

**Supporting Statement for Information Collection**  
**OMB Control Number 3090-0007**

**Title: Contractor Qualifications and Financial Information**  
**GSAR Sections Affected: 509.105, GSA Form 527**

**Overview of Information Collection**

This is a request for approval of an extension to an existing information collection.

This information collection applies to General Services Administration (GSA) contracts requiring prospective contractors to submit additional financial information in order for a contracting officer to make a determination that such prospective contractor is financially responsible for an award.

The General Services Administration Acquisition Regulation (GSAR) sections and forms covered by this information collection include:

- 509.105 Procedures
- GSA Form 527 Contractor's Qualifications and Financial Information

The following are changes of importance that have occurred since the last extension approval:

- The total estimated respondents per year decreased due to the widespread use of the option for prospective contractors to submit financial statements and balance sheets in lieu of completing the applicable fields on GSA Form 527. The total estimated respondents changed-
  - From: 1,733
  - To: 868
- The total estimated annual public cost burden decreased due to the widespread use of the option for prospective contractors to submit financial statements and balance sheets in lieu of completing the applicable fields on GSA Form 527 and the use of updated data. The total estimated annual public cost burden changed-
  - From: \$81,400
  - To: \$45,756
- The total estimated annual cost burden to the Government decreased due to the widespread use of the option for prospective contractors to submit financial statements and balance sheets in lieu of completing the applicable fields on GSA Form 527 and the use of updated data. The total estimated annual cost to the Government changed-
  - From:\$178,870
  - To: \$100,563

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[1] FAR Part 2 and 48 C.F.R § 2.101 defines a *Responsible prospective contractor* as contractor that meets the standards in 9.104

## **1. Need and Method for the Information Collection.**

In accordance with Part 9 of the Federal Acquisition Regulation (FAR), Contracting Officers (COs), as good stewards of taxpayers' dollars, must determine if a prospective contractor is financially responsible through the review and examination of documentation that demonstrates that the prospective contractor's resources are capable of meeting the needs outlined in the procurement.

The information can be obtained by the CO through pre-award surveys, through audit reports, suppliers, subcontractors, customers of the prospective contractor, financial institutions, information available through Federal Awardee Performance and Integrity Information System (FAPIIS) such as information on the offeror and any immediate owner, predecessor, or subsidiary identified for that offeror in FAPIIS, including information that is linked to FAPIIS such as from System for Award Management (SAM), and Contractor Performance Assessment Reporting System (CPARS), as well as any other relevant and other verifiable information.

Although there are many systems and methods of collecting the data, there are times when the information collected does not provide sufficient information for the CO to determine if the potential contractor is responsible. In these incidents the COs will request that the prospective contractor complete the GSA Form 527.

After the CO has determined that there is a need for the prospective contractor to complete the GSA Form 527, an email request to the prospective contractor requesting the completion of the form is transmitted through the Office of Administrative Services (OAS). The form, once completed by the prospective contractor, is returned to OAS personnel for analysis, in accordance with industry guidelines and the provisions of the proposed contract.

The information collected is submitted electronically (to the maximum extent possible).

See Item 6 below for the consequences if the information collection is not conducted or conducted less frequently.

## **2. Use of the Information.**

GSA will use this information to verify that the contractor is or is not financially responsible to receive a potential award.

## **3. Use of Information Technology.**

GSA continues to improve and expand the use of information technology to the maximum extent practicable. Where both the Government and the contractor are capable of electronic interchange, these information collection requirements may be submitted electronically.

#### **4. Non-Duplication.**

GSA has compared the Form 527 with Standard Forms 1403, 1404, 1405, 1406, 1407, and 1408 and found that there is some duplication between GSA Form 527 and SF 1407-*Preaward Survey of Prospective Contractor Financial Capability*; however, the details required in the forms are substantially different.

GSA's Form 527 is a request for detailed financial information and other relevant facts regarding the prospective contractor's operation, including ownership of the prospective contractor and banking data of the prospective contractor and supply chains and past projects of the prospective contractor. The information provided and certified by the prospective contractor in Form 527, allows OAS personnel to perform an in-depth analysis of the prospective contractor's financial position and gives the CO visibility into limited supply chain data and past project data of the prospective contractor. SF 1407 is instead a summary of the OAS personnel's findings at the end of research, analysis, and interpretation of the prospective contractor's financial data for the CO to use, in conjunction with, the OAS personnel's opinion, to determine the financial responsibility of the prospective contractor. In contrast, GSA Form 527 also provides data which allows the CO to make responsibility decisions beyond merely financial responsibility.

#### **5. Burden on Small Business.**

The collections associated with small businesses are the minimum consistent with applicable laws, executive orders, and prudent business practices. The information on financial data will be collected, as needed, from both small and other than small businesses. The nature of the reporting requirements precludes reducing the information collection burden for small businesses.

#### **6. Less Frequent Collection.**

One consequence of not collecting the financial data from the prospective contractor is that sufficient data may not be available from other sources to find an otherwise viable entity financially responsible, and the reliance on non-verified external sources alone may result in the award of a contract to a non-responsible contractor. It is important to remember that this form is permitted to be used by a CO only when all other sources of information have already been exhausted and are not sufficient to make a determination of responsibility (or not responsible). Non-responsible contractors are more likely to default on the contract resulting in excess procurement costs.

Another consequence is that the CO would not be in compliance with the FAR or GSAR regulations and policies which may increase the agency's risk of having protests sustained or having to pay claims that would otherwise be avoidable.

#### **7. Paperwork Reduction Act Guidelines.**

Not applicable, no special circumstances exist for this information collection.

