Supporting Statement for Information Collection
OMB Control No. 3090-0317
Notarized Document Submittal System for Award Management - New Entity Administrator Appointments

Overview of Information Collection:

This is a request for approval of a Revision to an existing collection. There have been no changes made to the instrument or the method of collection. Where we used to collect Notarized Letters for each registration in SAM.gov, we now only collect them when the entity no longer has anyone with the needed Entity Administrator role to manage the record.

1. **Need & Method for the Information Collection**.

Federal Acquisition Regulation (FAR) Subpart 4.11 prescribes policies and procedures for requiring contractor registration in the System for Award Management (SAM) database to increase visibility of vendor sources (including their geographical locations) for specific supplies and services; and establish a common source of vendor data for the Government.

In the past, the General Services Administration (GSA) Office of Inspector General (OIG) conducted an investigation into fraudulent activities discovered within SAM. As a result, SAM.gov workflows and data analysis have been revised over the last several years to improve our ability to identify bad actors earlier than before.

As a result of GSA actively pursuing technical alternatives to the collection of this information for all non-federal entities, GSA seeks to refine the requirement previously adopted, where a risk-based approach was used to justify the collection of the entity administrator appointment letter (EAAL) for all new entities, and only employ this method to establish an Entity Administrator to an existing entity where the previous administrator is no longer on staff.

This information is essential to GSA's acquisition mission to meet the needs of all federal agencies, as well as the needs of the grant community. A key element of GSA's mission is to provide efficient and effective acquisition solutions across the Federal Government. SAM is essential to the accomplishment of that mission. In addition to federal contracts, federal assistance programs also rely upon the integrity and security of the information in SAM. Without assurances that the information in SAM is protected and is at minimal risk of compromise, GSA would risk losing the confidence of the federal acquisition and assistance communities that it serves. As a result, some entities may prefer not to do business with the federal government.

2. **Use of the Information**.

The information required for SAM registration for federal contracts and federal assistance includes completing up to four modules in SAM: Core Data, Assertions, Representations and Certifications, and the Points of Contact sections.

Before becoming active, an entity's SAM registration must pass certain validations with the GSA, the Internal Revenue Service (IRS), and Commercial and Government Entity (CAGE) assignment (for new entity registrations) or CAGE validation with the Defense Logistics Agency (for updates to existing entity registrations).

3. Use of information technology.

GSA uses improved information technology to the maximum extent practicable. SAM is an Internet-based platform that is easily accessed from any computer and enables the registrant to submit the information electronically.

GSA decided that the best and least burdensome alternative would be to use a notarized document to validate the identity of the individual seeking to become the appointed Entity Administrator in the EAAL process where an entity administrator no longer exists. Notarized documents are usually affixed with a seal of authenticity, admissible in federal court, and are widely used for identity verification.

4. Non-duplication.

Two existing OMB ICRs cover the information collected to register in SAM (OMB No. 9000-0159 and No. 3090-0290). However, neither the instructions for registration at SAM.gov nor the two OMB clearances anticipated the identified fraudulent behavior.

Consequently, neither currently requires the submission of a notarized letter to validate the identity of the individual seeking to become the Entity Administrator for access to an entity that no longer has an Entity Administrator.

GSA considered other alternatives to deter this type of fraudulent behavior using SAM data in the future, including the following:

1. Take no additional user identity verification action;
2. Notify only the known, impacted entities of the fraudulent activity;
3. Request entity confirmation of any recent changes to bank account information in their registration;
4. Require electronic submission of notarized letters to assign a new entity administrator in instances where the role is empty because it was not reassigned when the previous administrator left the entity. This will apply to current or

expired SAM entities.

5. Implement technical user identity verification process in SAM.

The first alternative was immediately eliminated given the severity and impact of the fraudulent activity. The second and third alternatives were taken, but being of limited scope, did not fully mitigate the risk of future fraudulent activity. The fourth alternative raised concerns about potential manipulation of the document. Also, alternatives two, three, and four were considered insufficient to verify the identity of the Entity Administrator. The fifth alternative was eliminated since a user identification on its own does not indicate an authority to act on behalf of an entity.

