

**Federal Acquisition Regulation (FAR)**  
**Certain Federal Acquisition Regulation Part 15 Requirements**  
**OMB Control No. 9000-0048**  
**Justification - Part A Supporting Statement**

**FAR sections affected:** 15.407-2(e), 52.215-1(c)(2)(iv), 52.215-9, 52.215-14, 52.215-19, 52.215-22, and 52.215-23

Overview of Information Collection:

- This justification supports clearance of an extension of the collection.

There are no program changes. The FAR requirements remain the same. This extension includes adjustments to the burden due to use of the latest data available in the Federal Procurement Data System (FPDS) and the calendar year 2024 Office of Personnel Management (OPM) General Schedule (GS) Salary Table for the rest of the United States as explained in item 15.

1. Need & Method for the Information Collection. This clearance covers the information that offerors and contractors must submit to comply with the following FAR requirements:

a. FAR 15.407-2(e), Make-or-buy programs. When prospective contractors are required to submit proposed make-or-buy program plans for negotiated acquisitions, paragraph (e) requires the following information in their proposal:

- (i) A description of each major item or work effort;
- (ii) Categorization of each major item or work effort as "must make," "must buy," or "can either make or buy";
- (iii) For each item or work effort categorized as "can either make or buy," a proposal either to "make" or to "buy";
- (iv) Reasons for categorizing items and work efforts as "must make" or "must buy," and proposing to "make" or to "buy" those categorized as "can either make or buy";
- (v) Designation of the plant or division proposed to make each item or perform each work effort, and a statement as to whether the existing or proposed new facility is in or near a labor surplus area;
- (vi) Identification of proposed subcontractors, if known, and their location and size status;
- (vii) Any recommendations to defer make-or-buy decisions

when categorization of some items or work efforts is impracticable at the time of submission; and

(viii) Any other information the contracting officer requires in order to evaluate the program.

b. FAR 52.215-1(c)(2)(iv), Authorized Negotiators. This provision requires firms offering supplies or services to the Government under negotiated solicitations to provide the names, titles, and telephone and facsimile numbers (and electronic addresses if available) of authorized negotiators to assure that discussions are held with authorized individuals.

c. FAR 52.215-9, Changes or Additions to Make-or-Buy Program. This clause requires the contractor to submit, in writing, for the contracting officer's advance approval a notification and justification of any proposed change in the make-or-buy program incorporated in the contract.

d. FAR 52.215-14, Integrity of Unit Prices. This clause requires offerors and contractors under negotiated solicitations and contracts to identify those supplies which they will not manufacture or to which they will not contribute significant value, if requested by the contracting officer or when contracting without adequate price competition.

e. FAR 52.215-19, Notification of Ownership Changes. This clause requires contractors to notify the administrative contracting officer when the contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records.

f. FAR 52.215-22, Limitations on Pass-Through Charges— Identification of Subcontract Effort. This provision requires offerors submitting a proposal for a contract, task order, or delivery order to provide the following information with their proposal:

(i) The total cost of the work to be performed by the offeror, and the total cost of the work to be performed by each subcontractor;

(ii) If the offeror intends to subcontract more than 70 percent of the total cost of work to be performed, the amount of the offeror's indirect costs and profit/fee applicable to the work to be performed by the subcontractor(s), and a

description of the value added by the offeror as related to the work to be performed by the subcontractor(s); and

(iii) If any subcontractor proposed intends to subcontract to a lower-tier subcontractor more than 70 percent of the total cost of work to be performed, the amount of the subcontractor's indirect costs and profit/fee applicable to the work to be performed by the lower-tier subcontractor(s) and a description of the added value provided by the subcontractor as related to the work to be performed by the lower-tier subcontractor(s).

g. FAR 52.215-23, Limitations on Pass-Through Charges. This clause requires contractors to provide a description of the value added by the contractor or subcontractor, as applicable, as related to the subcontract effort if the effort changes from the amount identified in the proposal such that it exceeds 70 percent of the total cost of work to be performed.

## 2. Use of the Information.

a. FAR 15.407-2(e) and 52.215-9 - Make-or-buy programs. Contracting officers use this information to ensure negotiation of reasonable contract prices, satisfactory performance, or implementation of socioeconomic policies.

b. FAR 52.215-1(c)(2)(iv) - Authorized Negotiators. Contracting officers use this information during contract negotiations and it becomes part of the official contract file.

c. FAR 52.215-14 - Integrity of Unit Prices. When a contract action is priced on the basis of a cost estimate, contracting officers use this information to determine whether the intrinsic value of an item has been distorted through allocation of overhead costs and whether such items should be considered for breakout.

d. FAR 52.215-19 - Notification of Ownership Changes. The notification of ownership change enables the Government to adequately administer the cost principle at FAR 31.205-52, Asset valuations resulting from business combinations, which addresses the allowability of certain costs resulting from asset valuations following business combinations.

e. FAR 52.215-22 and 52.215-23 - Limitations on Pass-Through Charges. Contracting officers use this information to assess the value added by a contractor or subcontractor in relation to proposed, billed, or claimed indirect costs or profit/fee on work performed by a subcontractor. This information is required to ensure that pass-through charges under contracts and subcontracts are not excessive.

