

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO. 9000-0027
VALUE ENGINEERING REQUIREMENTS**

FAR sections affected: 52.248-1, 52.248-2, and 52.248-3

A. Justification.

1. Administrative requirements. This justification supports an extension of OMB Control No. 9000-0027.

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

FAR 52.248-1, Value Engineering; 52.248-2, Value Engineering-Architect-Engineer; and 52.248-3, Value Engineering-Construction.

These clauses require contractors submitting Value Engineering Change Proposals (VECP's) to the Government to provide such details as: (1) a description of the differences between the existing contract requirement and the proposed requirement, and the comparative advantages and disadvantages of each; (2) a list and analysis of contract requirements that must be changed if the VECP is accepted; (3) a detailed cost estimate showing anticipated reductions associated with the VECP; (4) a statement of the time a modification accepting the VECP must be issued to achieve maximum cost reduction, and the effect on contract completion time; and (5) identification of any previous submissions of the VECP; the agencies and contract numbers involved and previous Government actions, if known.

2. Uses of information. The Government will use the collected information to evaluate the VECP and, if accepted, to arrange for an equitable sharing plan.

3. Consideration of information technology. Federal agencies use 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, 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.

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 9359, on February 18, 2022. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 87 FR 24567, on April 26, 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. Unless otherwise authorized, the FAR clauses at 52.248-1, 52.248-2, and 52.248-3, are not applicable to requirements for research and development, engineering services from nonprofit or not-for-profit organizations, personal services, providing for product or component improvement, commercial products, or with an estimated value not expected to exceed the simplified acquisition threshold (\$250,000).

The Federal Procurement Data System (FPDS) shows that 10,874 unique vendors were awarded a Federal Government contract in Fiscal Year 2021 for a requirement that is subject to one of the value engineering clauses. It is also estimated that about 1% of those 10,874 unique vendors had approved VECP's. The Government conservatively estimates that for each VEPC that was approved, the contractor submitted another VEPC that was rejected by the Government (109 (1% of 10,874) X 2 = 218). Factors limiting VECP's include the relatively small number of VECPs being submitted by vendors, external circumstances which add complexity to VECP processing, and the risk incurred by the contractor until the VECP is approved. Time required to read and prepare information is estimated at 15 hours per response.

Estimated number of respondents/yr.....	109
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	218
Estimated hrs/response.....	<u>x 15</u>
Estimated annual burden hours.....	3,270
Hourly rate*.....	<u>x \$40</u>
Estimated annual cost to the public.....	\$ 130,800

* 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 (\$40). 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 for Governmentwide review is estimated at 15 hours per response.

Total annual responses.....	218
Review time per response (hours).....	<u>x 15</u>
Review time per year (hours).....	3,270
Hourly rate*.....	<u>x \$40</u>
Estimated annual cost to the Government.....	\$130,800

15. Explain reasons for program changes or adjustments reported in Item A.13 or A.14.

There are no program changes. The FAR requirements remain the same. For this extension, the burden has been adjusted by using the most currently available data from FPDS. The estimated cost to the public and to the Government was updated based on use of

calendar year 2022 OPM GS wage rates for the rest of the United States. It is important to note that the previous extension had an error in the estimated burden calculation. Although it was correctly stated that the number of respondents was estimated to be 1 percent of the number of unique vendors, 10 percent was used instead.

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.