

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Information Collection Request, OMB Control No. 3090-0293,
Reporting and Use of Information Concerning Integrity and Performance of Recipients of
Grants and Cooperative Agreements**

Overview of Information Collection

This is a request for an extension of OMB Control Number 3090-0293, Reporting and Use of Information Concerning Integrity and Performance of Recipients of Grants and Cooperative Agreements. The use of the word “recipient” in this Information Collection Request refers to both grant and cooperative agreement recipients. Use of the words “person” and non-federal entity” are understood to include both individuals and organizations that apply for and receive Federal awards.

1. Circumstances Making the Collection of Information Necessary. The Duncan Hunter National Defense Authorization Act of 2009 (Public Law 110-417) was enacted on October 14, 2008. Section 872 of this Act required the development and maintenance of an information system that contains specific information on the integrity and performance of covered federal agency contractors and grantees.

The Federal Awardee Performance and Integrity Information System (FAPIIS) was developed to address these requirements and has been superseded by the System for Award Management (SAM) at SAM.gov. SAM provides users access to integrity information from the FAPIIS reporting module in the Contractor Performance Assessment Reporting System (CPARS), proceedings information from the Entity Management section of the SAM database, and suspension/debarment information from the Exclusions section of SAM.

As required by 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, effective January 1, 2016, Federal agencies are required to review and consider any information about the applicant that is in SAM before making any award in excess of the simplified acquisition threshold, defined in 41 U.S.C. 134, over the period of performance.

Non-Federal entities (NFEs) are required to disclose any information about criminal, civil, and administrative proceedings, and/or affirm that there is no new information to provide. This applies to NFEs that receive Federal awards (currently active grants, cooperative agreements, and procurement contracts), as required by 45 CFR Part 75, Appendix XII, of the Uniform Guidance, for any period of time during the period of performance of an award/project.

2. Purpose and Use of Information Collection. In accordance 41 U.S.C. 2313, the Federal awarding agency is required to review OMB-designated repositories of government-wide eligibility qualification or financial integrity information as appropriate prior to making a Federal award where the Federal share is expected to exceed the simplified acquisition threshold, defined

in 41 U.S.C. 134, over the period of performance. At a minimum, the information in the system for a prior Federal award recipient must demonstrate a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, or procurement awards; and integrity and business ethics. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts may be reviewed prior to future awards.

3. Use of Information Technology. Prior to making a Federal award, the Federal awarding agency is required by 31 U.S.C. 3321 and 41 U.S.C. 2313 to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information as appropriate.

4. Efforts to identify duplication and Use of Similar Information. An applicant may review and comment on any integrity records about itself that a federal awarding agency previously entered. Federal agencies will consider any comments by the applicant, in addition to other information in SAM in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants as described in 2 CFR § 200.205, Federal Awarding Agency Review of Merit of Proposals.

5. Impacts on Small businesses or Other Small Entities. As required by 2 CFR Part 200, Appendix XII, NFEs are required to disclose any information about criminal, civil, and administrative proceedings, and/or affirm that there is no new information to provide. This applies to NFEs that receive federal awards (currently active grants, cooperative agreements, and procurement contracts) for any period of time during the period of performance of an award/project.

6. Consequences of Collecting the Information Less Frequently. The Federal awarding agency must comply with the guidelines on governmentwide suspension and debarment in 2 CFR Part 180, and must require NFEs to comply with these provisions. These provisions restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.

7. Paperwork Reduction Act Guidelines. A federal awarding agency may make a Federal award to a recipient who does not fully meet these standards, if it is determined that the information is not relevant to the current Federal award under consideration or there are specific conditions that can appropriately mitigate the effects of the non-Federal entity's risk in accordance with 2 CFR § 200.207 specific conditions.

8. Consultation and Public Comments.

A 60-day notice was published in the *Federal Register* at 89 FR 25874 on April 12, 2024. No comments were received. A 30-day notice was published in the *Federal Register* at 89 FR 51527 on June 18, 2024.

9. Explanation of any payment or gift to respondents, other than remuneration of awardees.

Not applicable.

10. Privacy and Confidentiality. SAM collects information about proceedings only if the non-federal entity meets the conditions set forth in FAR 52.209-7, FAR 52.209-8, or 2 C.F.R. Part 200, Appendix XII. This information is displayed in SAM publicly as applicable.

11. Justification for Questions of a Sensitive Nature. No questions of a sensitive nature are requested.

12. Estimated total Annual Public Hours and Cost Burden.

SAM collects information about proceedings only if the NFEs meet the conditions set forth in FAR 52.209-7, FAR 52.209-8, or 2 C.F.R. Part 200, Appendix XII. The NFEs answer Proceeding Screening Questions as part of the SAM Entity registration, and if applicable, submit information required about each proceeding.