3. Use 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. Non-duplication. These requirements are issued under the FAR, which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.
5. Burden on Small Business. The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.
6. Less Frequent Collection. Collection of information on a basis other than solicitation-by-solicitation or contract-by-contract is not practical.
7. Paperwork Reduction Act Guidelines. Collection is consistent with guidelines in 5 CFR 1320.5(d)(2).
8. Consultation and Public Comments.
  - A. A 60-day notice was published in the *Federal Register* at 89 FR 92127, on November 21, 2024. No comments were received.
  - B. A 30-day notice was published in the *Federal Register* at 90 FR 11976, on March 13, 2025.
9. Gifts or Payment. This collection does not provide any payment or gift to respondents, other than remuneration of

contractors.

10. Privacy & Confidentiality. This information is disclosed only to the extent consistent with prudent business practices, current regulations, and statutory requirements.

11. Sensitive Questions. No sensitive questions are involved.

12. Burden Estimate.

The estimates are based on an annual average of FPDS award data for the three most recent and complete fiscal years 2021 through 2023.

Summary of Public Burden	Respondents	Responses	Hours	Cost
FAR 15.407-2(e) and 52.215-9	46	138	1104	\$77,280.00
FAR 52.215-1(c)(2)(iv)	118912	118912	2021.5	\$155,655.50
FAR 52.215-14	46	142	142	\$10,934.00
FAR 52.215-19	10	10	15	\$1,470.00
FAR 52.215-22, and 52.215-23	3083	19872	39744	\$2,782,080.00
<b>TOTAL</b>	<b>122,097</b>	<b>139,074</b>	<b>43,027</b>	<b>\$3,027,420</b>

a. FAR 15.407-2(e) and 52.215-9 - Make-or-buy programs.

There is no centralized database in the Federal Government that maintains information regarding this matter. Therefore, the parameters for this information collection were defined based on the guidance to contracting officers to require make-or-buy programs per FAR 15.407-2(c). The contracts associated with this information collection are negotiated acquisitions requiring certified cost or pricing data whose estimated value is \$15 million or more, except when the proposed contract is for research or development. It is estimated that 46 unique vendors (respondents) met the above parameters and are likely to have a make-or-buy program subject to the requirements of this collection. Additionally, a review of the estimated burden by agency experts revealed that the estimated burden was realistic. Time required to read and prepare information is estimated at 8 hours per response.

The burden is calculated as follows:

Estimated respondents/yr..... 46  
 Responses annually..... x 3

Total annual responses.....	138
Estimated hours/response.....	<u>x 8</u>
Estimated annual burden hours.....	1,104
Hourly rate*.....	<u>x \$70</u>
Estimated cost to the public.....	\$77,280

b. FAR 52.215-1(c)(2)(iv) - Authorized Negotiators.

This provision is included in all competitive solicitations using the negotiated acquisition procedures of FAR part 15. The Federal Government issued 14,864 competitive contract awards using negotiated acquisition procedures. As FPDS does not collect data on the number of solicitations issued, the Government assumes that for each of those 14,864 competitive contracts, a corresponding competitive solicitation was also issued that included FAR provision 52.215-1. On average, the Government receives 8 proposals in response to each competitive solicitation using negotiated procedures. FPDS does not collect data on the number of unique entities/offerors that respond to solicitations; therefore, the Government estimates 118,912 respondents to this provision per year (14,864 solicitations x 8 proposals/responses). A respondent must provide the information requested by the provision with each submission of a proposal. Time required to read and prepare information is estimated at 1 minute (.017 hour) per response.

The burden is calculated as follows:

Estimated respondents/yr.....	118,912
Responses annually.....	<u>x 1</u>
Total annual responses.....	118,912
Estimated hours/response.....	<u>x 0.017</u>
Estimated annual burden hours.....	2,021.5
Hourly rate**.....	<u>x \$77</u>
Estimated cost to the public.....	\$ 155,655.5

c. FAR 52.215-14 - Integrity of Unit Prices.

This requirement does not apply to contracts at or below the simplified acquisition threshold (SAT) (\$250,000), construction or architect-engineering services, utility services, service contracts where supplies are not required, acquisitions of commercial products and commercial services, and contracts for

petroleum products. This clause is included in solicitations and contracts that use the negotiated acquisition procedures of FAR part 15.