5. <u>Burden on Small Business</u>.

The burden applied to small businesses pursuing federal contracts and federal assistance awards are the minimum consistent with applicable laws, executive orders, regulations, and prudent business practices. Simple, easy-to-follow templates have been posted for entity use. The requirement for a notarized letter to validate the identity of an individual seeking to become the Entity Administrator for an entity in SAM (where no Entity Administrator currently exists) should be minimal. A document can be notarized, usually for free at an entity's bank. Other financial services firms, such as credit unions, thrifts, real estate firms, or insurance company offices also commonly have notaries available. As with banks, such firms usually provide notary service at no charge, provided that an entity is a client or customer of the firm. If a third-party provides notary service, then there is usually a nominal fee.

6. <u>Less Frequent Collection</u>.

Collection of notarized letters from individuals seeking the Entity Administrator role for entity records in SAM that have no active Entity Administrator enables the individuals to update and renew their registration information in SAM, while ensuring that the individual has standing to represent the entity. By collecting the information, federal agencies will continue to be able to award new federal contracts and grants to registered and registering entities. Without collecting this information, critical federal contracts and grants impacting government-wide programs would be in jeopardy of not being awarded.

7. <u>Paperwork Reduction Act Guidelines</u>.

GSA has taken several actions to reduce the risk of this happening going forward. Actions include actively encouraging Entity Administrators to ensure that more than one Entity Administrator is appointed to allow continuity of business operations should the original Entity Administrator leave their organization; expiring suspect SAM registrations and requiring authentic entities to re-register; advising entities showing a recent bank account change to verify their registration information; and implementing measures to better verify the identity of entities registering in SAM.

The Entity Administrator or authorized representative of an active registrant with a change to the bank account information associated with the entity's registration in SAM made within the past year will also be requested to check SAM and confirm this change. Incorrect bank information in SAM could result in misdirected payments for federal awards.

8. Consultation and Public Comments.

A 60-day notice was published in the *Federal Register* at 89 FR 92688 on November 22, 2024. No comments were received. A 30-day notice was published at 90 FR 8221 on January 27, 2025.

9. Gifts or Payment.

No payment or gift will be provided to participants.

10. Privacy & Confidentiality.

The Systems of Records Notice (SORN) associated with this data collection is GSA/GOVT-9 System for Award Management (SAM), 78 Fed. Reg. 11648 (February 19, 2013) (also available at https://www.govinfo.gov/content/pkg/FR-2013-02-19/pdf/2013-03743.pdf).

The information is disclosed only to the extent consistent with prudent business practices and current regulations. All sensitive entity information in SAM is restricted solely to authenticated users of SAM with appropriate data access.

11. Sensitive Questions.

The notarized letter addresses the following:

- Be on company or organization letterhead or contain the entity legal business name and physical address at the top of the letter if the entity does not have letterhead
- Be signed by an entity executive, officer, partner, or other authorized signatory in the presence of a notary
- Contain entity Unique Entity Identifier (UEI)
- Contain entity Legal Business Name associated with the UEI
- Contain entity physical address associated with the UEI
- Contain the appointed Entity Administrator's name, phone number, and email address
- Contain a statement designating the Entity Administrator (I, **[Insert Name and Title of Signatory]**, the below-signed individual, hereby confirm that the appointed Entity Administrator is an authorized officer, agent, or representative of the Entity. This letter authorizes the appointed Entity Administrator to manage the Entity's registration record, its associated users, and their roles to the Entity, in the System for Award Management (SAM)).
- The Entity Administrator must have an individual user account in SAM associated with the email address listed and hold a position with the entity being registered (e.g. employees, officers, board members), not a third party acting on behalf of the entity.

12 & 13. Burden estimate.