1. Is your organization responding to a federal procurement opportunity that contains the provision at FAR 52.209-7?
2. Is your organization subject to the clause in FAR 52.209-9 in any current federal contracts?
3. Is your organization applying for a federal grant opportunity that contains the award term and condition described in C.F.R. 200 Appendix XII?
4. If yes to all of the previous questions, answer the following questions:
 - a. Proceedings Screening Question #1: *Does your organization have current federal contracts or grants with a total value (including any exercised or unexercised options) greater than \$10 million?*
 - b. Proceedings Question #2: *Within the last five years, has the organization or any of its principals, in connection with the award to or performance by the business or organization of a federal contract or grant, been subject of a federal or state:*
 - i. *Criminal proceeding resulting in a conviction or other acknowledgment of fault*
 - ii. *Civil proceeding resulting in a finding of fault with a monetary fine, penalty, reimbursement, restitution, and/or damages greater than \$5,000, or other acknowledgment of fault, and/or*
 - iii. *Administrative proceedings resulting in a finding of fault with either a monetary fine or penalty greater than \$5,000 or reimbursement, restitution, or damages greater than \$100,000, or other acknowledgment or fault?*

For the Proceeding Screening questions, the NFEs may provide “Yes”, “No”, or “Not Applicable” responses. If applicable, Proceedings data must be entered into SAM if the NFEs answer “Yes” to both of the Proceedings Screening Questions. Given that the amount of current

Federal contracts and grants is basic knowledge for any recipient of such awards, the estimated number of hours for NFE to answer Proceedings Screening Question #1 and Proceedings Screening Question #2 is 0.1 hours, respectively.

Once the NFEs respond “Yes” to both Proceedings Screening Question #1 and #2, the NFEs must enter their Proceedings data into the database; thus, the estimated burden for entering this detailed data is 0.5 hours. The NFEs are required to enter their Proceedings data into the database semiannually; therefore, there will be a total burden estimate of 1 hour for each NFE. This time estimate does not include the time necessary to maintain the recipient’s information internally. Most large organizations and some small organizations will most likely have established systems to track compliance.

A data query of SAM revealed 19,152 NFEs answered Proceedings Screening Question #1; 141 NFEs answered Proceedings Screening Question #2; and, 141 NFEs entered Proceedings data based on their “Yes” responses to both Proceedings Screening Questions.

Total number of responses	19,434
Total burden hours	2,070
Average wage + overhead per hour	<u>65.00*</u>
Cost to the public for information collection	<u>\$134,550</u>

Proceedings Screening Question #1:

Total annual responses	19,152
Preparation time per response (per hour)	<u>.1</u>
Total response burden hours	1,915

Proceedings Screening Question #2:

Total annual responses	141
Preparation time per response (per hour)	<u>.1</u>
Total response burden hours (rounded)	14

Proceedings Details:

Number of respondents	141
Responses per respondent	<u>2</u>
Total annual responses	282
Preparation time per response (per hour)	<u>.5</u>
Total response burden hours	141

*Estimated an hourly rate of \$47.53 and an annual salary of \$99,200 annual salary, equivalent to a GS-12, Step 1, based on the OPM 2024 General Schedule Salary Table, Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA or \$47.53 per hour, plus 36.25 percent overhead burden which is the rate mandated by OMB for A-76 public-private competitions, and rounded to the nearest whole dollar, or \$65.00.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection for Proceeding Question#3 (excluding the burden hours in 12. above). At this time, all or most recipients have entered relevant organization data in the SAM in accordance with other information collection and systems requirements. Therefore, the estimate includes an average of 100 hours per year for recordkeeping for each of the 141 respondents to the request for additional information, for a total of 14,100 annual recordkeeping hours.

Recordkeeping hours	14,100
Average wage + overhead per hour	x <u>65.00*</u>
Cost to the public for recordkeeping hours	<u>\$916,500</u>

<u>Total burden hours (#'s 12 and 13 combined)</u>	16,170
Average wage + overhead per hour	x <u>65.00*</u>
<u>Total cost to the public</u>	<u>\$1,051,050</u>

*Estimated an hourly rate of \$47.53 and an annual salary of \$99,200 annual salary, equivalent to a GS-12, Step 1, based on the OPM 2024 General Schedule Salary Table, Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA or \$47.53 per hour, plus 36.25 percent overhead burden which is the rate mandated by OMB for A-76 public-private competitions, and rounded to the nearest whole dollar, or \$65.00.

14. Estimated Annual Cost to the Government. It is estimated that for each of the 19,293 responses, the Federal Government will be reviewing and analyzing the information for approximately .5 hrs. Information is to be updated into the database semiannually; therefore, the Federal Government will be reviewing and analyzing information approximately 1 hour for each of the 19,293 responses.

Number of respondents	141
Responses per respondent	<u>x 2</u>
Total annual responses	282
Government review and analysis per response (per hour)	<u>.5</u>
Total Government review hours	141

Average wages/hr. (GS 12/1)	<u>x 47.53*</u>
Average wages/yr.	\$99,200
Benefits + overhead	<u>x 100%</u>
Total Government Cost	\$198,400

*Estimated an hourly rate of \$47.53 and an annual salary of \$99,200, equivalent to a GS-12, Step 1, based on the OPM 2024 General Schedule Salary Table, Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA.

15. Explanation for Program Changes or Adjustments. SAM's automation of the data collection, record keeping, and displaying of the data has reduced the burden hours and cost for NFEs to track and enter their Proceedings data into the database. The actual cost to the public for collection of information in FAPIIS was \$134,550, a 65% increase from the 2021 estimated cost. The actual total cost to the public for data collection and record keeping was \$916,500, a 634% increase from the year 2021 estimate. Conversely, the Government's estimated average wages/hr. and the annual salary increased 24%. The actual total cost to the Government for reviewing and analyzing the information was \$198,400, which was a 24% increase over the 2021 estimated cost.

16. Publicizing Results. Results of this information collection will not be tabulated or published.

17. Reasons the Display of OMB Expiration Date is Inappropriate. Not applicable.

18. Explanation of Exception to the Certification Statement. Not applicable.

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods. Statistical methods are not used in this information collection.