

**Federal Acquisition Regulation (FAR)**  
**Certain Federal Acquisition Regulation Part 16 Contract Pricing**  
**Requirements**  
**OMB Control No. 9000-0067**  
**Justification - Part A Supporting Statement**

**FAR sections affected:** 52.216-2, 52.216-3, 52.216-4, 52.216-5, 52.216-6, 52.216-16, and 52.216-17

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 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 contractors must submit to comply with the following FAR requirements:

- **FAR 52.216-2, Economic Price Adjustment–Standard Supplies; FAR 52.216-3, Economic Price Adjustment–Semistandard Supplies; and FAR 52.216-4, Economic Price Adjustment–Labor and Material.** These clauses require contractors on contracts that provide for economic price adjustments to promptly notify the contracting officer of any increases or decreases to established prices or labor rates (including fringe) because of certain contingencies, such as increases or decreases to established catalog or market prices or changes to cost indexes for labor or materials.
- **FAR 52.216-5, Price Redetermination-Prospective.** Paragraph (c) of this clause requires a contractor on a fixed-price contract with prospective price redetermination to submit to the Government (within an agreed upon timeframe) a statement of costs incurred for the most recent period of performance, the proposed prices for the upcoming contract period, and

any supporting or relevant documentation. Per paragraph (h) of this clause, during periods where firm prices have not been established, the contractor must also submit quarterly statements that includes a breakdown of total contract prices, costs, and profit incurred and all invoices accepted for delivered items or services for which final prices have not been established.

- **FAR 52.216-6, Price Redetermination–Retroactive.** Paragraph (c) of this clause requires a contractor on a fixed-ceiling-price contract with retroactive price redetermination to submit to the Government (within an agreed upon timeframe after completion of the contract) the proposed prices, all costs incurred in performing the contract, and any supporting or relevant documentation. Per paragraph (g) of this clause, until final price redetermination has been completed, the contractor must also submit a quarterly statement that includes a breakdown of total contract prices, costs, and interim profit incurred and all invoices accepted for delivered items.
- **FAR 52.216-16, Incentive Price Revision–Firm Target; and FAR 52.216-17, Incentive Price Revision–Successive Targets.** These clauses require contractors on fixed price incentive (firm or successive target) contracts to submit to the Government on a quarterly basis a statement regarding total contract prices, costs, portions of interim profit, and amounts of invoices or vouchers for completed work that is cumulative from the beginning of the contract (see 52.216-16(g) and 52.216-17(i)). Upon final delivery of supplies or completion of services for covered line items, the contractor is required to submit a detailed statement of all costs incurred up to the end of that month in performing all work under the items; an estimate of costs of further performance, if any, that may be necessary to complete performance of all work under the items; a list of all residual inventory and an estimate of its value; and any other relevant data that the Contracting Officer may reasonably require (see 52.216-16(c) and 52.216-17(e)). Paragraph (c) of 52.216-17 also requires submission of data

for establishing the firm fixed price or a final profit adjustment formula.

## 2. Use of the Information.

- **FAR 52.216-2, Economic Price Adjustment-Standard Supplies; FAR 52.216-3, Economic Price Adjustment-Semistandard Supplies; and FAR 52.216-4, Economic Price Adjustment-Labor and Material.** The contracting officer uses the information provided by the contractor to negotiate price adjustments under the contract due to the contingency specified in the contract.
- **FAR 52.216-5, Price Redetermination-Prospective.** The contracting officer uses the information to negotiate/redetermine fair and reasonable prices for supplies and services that may be delivered or performed under the contract in the period following the effective date of price redetermination.
- **FAR 52.216-6, Price Redetermination-Retroactive.** The contracting officer uses the information provided by the contractor to negotiate/redetermine fair and reasonable prices for supplies and services that have already been delivered or performed under the contract.
- **FAR 52.216-16, Incentive Price Revision-Firm Target; and FAR 52.216-17, Incentive Price Revision-Successive Targets.** The contracting officer uses the information provided by the contractor to evaluate the contractor's performance in meeting the incentive target and to negotiate the final prices of incentive-related items and services.

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 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 94730, on November 29, 2024. No comments were received.
  - B. A 30-day notice was published in the *Federal Register* at 90 FR 11969, 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 fiscal years 2021 through 2023.

