

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO. 9000-0152
SERVICE CONTRACTING**

FAR section affected: 52.237-10

A. Justification.

1. Administrative requirements. This justification supports an extension of OMB Control No. 9000-0152.

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

FAR 52.237-10, Identification of Uncompensated Overtime. This provision requires offerors, when professional or technical services are acquired on the basis of the number of hours to be provided, to identify uncompensated overtime hours in excess of 40 hours per week, whether at the prime or subcontract level. This includes uncompensated overtime hours that are in indirect cost pools for personnel whose regular hours are normally charged direct.

2. Uses of information. The contracting officer will use the collected information to perform an adequate cost realism analysis of the offerors' proposed labor rates. Proposals which include unrealistically low labor rates, or which do not otherwise demonstrate cost realism, will be considered by the contracting officer in a risk assessment and evaluated appropriately. The primary purpose for obtaining the information and using it during the source selection process is to discourage the use of uncompensated overtime.

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 solicitation-by-solicitation is not practical. The collection is needed to comply with the statutory requirements of section 834, Public Law 101-510 (10 U.S.C. 2331).

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 9356, on February 18, 2022. A comment was received; however, it did not change the estimate of the burden.

Comment: The commenter expressed his approval of the details set forth under the Federal Regulations in regard to serving contracts and other collaborative efforts in the aerospace industry.

Response: Noted. The commenter did not express an opinion on whether the estimated number of burden hours is accurate; or ways to minimize the burden of the collection of information.

B. A 30-day notice was published in the *Federal Register* at 87 FR 25270, on April 28, 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.
The Federal Procurement Data System (FPDS) shows that for Fiscal Year 2021, there were 15,491 reported service contracts awarded valued above the simplified acquisition threshold (\$250,000), 11,279 were competitively awarded. About 7 proposals will be received for each contract award. Of the total 78,953 (11,279 x 7) proposals received, only 25 percent or 19,738 proposals are expected to include uncompensated overtime hours. It is estimated that offerors will take about 30 minutes to identify and support any hours in excess of 40 hours per week included in their proposal or subcontractor's proposal.

Estimated number of respondents/yr.....	19,738
Responses per respondent.....	<u>X 1</u>
Total annual responses.....	19,738
Estimated hrs/response.....	<u>X 0.5</u>
Estimated annual burden hours.....	9,869
Hourly rate*.....	<u>X \$40</u>
Estimated annual cost to the public.....	\$394,760

* 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.

It is estimated that Government contracting officers will take about 15 minutes to review the offerors' proposals and ascertain the cost realism of the proposed labor rates.

Total annual responses.....	19,738
Review time per response (hours).....	<u>X 0.25</u>

Review time per year (hours)..... 4,935
Hourly rate*..... x \$40
Estimated annual cost to the Government.....\$197,400

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.

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.