FPDS shows the Federal Government awarded an average of 14,179 contracts to 4,614 unique entities that were subject to the application of this FAR clause or its Alternate. The data excluded contracts at or below the SAT, construction and architect-engineering services (Product Service Codes (PSCs) beginning with AD6, C, Y), utility services (PSCs beginning with S), service contracts where supplies are not required, commercial products and commercial services, and contracts for petroleum products (PSCs 9130 and 9620).

The Government does not collect data on the frequency with which contracting officers require the identification of supplies under this clause. As such, the Government estimates that 1% of the applicable annual contract awards are required to identify supplies in accordance with the clause. A response is required for each contract, when requested. Therefore, the Government estimates 142 responses to the clause (14,179 x .01), from 46 unique entities (4,614 x .01), who provide approximately 3.1 responses annually (142/46).

The time required to prepare and submit the information is estimated at 1 hour per response. This estimate assumes automation of the contractor's business systems.

The burden is calculated as follows:

Estimated respondents/yr.....	46
Responses annually.....	<u>x 3.1</u>
Total annual responses.....	142
Estimated hours/response.....	<u>x 1</u>
Estimated annual burden hours.....	142
Hourly rate**.....	<u>x \$77</u>
Estimated cost to the public.....	\$10,934

d. FAR 52.215-19 - Notification of Ownership Changes. The number of contractors required to report changes in ownership that are expected to impact their indirect costs and rate structures was based on two calculations: (1) the percentage of all Federal contractors who experience changes in ownership in a given year, and (2) application of that percentage to all Federal contractors

who must submit certified cost or pricing data in a given year. It is estimated that from 117,128 unique entities that received awards, 46 unique entities either: (a) submitted new representations, given a recent merger or acquisition (and stock ownership changes) without novation agreements, or (b) entered novation agreements (given a change in ownership of contractor assets). The rate of ownership changes equates to 0.04%. This percentage was applied to the average number of contracts awarded between fiscal years 2021-2023 that involved submission of certified cost or pricing data, or other pre-award or post-award cost determination (FAR 31.2), which was 1,168. Assuming that the rate of ownership changes is constant for all types of Federal contractors, the number of contractors affected by this information collection requirement, rounded to the nearest number, is 1. However, we are using 10 respondents as this is the lowest threshold in the definition of collection of information at 5 CFR 1320.3(c). Time required to prepare and read information is estimated at 1 hour and 1/2 hour for recordkeeping, per completion.

Estimated respondents/recordkeepers per year .....	10
Responses annually .....	x <u>1</u>
Total annual responses .....	10
Estimated hrs/response .....	x 1.5_
Estimated total burden/hrs .....	15
Hourly rate*** .....	x <u>\$98</u>
Estimated response cost to public.....	\$ 1,470

Total burden hours 15 (10 reporting hours + 5 recordkeeping hours)

e. FAR 52.215-22, and 52.215-23 - Limitations on Pass-Through Charges.

There is no centralized database in the Federal Government that maintains information regarding the use of the provision at FAR 52.215-22 or the clause at FAR 52.215-23. Therefore, the parameters for this information collection were defined based on the prescription from the provision and clause. It was determined that the types of contracts associated with this information collection are:



(1) For civilian agencies, cost-reimbursement type contracts with a total estimated contract or order value exceeding the SAT.

(2) For DoD, contracts or orders with a total estimated value exceeding the threshold for obtaining cost or pricing data in FAR 15.403-4 (\$2,000,000) and any contract type except—

(i) A firm-fixed-price contract awarded on the basis of adequate price competition;

(ii) A fixed-price contract with economic price adjustment awarded on the basis of adequate price competition;

(iii) A firm-fixed-price contract for the acquisition of a commercial product or commercial service;

(iv) A fixed-price contract with economic price adjustment, for the acquisition of a commercial product or commercial service;

(v) A fixed-price incentive contract awarded on the basis of adequate price competition; or

(vi) A fixed-price incentive contract for the acquisition of a commercial product or commercial service.

It is estimated that the requirement for an offeror to identify the percent of effort it intends to perform, and the percent to be performed by each subcontractor, is as follows:

- For civilian agencies, FPDS shows 1,845 contracts, awarded to 628 unique vendors, potentially impacted by this information collection.
- For DoD, FPDS shows 4,779 contracts, awarded to 2,175 unique vendors, potentially impacted by this information collection.
- It is further estimated that 3 responses would be submitted in response to a solicitation for each of these contracts that includes the applicable clauses.

This equates to a total of 6,624 (1,845 + 4,779) contracts awarded to 2,803 (628 + 2,175) unique vendors. It is estimated that an additional number of vendors, approximately 280 or 10 percent, would have submitted offers and not have been awarded a contract. Accordingly, the total number of respondents is

estimated to be 3,083 (2,803 + 280) to account for these additional vendors that are not accounted for in the unique vendor total. Based on discussions with subject matter experts, it was determined that 6,624 contract awards were a sufficient baseline for estimating the number of solicitations that would include the applicable clause. It is estimated that 3 responses would be submitted in response to a solicitation that included the applicable clauses, for a total of 19,872 estimated responses per year (6,624 solicitations x 3 solicitation responses each = 19,872 responses).

