

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION  
OMB CONTROL NO. 9000-0007  
Subcontracting Plans**

**FAR sections affected: 52.219-9; SF 294; eSRS**

**A. Justification.**

**1. Administrative requirements.** This clearance covers the information that offerors and contractors must submit to comply with the requirements in Federal Acquisition Regulation (FAR) 52.219-9, Small Business Subcontracting Plans, regarding subcontracting plans as follows:

- a. **Subcontracting plan.** In accordance with section 8(d) of the Small Business Act (15 U.S.C. 637(d)), any contractor receiving a contract for more than the simplified acquisition threshold must agree in the contract that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns will have the maximum practicable opportunity to participate in contract performance. Further, 15 U.S.C. 637(d) imposes the requirement that contractors receiving a contract that is expected to exceed, or a contract modification that causes a contract to exceed, \$750,000 (\$1.5 million for construction) and has subcontracting possibilities, shall submit an acceptable subcontracting plan that provides maximum practicable opportunities for small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. Specific elements required to be included in the plan are specified in section 8(d) of the Small Business Act and implemented in FAR subpart 19.7 and the clause at FAR 52.219-9.
- b. **Summary Subcontract Report (SSR).** In conjunction with the subcontracting plan requirements, contractors with subcontracting plans must submit an annual summary of

subcontracts awarded as prime and subcontractors for each specific Federal Government agency. Contractors submit the information in a SSR through the Electronic Subcontracting Reporting System (eSRS). This is required for all contractors with subcontracting plans regardless of the type of plan (i.e., commercial or individual).

- c. **Individual Subcontract Report (ISR).** In conjunction with the subcontracting plan requirements, contractors with individual subcontracting plans must submit semi-annual reports of their small business subcontracting progress. Contractors submit the information through eSRS in an ISR, the electronic equivalent of the Standard Form (SF) 294, Subcontracting Report for Individual Contracts. Contracts that are not reported in the Federal Procurement Data System (FPDS) in accordance with FAR 4.606(c)(5) do not submit ISRs in eSRS; they will continue to use the SF 294 to submit the information to the agency.
- d. **Written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan.** Section 1322 of the Small Business Jobs Act of 2010 (Jobs Act), Pub. L. 111-240, amends the Small Business Act (15 U.S.C. 637(d)(6)) to require as part of a subcontracting plan that a prime contractor make good faith effort to utilize a small business subcontractor during performance of a contract to the same degree the prime contractor relied on the small business in preparing and submitting its bid or proposal. If a prime contractor does not utilize a small business subcontractor as described above, the prime contractor is required to explain, in writing, to the contracting officer the reasons why it is unable to do so.

**2. Uses of information.** The subcontracting plan, SSR, ISR, and written explanation submitted to the Government are used to assess contractors' compliance with the subcontracting plan requirements in accordance with the Small Business Act and the FAR. The information reported to the Government is used for policy and management control purposes. The evaluation of the contractor's performance against the subcontracting plan will be documented in prime contractors' overall contract performance assessment so that source selection officials make informed award

decisions and ensure the Government builds relationships with high-performing suppliers.

**3. Consideration of information technology.** Contractors use the eSRS to submit SSRs and ISRs. The eSRS is an electronic, single point of entry, web-based system for subcontract reporting. The eSRS implements a real time contract retrieval interface with FPDS. The interface also permits contractors to enter their contract number into eSRS and have the data retrieved from the System for Award Management (SAM). The written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan may be submitted electronically.

**4. Efforts to identify duplication.** This requirement is 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.** Small businesses are not required to submit subcontracting plans or reports. The burden is applied to other than small businesses that have to submit a subcontracting plan. The collection of information will indirectly benefit small businesses because it is an incentive for large business prime contractors to use a small business subcontractor in actual contract performance to the same extent the subcontractor was used in preparation of the proposal.

**6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Similar information is not already available to the contracting officer or buyer. Without the information collection, the Federal Government will lack sufficient data to assess contractor performance pertaining to the use of small business concerns and the various socioeconomic categories under the small business subcontracting program.