Task	Hours	Performed by	Hourly Rate	Monthly Frequency	Duration in Months	Total
ENTITY COSTS		**See letter content below**				
Create letter	0.5 ($12.26)	Entity Administrator	$24.52	12,000	12	$1,765,440
CEO or President signs and notary stamps letter (In-house notary)	0.5 ($33.40)	CEO, President or Authorized Signatory - including legal review	$66.79	12,000	12	$4,809,880
CEO or President signs and notary stamps letter (External notary)	1	CEO, President or Authorized Signatory - including legal review	$100.00	12,000	12	$14,400,000
Notary fee		External notary	$20.00	12,000	12	$2,880,000
Submit letter at FSD.gov	.25 ($6.13)	Entity Administrator	$24.52	12,000	12	$882,720
Total Cost to the Public						**$24,738,040**

Summary

The information collection allows GSA to request the notarized letter and apply this approach to individuals who seek to become the Entity Administrator for an entity record in SAM.gov when there is no Entity Administrator appointed for that entity in the system.

It is estimated that the individual will take an average 0.5 hours to create the letter and 0.25 hours to upload the letter to the Federal Service Desk. GSA proposes that an individual equivalent to a GS-5, Step 5 Administrative Support person within the government would perform these tasks. The estimated hourly rate of $25.06, equivalent to a GS-5, Step 5, based on the OPM 2025 General Schedule Salary-Table (also available at OPM 2025 General Schedule Salary-Table, Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA) was used for the calculation.

Based on historical data of the ratio of small entities to other than small entities that exist in SAM, GSA approximates 58,500 of the 90,000 annual entities who do not have an individual with the Entity Administrator role will have in-house resources to notarize documents. GSA proposes that the entities with in-house notaries will typically be large businesses where the projected salary of the executive or officer responsible for signing the notarized letter is, on average, approximately $150 per hour. The projected time for signature and notarizing the letter internally is 0.5 hours.

The other remaining 31,500 entities per year are estimated to be small entities where the projected salary of the executive or officer responsible for signing the notarized letter is, on average, approximately $100 per hour. These entities will likely have to obtain notary services from an outside source. The projected time for signature and notarizing the letter externally is 1 hour. The estimate includes a nominal fee ($5.00) usually charged by third-party notaries.

14. <u>Estimated annual cost to the Government</u>.

GOVERNMENT COSTS	Hours	Performed by	Hourly Rate	Monthly Frequency	Duration in Months	Total	
Helpdesk Support provided by GSA contractor	By call, varies monthly	Agents of vendor GDIT, part of a managed service	Fixed Unit Price per call	9,958	12	$2,509,416	Actual costs - Contractor history for 12 months for direct activity
GSA Staff support to handle Tier 3 Helpdesk tickets	0.25 ($19.35)	GS 14, Step 5	$77.38	160	12	$37,152	
Development Costs for SAM						$0	System changes so far are included in the contract.
TOTAL						$2,546,568	Actual costs - Contractor and government costs for this activity per year

The letter will be uploaded to the Federal Service Desk (FSD.gov) help desk ticket for evaluation prior to the individual gaining access to the entity record.

The FSD for SAM is supported by a contractor that will answer questions about the notarized letter process and provide free assistance with entity registration. Tier 3 help desk tickets (the most complex calls) that may require additional support to address challenges faced by registrants will be addressed by a Government employee.

15. <u>Reasons for changes</u>.

This is a revision of a currently approved public information collection. Where we used to collect Notarized Letters for each registration in SAM.gov, we now only collect them when the entity no longer has anyone with the needed Entity Administrator role to manage the record. Section 1, 3, 4, 5 and 6 were amended to reflect this change. The title was altered to reflect this change. All table data related to burden has been updated to reflect this change.

16. Publicizing Results.

Results will not be tabulated or published.

17. OMB Not to Display Approval.

We are not requesting an exemption.

18. Exceptions to "Certification for Paperwork Reduction Submissions.

We are not requesting an exemption to the provision at 5 CFR 1320.9.

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

Statistical methods are not used in this information collection.