clearance, the Federal Government will be unable to ensure accurate reporting of small business data used to report on small business and other socioeconomic programs to Congress.

FAR clause 52.219-28 allows for contractors to make the rerepresentations through SAM, a centralized database, instead of on a contract-by-contract basis, so as to reduce the reporting frequency as much as possible.

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 86 FR 8019, on February 3, 2021. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 86 FR 19620, on April 14, 2021.

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.

It is estimated to take contractors 30 minutes on average (0.5 hour) to rerepresent. Some contractors will only have to "validate" their representations in SAM (if their data already reflects their current size and socioeconomic status), while other contractors will have to "update" their representations in SAM (if their data reflects outdated size and socioeconomic status). Validating SAM data is expected to only take a few minutes whereas updating SAM data can take over an hour. Note: it is not possible to only update the Representations and Certifications portion of SAM; contractors would have to update their entire SAM registration if needing to update their size and socioeconomic status. All contractors have to notify the contracting officer of their rerepresentations and the date on which they made them. The estimate of 30 minutes is an average of the "validate" contractors and "update" contractors.

Total Annual Public Burden

	Contract-level Rereps	Order-level Rereps	Total
Estimated respondents/yr	1,956	691	2,647
Total annual responses	1,956	2,073	4,029
Estimated hrs/response	0.5	0.5	0.5
Estimated total burden hrs	978	1,036.5	2,014.5
Hourly rate*	\$40	\$40	\$40
Estimated cost to the public	\$39,120	\$41,460	\$80,580

* Based on the Office of Personnel Management (OPM) 2021 General Schedule (GS) 9/step 5 salary for the rest of the United States (\$29.02 per hour) plus a 36.25 percent fringe factor, rounded to the nearest whole dollar. The fringe factor used is pursuant to the rate provided in OMB memorandum M-08-13 for use in public-private competition.

(a) Contract-level rerepresentations.

FAR clause 52.219-28 requires rerepresentations on contracts upon the occurrence of novations, mergers/acquisitions, and for long-term contracts, at the 5th year and for every option thereafter. These rerepresentations are applied to the contract through modifications. According to the Federal Procurement Data System (FPDS), in the past 3 fiscal years (FY)¹ there were 1,860 rerepresentation modifications done in FY 2018, 1,566 rerepresentation modifications done in FY 2019, and 2,443 rerepresentation modifications done in FY 2020. This averages out to 1,956 rerepresentation modifications in a given fiscal year $((1860+1566+2443)/3)$.

¹ During this timeframe, FPDS did not have the functionality to capture order-level rerepresentations so these figures reflect only contract-level rerepresentations.

Note: According to the FPDS User Manual (Appendix C), rerepresentations must be reported in FPDS via the following modification types: Novation Agreement, Rerepresentation of Non-novated Merger Acquisition, or Rerepresentation.

Estimated respondents/yr.....	1,956
Responses annually.....	<u>x 1</u>
Total annual responses.....	1,956
Estimated hrs/response.....	<u>x 0.5</u>
Estimated total burden/hrs.....	978
Hourly rate*.....	<u>x \$40</u>
Estimated cost to public.....	\$39,120

(b) Order-level rerepresentations.

FAR clause 52.219-28 requires that small business contractors rerepresent their size and socioeconomic status for individual task/delivery orders under a multiple-award contract if the contracting officer for the order explicitly requires the rerepresentation for that order. Contracting officers for task/delivery orders are not required to seek order-level rerepresentations from contractors; it is a discretionary authority.

It is estimated that there will be 2,073 order-level rerepresentations per year. The 2,073 figure is based on reasoning that contracting officers will exercise their discretionary authority to require rerepresentations only for large dollar value orders (i.e., over \$1 million) and then only for a portion of such orders (i.e., 10%). According to FPDS, there were 6,908 task and delivery orders over \$1 million awarded to small business contractors in FY 2020. Ten percent of these orders are approximately 691 orders. Estimating that the Request for Quotation (RFQ) for each order resulted on average 3 quotations, there would be 2,073 rerepresentations per year (691 orders X 3 quotations per order) at the order-level.

Note: as of January 2021, FPDS does not yet capture data on order-level rerepresentations.

Estimated respondents/yr.....	691
Responses annually.....	<u>x 3</u>
Total annual responses.....	2,073
Estimated hrs/response.....	<u>x 0.5</u>

Estimated total burden/hrs.....1,036.5
 Hourly rate*.....x \$40
 Estimated cost to public..... \$41,460

14. Estimated cost to the Government.

(a) Contract-level rerepresentations.

It is estimated to take a contracting officer 2 hours to process a contract-level rerepresentation. A contract-level rerepresentation requires a modification to be executed for the contract and for that modification to be reported into FPDS.

Total annual responses.....1,956
 Estimated hrs/response..... x 2
 Estimated total burden/hrs..... 3,912
 Hourly rate*.....x \$40
 Estimated cost to the Government..... \$156,480

(b) Order-level rerepresentations.

It is estimated to take a contracting officer 30 minutes to process an order-level rerepresentation. As of this renewal, there is no requirement for the ordering contracting officer to execute a modification or process additional reporting into FPDS than what the award of a task/delivery order already requires.

Total annual responses..... 2,073
 Estimated hrs/response..... x0.5
 Estimated total burden/hrs.....1,036.5
 Hourly rate*.....x \$40
 Estimated cost to the Government..... \$41,460

(c) Total Annual Government Burden

	Contract-level Rereps	Order-level Rereps	Total
Total annual responses	1,956	2,073	4,029
Estimated hrs/response	2	0.5	1.228
Estimated total burden hrs	3,912	1,036.5	4,948.5

Hourly rate*	\$40	\$40	\$40
Estimated cost to the Government	\$156,480	\$41,460	\$197,940

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The increase of responses from 3,970, as revised under FAR Case 2014-002 (85 FR 11746-February 27, 2020), also see 84 FR 28815 (June 20, 2019), to 4,029 for this renewal -- and the associated increase in estimated burden hours from 1,985 to 2,014.50 -- 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.