

SUPPORTING STATEMENT – PART A  
OMB Control Number 0704-0497  
Defense Federal Acquisition Regulation Supplement (DFARS) Part 215 Negotiation

Summary of Changes from Previously Approved Collection

- Decrease in burden results from using more current data for the number of forward pricing rate agreements negotiated by administrative contracting officers and application of fiscal year 2023 hourly rates.

1. Need for the Information Collection

This statement supports a request for renewal of the information collection requirement currently approved under OMB Control Number 0704-0497, Defense Federal Acquisition Regulation Supplement (DFARS) Part 215 Negotiation. DFARS 215.403-5 provides contractors with guidance for the submittal of forward pricing rate proposals, including a checklist for contractors to use in preparing their proposals. The checklist is submitted to DoD with the forward pricing rate proposal.

2. Use of the Information

The purpose of this information collection is to improve the efficiency of the negotiation process by ensuring the submission of thorough, accurate, and complete forward pricing rate proposals. If the contracting officer determines that a forward pricing rate proposal should be obtained pursuant to Federal Acquisition Regulation (FAR) 42.1701, then contractors following the commercial contract cost principles in FAR subpart 31.2 will be required to submit a forward pricing rate proposal that complies with FAR 15.408, Table 15-2, and DFARS 215.403-5 and 215.407-5-70. The forward pricing rate proposal adequacy checklist at Table 215.403-1, located at DFARS 215.403-5, is used by the contracting officer and the contractor to ensure the proposal is complete. The completed forward pricing rate proposal adequacy checklist will be submitted to DoD with the forward pricing rate proposal.

3. Use of Information Technology

Information technology is used for submission of the proposals (100%). Standardized or repetitive data is not involved. Contractors may, however, submit any required information in formats that are compatible with their automated systems.

4. Non-duplication

As a matter of policy, DoD reviews the FAR to determine whether adequate language already exists. This request for information applies solely to DoD and does not duplicate existing contractor requirements.

5. Burden on Small Business

Only a small percentage of Government contractors are requested to submit a forward pricing rate proposal, as set forth at FAR 42.1701(a). The Government will ask only those contractors

with a significant volume of Government contracts to submit such proposals. Guidelines for submitting forward pricing rate proposals are shown below:

“42.1701 Procedures.

(a) Negotiation of forward pricing rate agreements (FPRA’s) may be requested by the contracting officer or the contractor or initiated by the administrative contracting officer (ACO). In determining whether or not to establish such an agreement, the ACO should consider whether the benefits to be derived from the agreement are commensurate with the effort of establishing and monitoring it. Normally, FPRA’s should be negotiated only with contractors having a significant volume of Government contract proposals. The cognizant contract administration agency shall determine whether an FPRA will be established.”

DoD estimates that, because of the large volume of Government business required to justify asking for a forward pricing rate proposal, the number of small businesses impacted is insignificant.

## 6. Less Frequent Collection

The submission of the forward pricing rate proposal adequacy checklist is not required by law or Executive order. However, for those contractors with a volume of Government business that meets the criteria at FAR 42.1701(a) for submission of a forward pricing rate proposal, the existence of the proposal adequacy checklist along with the contractor’s proposal should decrease the amount of time necessary for the contractor to prepare the proposal and for the Government to review it. In addition, both contractors and the Government will benefit from having more consistent forward pricing rate proposals.

## 7. Paperwork Reduction Act Guidelines

This collection of information is consistent with the guidelines delineated in 5 CFR 1320.5(d) (2).

## 8. Consultation and Public Comments

### a. Public Notice

i. Public comments were solicited in a 60-day notice published in the *Federal Register* on September 28, 2023, at 88 FR 66824 as required by 5 CFR 1320.8(d)). DoD received no comments.

ii. A 30-day notice for this information collection was published in the *Federal Register* on December 22, 2023 at 88 FR 88592.

### b. Consultation

Subject matter experts within DoD were also consulted.

9. Gifts or Payment

No payment or gift will be provided to respondents, other than remuneration of contractors.