**7. Special circumstances for collection.** Collection is consistent with guidelines in 5 CFR 1320.5(d)(2).

**8. Efforts to consult with persons outside the agency.**

A. A 60-day notice was published in the *Federal Register* at 87 FR 1751, on January 12, 2022. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 87 FR 15424, on March 18, 2022.

**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.**

SUMMARY	Subcontracting Plan		SSR	ISR		Written explanation	Total
	Commercial	Individual		Without order-level reporting	With order-level reporting		
Estimated respondents/yr	1,133	6,630	5,515	18,549	379	3,882	36,088
Responses/respondent	1.00	1.00	1.00	2	2	1	
Total annual responses	1,133	6,630	5,515.0	37098	758	3882	55,016
Estimated hrs/response	5	5	2	2	5	2	
Estimated total burden hrs	5665	33150	11030	74196	3790	7764	135595
Hourly rate	\$40	\$40	\$40	\$40	\$40	\$40	
Estimated annual cost to the public	\$226,600	\$1,326,000	\$441,200	\$2,967,840	\$151,600	\$310,560	\$5,423,800

**a. Subcontracting plan.**

Subcontracting plans are provided on a contract-by-contract basis for individual subcontracting plans. Individual subcontracting plans cover the entire contract period, including options. Commercial plans are provided on an entity basis and cover the fiscal year of the contractor. FPDS for fiscal years 2017-2021 identified 1,133 entities awarded contracts with commercial plans and 6,630 contracts with individual subcontracting plans. The

data used covered construction contracts valued over \$1.5 million and all other contracts valued over \$750,000; contracts required to have a subcontracting plan.

The burden is calculated as follows:

Commercial plan

Estimated number of respondents/yr.....	1,133
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	1,133
Estimated hrs/response.....	<u>x 5</u>
Estimated annual burden hours.....	5,665
Hourly rate*.....	<u>x \$40</u>
Estimated annual cost to the public.....	\$226,600

Individual plan

Estimated number of respondents/yr.....	6,630
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	6,630
Estimated hrs/response.....	<u>x 5</u>
Estimated annual burden hours.....	33,150
Hourly rate*.....	<u>x \$40</u>
Estimated annual cost to the public.....	\$1,326,000

**b. Summary Subcontract Report (SSR).**

SSRs are submitted annually for all types of subcontracting plans. One SSR is submitted for each commercial subcontracting plan. For individual subcontracting plans, an SSR is required for every agency that funds work under the contract that the plan covers. The number of SSRs accepted in eSRS for FY21 was 5,515. Time required for reading, preparing information, and data entry into eSRS is estimated as follows:

Commercial and individual plans

Estimated number of respondents/yr.....	5,515
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	5,515
Estimated hrs/response.....	<u>x 2</u>
Estimated annual burden hours.....	11,030
Hourly rate*.....	<u>x \$40</u>
Estimated annual cost to the public.....	\$441,200

**c. Individual Subcontract Report (ISR).**

ISRs are submitted semi-annually for each contract with an individual subcontracting plan. The ISR consists of data for

subcontracting under a given contract. ISRs are not required for commercial plans. In FY 2021, there were a total of 37,856 ISRs submitted in eSRS. It is estimated that ISRs without order-level reporting requirement account for about 98% of all ISRs submitted (98% of 37,856 = 37,098); the other 2% (2% of 37,856 = 758) are for ISRs with order-level reporting requirement. Time required for reading, preparing information, and data entry into eSRS is estimated as follows:

<u>Individual plan without order-level reporting requirement</u>	
Estimated number of respondents/yr.....	18,549
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	37,098
Estimated hrs/response.....	<u>x 2</u>
Estimated annual burden hours.....	74,196
Hourly rate*.....	<u>x \$40</u>
Estimated annual cost to the public.....	\$ 2,967,840

<u>Individual plan - with order-level reporting requirement</u>	
Estimated number of respondents/yr.....	379
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	758
Estimated hrs/response.....	<u>x 5</u>
Estimated annual burden hours.....	3,790
Hourly rate*.....	<u>x \$40</u>
Estimated annual cost to the public.....	\$ 151,600