The number of responses per respondent is estimated at approximately 6.4 (19,872 responses/3,083 respondents). It is also determined that the estimated time required to read and prepare a response is 2 hours. This determination is based on the consideration of prior public comments.

The burden is calculated as follows:

Estimated respondents/yr.....	3,083
Responses annually.....	x <u>6.4</u>
Total annual responses.....	19,872
Estimated hours/response.....	x <u>2</u>
Estimated annual burden hours.....	39,744
Hourly rate*.....	x <u>\$70</u>
Estimated cost to the public.....	\$ 2,782,080

\* The hourly rate is calculated by applying a 36.25 percent fringe factor and a 12 percent overhead factor to a base hourly rate (\$47.22), and then rounding to the nearest whole dollar (\$70). The base hourly rate is derived from the Office of Personnel Management (OPM) 2024 General Schedule (GS) Locality Pay Table for a GS-12/step 5 salary for the rest of the United States ("Salary Table 2024-RUS"). The fringe factor is derived from OMB memorandum M-08-13. The overhead factor is derived from the OMB Circular No. A-76 Revised Supplemental Handbook.

\*\* Based on a GS-13/step 5 salary for the rest of the United States (\$56.16 per hour), rounded to the nearest whole dollar (\$77).

\*\*\* Based on a GS-14/step 5 salary for the rest of the United States (\$66.36 per hour), rounded to the nearest whole dollar (\$98).

13. Estimated nonrecurring costs. Not applicable.

14. Estimated cost to the Government.

Summary of Government Burden	Responses	Hours	Cost
FAR 15.407-2(e) and 52.215-9	138	1104	\$77,280.00
FAR 52.215-1(c)(2)(iv)	118912	2021.5	\$155,655.50
FAR 52.215-14	142	71	\$5,467.00
FAR 52.215-19	10	5	\$490.00
FAR 52.215-22, and 52.215-23	19872	19872	\$1,391,040.00
<b>TOTAL</b>	<b>139,074</b>	<b>23,074</b>	<b>\$1,629,932.50</b>

a. FAR 15.407-2(e), and 52.215-9 - Make-or-buy programs.

Estimated annual responses..... 138  
 Review time per response (hours)..... x 8  
 Review time per year (hours)..... 1,104  
 Hourly rate\*..... x \$70  
 Estimated annual cost to the Government..... \$77,280

b. FAR 52.215-1(c)(2)(iv) - Authorized Negotiators.

Estimated annual responses.....118,912  
 Review time per response (hours).....x 0.017  
 Review time per year (hours).....2,021.5  
 Hourly rate\*\*.....x \$77  
 Estimated annual cost to the Government.....\$155,655.5

c. FAR 52.215-14 - Integrity of Unit Prices.

Estimated annual responses..... 142  
 Review time per response (hours)..... x 0.5  
 Review time per year (hours)..... 71  
 Hourly rate\*\*..... x \$77  
 Estimated annual cost to the Government.....\$ 5,467

d. FAR 52.215-19 - Notification of Ownership Changes.

Estimated annual responses..... 10

Review time per response (hours)..... x 0.5  
 Review time per year (hours)..... 5  
 Hourly rate\*\*\*.....x \$98  
 Estimated annual cost to the Government..... \$ 490

e. FAR 52.215-22, and 52.215-23 - Limitations on Pass-Through Charges.

Estimated annual responses..... 19,872  
 Review time per response (hours)..... x 1  
 Review time per year (hours)..... 19,872  
 Hourly rate\*..... x \$70  
 Estimated annual cost to the Government.....\$1,391,040

15. Reasons for changes. There are no program changes. The FAR requirements remain the same. This extension includes adjustments to the public and Government burden estimates based on the following:

- The estimated cost per hour is based on use of the calendar year 2024 OPM GS wage rates for the rest of the United States.
- The estimated number of respondents and annual responses were based on an annual average of FPDS award data for the three most recent and complete years (2021 through 2023).

Reporting Public Burden	2022	2025	Change
Responses	636,989	139074	-497,915
Hours	68,849	43027	-25,822
Cost	\$4,080,353	\$3,027,420	-\$1,052,933

16. Publicizing Results. Results will not be tabulated or published.

17. OMB Not to Display Approval. Approval to *not* display the expiration date for OMB approval of the information collection is not sought.

18. Exceptions to "Certification for Paperwork Reduction Submissions." There is no exception to the certification

statement.

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods. Statistical methods are not used in this information collection. A Part B supporting statement is not needed, or required, and therefore was not completed.