10. Confidentiality

This information is disclosed only to the extent consistent with prudent business practices and current laws and regulations. No assurance of confidentiality is provided to respondents. A Privacy Act Statement is not required for this collection because DoD is not requesting individuals to furnish personal information for a system of records. A System of Record Notice is not required for this collection because records are not retrievable by personally identifiable information (PII). A Privacy Impact Assessment is not required for this collection because PII is not being collected electronically.

11. Sensitive Questions

No questions of a sensitive nature are included in the proposal adequacy checklist.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

Based on a Defense Contract Management Agency (DCMA) review of the current numbers of forward pricing rate proposals submitted, DoD estimates that approximately 157 contractors will submit forward pricing rate proposals annually. This is a decrease of 106 contractors from the formerly estimated 263 contractors in 2020. All 157 contractors will be requested to complete and submit the forward pricing rate proposal adequacy checklist.

Wages are based on the average hourly wage and associated overhead of a contracts and pricing professional who is most likely to prepare the forward pricing rate proposal and, therefore, use the proposal adequacy checklist. In estimating the associated cost, DoD used the Office of Personnel Management 2023 General Schedule for “rest of United States” to establish the equivalent rate of a GS-13, step 5, or \$53.49 per hour. To this labor rate, DoD applied an overhead of 36.25 percent (based on the OMB Memorandum M-08-13, March 11, 2008, Civilian Position Full Fringe Benefit Cost Factor), which results in a rate of 72.88 per hour.

| Estimation of Respondent Burden Hours: |     |
|--|-----|
| Number of respondents                  | 157 |
| Responses per respondent               | 1   |
| Number of responses                    | 157 |
| Hours per response                     | 4   |
| Annual respondent burden hours         | 628 |

\*Note that these figures are associated only with the completion and submission of the forward pricing rate proposal adequacy checklist. The hours associated with the preparation, submission, negotiation, and maintenance of a forward pricing rate agreement are the subject of a separate FAR information collection.

b. Labor Cost of Respondent Burden

| Labor Cost of Respondent Burden  |          |
|----------------------------------|----------|
| Number of total annual responses | 157      |
| Hours per response               | 4        |
| Cost per hour (hourly wage)      | \$72.88  |
| Labor burden per response        | \$291.52 |
| Annual labor burden              | \$45,769 |

13. Respondent Costs Other Than Burden Hour Costs

There are no annualized costs associated with this information collection, other than the hour burden detailed in Item 12.

14. Cost to the Federal Government

DoD estimates the time required for the Government review is 1 hour per response. The cost is based on the average hourly wage of a GS-13, step 5, plus 36.25% overhead for a total hourly cost of \$73 ( $\$53.49 \times 1.3625 = \$72.88$ ).

| Estimation of Respondent Burden Hours:                              |          |
|---|----------|
| Number of responses   | 157      |
| Hours per response  | 1        |
| Estimated hours (number of responses multiplied hours per response) | 157      |
| Cost per hour (hourly wage)   | \$72.88  |
| Annual public burden (estimated hours multiplied by cost per hour)  | \$11,442 |

15. Reasons for Change in Burden

The reasons for the decrease in burden are not attributed to any programmatic changes. The change results from using fiscal year 2020 through 2022 data for the number of FPRAs negotiated by DCMA ACOs and application of fiscal year 2023 GS hourly rates.

| Change in Burden      | 2020 | 2023 | Difference |
|-----------------------|------|------|------------|
| Number of respondents | 263  | 157  | -106       |

|                        |          |          |           |
|------------------------|----------|----------|-----------|
| Total annual responses | 263      | 157      | -106      |
| Total Hours            | 1,052    | 628      | -424      |
| Cost per hour          | \$67     | \$72.88  | +6        |
| Total Cost             | \$70,484 | \$45,769 | -\$24,715 |

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

DoD is not seeking approval to omit the display of the expiration date of OMB approval of the information collection.

18. Exceptions to “Certification for Paperwork Reduction Submissions”

There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.