## **8. Consultation and Public Comments.**

A 60-day notice published in the *Federal Register* at 89 FR 55594 on July 5, 2024. No comments were received. A 30-day notice published in the *Federal Register* at 89 FR 76830 on September 19, 2024.

## **9. Gifts or Payment.**

Not applicable, GSA makes no such payments or gifts to respondents under this information collection.

## **10. Privacy and Confidentiality.**

Not applicable, GSA makes no additional assurances under this information collection beyond what is already applicable to contract information (i.e., information collected is disclosed only to the extent consistent with prudent business practices, agency regulations, and applicable statutes).

## **11. Sensitive Questions.**

Not applicable, no sensitive questions are involved under this information collection.

## **12. Burden Estimate.**

GSA based the estimated burden of the collection of information on information obtained from subject matter experts familiar with analyzing GSA Form 527 in the Credit and Finance Division. The burden addressed in this information collection requirement is the burden of developing, preparing, and submitting the required information. The dataset comes from the GSA Credit and Finance Division, who process GSA Form 527 submissions. The average number of GSA Forms 527 processed from fiscal year 2021 through fiscal year 2023 was 868. The number of respondents estimated to be affected has decreased slightly since the last information collection renewal (approximately a 50% reduction from the most recent renewal). Each response is estimated to take 1.5 hours, on average. This estimate has been reduced from prior estimates due to the widespread use of the option for prospective contractors to submit financial statements and balance sheets in lieu of completing the applicable fields on GSA Form 527. The alternate submission of financial statements and balance sheets significantly reduces the burden on prospective contractors, as these documents are generally readily available.

The information requested on the GSA Form 527 is not of a special nature. It falls into the category of customary and usual business practice. The information is already available and is used for other requestors. No special capital or start-up costs are required for this form to be completed.

Estimated Respondents Per Year:

868

Estimated Responses Per Respondent:	<u>x 1.2<sup>1</sup></u>
Total Annual Responses:	1,042
Estimates Burden Hours Per Response:	<u>x 1.5</u>
Total Response Burden Hours:	1563
Estimated Cost Per Hour:	<u>x \$29.28*</u>
Total Estimated Annual Cost Burden:	\$45,765

\* The estimated cost of \$29.28 per hour is based on the task being accomplished by contractor personnel equivalent to a GS-5, Step 5 (Base Pay and Rest of US Locality Pay) (Salary Table 2024-RUS, General Schedule, Effective January 2024), with fringe of 36.25% (OMB Memo M-08-13).

	Request ed	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustm ent in Agency Estimate	Change Due to Potential Violation of the PRA	Previous ly Approve d
Annual Number of Responses for this IC	1,042	N/A	N/A	(1,038)	N/A	2,080
Annual IC Time Burden (Hour)	1,563	N/A	N/A	(1557)	N/A	3,120
Annual IC Cost Burden (Dollars)	\$45,756	N/A	N/A	(\$35,644)	N/A	\$81,400

**Burden per Response:**

	Time Per Response	Hours	Cost Per Response
Reporting	1.5	1.5	\$47
Record Keeping	N/A	N/A	N/A
Third Party Disclosure	N/A	N/A	N/A
Total	1.5	1.5	\$47

**Annual Burden:**

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	1,563	\$45,756
Record Keeping	N/A	N/A

<sup>1</sup> The 1.2 responses per respondent reflects burden associated with revisions by the respondent to their GSA Form 527 which may be necessary after their initial submission.

Burden per Response:

	Time Per Response	Hours	Cost Per Response
Reporting	1.5	1.5	\$47
Record Keeping	N/A	N/A	N/A
Third Party Disclosure	N/A	N/A	N/A
Total	1.5	1.5	\$47

Third Party Disclosure	N/A	N/A
Total	1,563	\$45,756

**13. Estimated Nonrecurring Costs.**

Not applicable to this information collection.

**14. Estimated Cost of the Government**

The forms must be reviewed and analyzed by representatives in the Credit and Finance Division. This processing time is estimated at approximately 1 hour.

Estimated Respondents Per Year:	868
Estimated Responses Per Respondent:	<u>x 1.2</u>
Total Annual Responses:	1,042
Estimated Burden Hours Per Response:	<u>x 1.5</u>
Total Estimated Burden Hours:	1563
Estimated Cost Per Hour:	<u>x \$64.34**</u>
Total Estimated Annual Cost Burden:	\$100,563

\*\* The estimated cost of \$64.34 per hour is based on the task being accomplished by personnel equivalent to a GS-12, Step 5 (Base Pay and Rest of US Locality Pay) (Salary Table 2023-RUS, General Schedule, Effective January 2023), with fringe of 36.25% (OMB Memo M-08-13).

**15. Reasons for Changes.**

Costs changed due to several factors:

- Since the last report, the estimated total burden hours for the public decreased from 3,120 hours to 1,562 hours, and the number of requests for financial information to prospective contractors was reduced by 865, as a result of the widespread use of the option for potential contractors to submit readily available financial statements and balance sheets, in lieu of completing the applicable fields on GSA Form 527.

- The hourly rate (plus fringe) was updated to reflect the rates effective January 2024, as opposed to January 2021.

**16. Publicizing Results.**

Not applicable, results of this information collection will not be published. Information collected is used for internal purposes only.

**17. OMB Not to Display Approval.**

Not applicable, GSA is not seeking such approval for this collection.

**18. Exceptions to “Certification for Paperwork Reduction Submissions”.**

Not applicable, GSA has no exceptions to the certification statement.

**19. Surveys, Censuses, and Other Collections that Employ Statistical Methods.**

Surveys, censuses or statistical methods are not used for this information collection.