

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO. 9000-0154
Construction Wage Rate Requirements - Price Adjustment
(Actual Method)**

FAR section affected: 52.222-32

A. Justification.

1. Administrative requirements.

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

- 52.222-32, Construction Wage Rate Requirements-Price Adjustment (Actual Method). This clause requires contractors to submit at the exercise of each option to extend the term of the contract, a statement of the amount claimed for incorporation of the most current Department of Labor wage determination, and any relevant supporting data, including payroll records, that the contracting officer may reasonably require.

2. Uses of information. The contracting officer uses the information to establish the contract's construction requirements price adjustment to reflect the contractor's actual increase or decrease in wages and fringe benefits.

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. Collection of information on a basis other than contract-by-contract is not practical. This information is collected on occasion, only when the Government exercises an option to extend the term of a contract containing this clause. Collecting this information less frequently would prevent application of the proposed method of price adjustment.

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 20699, on April 21, 2021. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 86 FR 33708, on June 25, 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.

There is no centralized database in the Federal Government that maintains information regarding this matter. Subject matter experts were consulted in preparing the estimated burden hours along with data from the Federal Procurement Data System (FPDS) for fiscal year (FY) 2020.

The clause 52.222-32 may be used in fixed-price solicitations and contracts, subject to the Construction Wage

Rate Requirements statute, that contain options to extend the term of the contract. Generally, this clause is only appropriate if contract requirements are predominately services subject to the Service Contract Labor Standards statute and the construction requirements are substantial and segregable.

The burden addressed in this information collection requirement is the burden of compiling and submitting the required information. The contractor is already required by law to keep payroll records and other supporting data. FPDS indicates that 5,061 construction contractors in FY 2020 could potentially have had contracts with recurring options. However, we believe there are only approximately 10% of these that would contain the subject clause, since most would not have a price adjustment clause, and there are other FAR prescribed price adjustment clauses. Time required to read, and prepare information is estimated at 40 hours per response.

Estimated respondents/yr.....	506
Responses annually.....	<u>x 1</u>
Total annual responses.....	506
Estimated hrs/response.....	<u>x 40</u>
Estimated total burden/hrs.....	20,240
Hourly rate*.....	<u>x \$69</u>
Estimated cost to public.....	\$ 1,396,560

* Based on the Office of Personnel Management (OPM) 2021 General Schedule (GS) 13/step 5 salary for the rest of the United States (\$50.04 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.

14. Estimated cost to the Government. Time required to review the information is estimated at 5 hours per response.

Total annual responses.....	506
Review Time per response (hours).....	<u>x 5</u>
Review time per year (hours).....	2,530
Hourly rate*.....	<u>x \$69</u>
Estimated cost to the Government.....	\$ 174,570

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The decrease of responses from 531 to 506 and the associated decrease in estimated burden hours from 21,240 to 20,240 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.