**d. Written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan.**

The written explanation for not using a small business subcontractor is submitted on a contract-by-contract basis. The written explanation is only required if the prime contractor does not make good faith effort to utilize a small business subcontractor to the same degree the prime contractor relied on the small business in preparing and submitting its bid or proposal. FPDS for fiscal years 2017-2021 identified 1,133 entities awarded contracts with commercial plans and 6,630 contracts with individual subcontracting plans, for a total of 7,763 plans. We estimate that at most 50%, or 3,882, of these contracts with subcontracting plans may have instances of the prime contractor not using a small business subcontractor to the

same extent used in preparing the bid or proposal. We estimate two hours as the average time required to read and prepare information for this collection. We also estimate that the responses per respondent would be once a year since respondents have until 30 days of contract completion to submit the written explanation.

The burden is calculated as follows:

Estimated number of respondents/yr..... 3,882  
 Responses per respondent..... x 1  
 Total annual responses..... 3,882  
 Estimated hrs/response..... x 2  
 Estimated annual burden hours..... 7,764  
 Hourly rate\*.....x \$40  
 Estimated annual cost to the public..... \$310,560

\* Based on the Office of Personnel Management (OPM) 2022 General Schedule (GS) 9/step 5 salary for the rest of the United States (\$29.72 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.**

SUMMARY	Subcontracting Plan	SSR	ISR	Written explanation	Total
Total annual responses	7,763	5,515	37,856	3,882	55,016
Review time per response (hours)	3	1	1	0.33	
Review time per year (hours)	23289	5515	37856	1281	67941
Hourly rate	\$40	\$40	\$40	\$40	
Estimated Government Cost	\$931,560	\$220,600	\$1,514,240	\$51,242	\$2,717,642

**a. Subcontracting plan.**

The time required to review the plan for compliance with FAR 52.219-9 is estimated as follows:

Commercial and individual plans

Total annual responses..... 7,763  
 Review time per response (hours)..... x 3  
 Review time per year (hours)..... 23,289

Hourly rate\*..... x \$40  
Estimated annual cost to the Government.....\$931,560

**b. Summary Subcontract Report (SSR).**

Time required for reviewing and acknowledging the SSR in eSRS is estimated as follows:

Commercial and individual plans

Total annual responses..... 5,515  
Review time per response (hours)..... x 1  
Review time per year (hours)..... 5,515  
Hourly rate\*..... x \$40  
Estimated annual cost to the Government.....\$220,600

**c. Individual Subcontract Report (ISR).**

Time required for reviewing and acknowledging ISRs in eSRS is estimated as follows:

Individual plans

Total annual responses..... 37,856  
Review time per response (hours)..... x 1  
Review time per year (hours)..... 37,856  
Hourly rate\*..... x \$40  
Estimated annual cost to the Government.....\$1,514,240

**d. Written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan.**

Time required for Government-wide review and evaluation of the information collected is estimated at a third of an hour per response. Government review can benefit from economies of scale by incorporating this requirement into the standard contractor performance evaluation and performance reporting (i.e., Contractor Performance Assessment Reporting System (CPARS)) that already occurs for all contracts over the simplified acquisition threshold.

Total annual responses..... 3,882  
Review time per response (hours)..... x 0.33  
Review time per year (hours).....1,281.06  
Hourly rate\*..... x \$40



Estimated annual cost to the Government.....\$51,242.40

**15. Explain reasons for program changes or adjustments reported in Item 13 or 14.** The FAR requirements remain the same. However, the estimated burden has been adjusted by using FY 2021 data from eSRS and FPDS data for fiscal years 2017-2021. The data used for this estimate is more accurate because it accounts for the actual number of SSRs and ISRs submitted through eSRS; the previous estimate was an extrapolation by using FPDS data alone. The estimated cost to the public and to the Government was updated based on use of the calendar year 2022 OPM GS wage rates for the rest of the United States.

**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.