**Summary of the Public Burden**

Requirement	Respondents	Responses	Hours	Cost
FAR 52.216-2/-3/-4	2,670	42,720	64,080	\$4,485,600
FAR 52.216-5(c)	8	432	3,456	\$241,920

FAR 52.216-5(h)	*	1,728	2,592	\$181,440
FAR 52.216-6(c)	10	10	80	\$5,600
FAR 52.216-6(g)	*	40	60	\$4,200
FAR 52.216-16(c)/-17(c&e)	22	66	528	\$36,960
FAR 52.216-16(g)/-17(i)	*	264	396	\$27,720
<b>Total</b>		<b>2,710</b>	<b>45,260</b>	<b>\$4,983,440</b>
* Respondents not duplicative.				

- **FAR 52.216-2, Economic Price Adjustment-Standard Supplies; FAR 52.216-3, Economic Price Adjustment-Semistandard Supplies; and FAR 52.216-4, Economic Price Adjustment-Labor and Material.** These clauses are prescribed at FAR 16.203-4 for use in fixed-price contracts if certain criteria for the inclusion of economic price adjustments are met. On average per year, the Government awards 43,278 fixed price with economic price adjustment contracts and purchase orders to 2,670 unique awardees, approximately 16 contracts per contractor (43,278 awards/2,670 unique awardees, rounded to the nearest whole number).<sup>1</sup> The Government estimates one response per contract and that it will take the contractor 1.5 hours to prepare each response.<sup>2</sup>

Estimated respondents/year.....	2,670
Responses/respondent annually.....	<u>16</u>
Total annual responses.....	42,720
Estimated hours/response.....	<u>1.5</u>
Estimated annual burden hours.....	64,080
Hourly rate*.....	<u>\$70</u>
Estimated cost to the public.....	\$4,485,600

- **FAR 52.216-5, Price Redetermination-Prospective.** This clause is prescribed at FAR 16.205-4 for use in negotiated contracts when it is possible to establish a firm fixed price for an initial period, but not for subsequent periods of contract performance. On average per year, the Government awards 428 fixed price redetermination contracts using negotiation procedures to 8 unique awardees, approximately

<sup>1</sup> Though the reporting requirements for 52.216-2, 52.216-3, and 52.216-4 are slightly different, it is not possible to differentiate between the three types of economic price adjustment contracts (supplies, semistandard supplies, and labor/material) in FPDS. As such, a single estimate is provided for all three clauses.

<sup>2</sup> The number of burden hours per response remains unchanged from the prior estimate. While the estimate of 1.5 hours may be considered low for economic price adjustments for services, it is considered high for supplies.

54 contracts per contractor (428 awards/8 unique awardees, rounded to the nearest whole number).

Paragraph (c), Data Submission. The Government estimates one data submission per contract or 54 annual responses per respondent (54 contracts/respondent x 1 response/contract) and that it will take the contractor 8 hours to prepare each response.

Estimated respondents/year.....	8
Responses/respondent annually.....	x 54
Total annual responses.....	432
Estimated hours/response.....	x 8
Estimated annual burden hours.....	3,456
Hourly rate*.....	x \$70
Estimated cost to the public.....	\$241,920

Paragraph (h), Quarterly Statements. Given that statements are required to be submitted on a quarterly basis until completion of the covered work, the Government estimates that there are on average 4 responses per contract or 216 annual responses per respondent (54 contracts x 4 responses/contract). The Government estimates that it will take the contractor 1.5 hours to prepare each response.

Estimated respondents/year.....	8
Responses/respondent annually.....	x 216
Total annual responses.....	1,728
Estimated hours/response.....	x 1.5
Estimated annual burden hours.....	2,592
Hourly rate*.....	x \$70
Estimated cost to the public.....	\$181,440

- **FAR 52.216-6, Price Redetermination-Retroactive.** The Government did not award any fixed price redetermination contracts for research and development with a value of \$250,000 or less. 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).

Paragraph (c), Data Submission. The Government estimates one data submission per contract or 1 annual response per respondent (1 contract/respondent x 1 response/contract) and that it will take the contractor 8 hours to prepare the response.

Estimated respondents/year.....	10
Responses/respondent annually.....	x 1

Total annual responses.....	10
Estimated hours/response.....	x 8
Estimated annual burden hours.....	80
Hourly rate*.....	x \$70
Estimated cost to the public.....	\$5,600

Paragraph (g), Quarterly Statements. Given that statements are required to be submitted on a quarterly basis until completion of the covered work, the Government estimates that there are on average 4 responses per contract or 4 annual responses per respondent (1 contract/respondent x 4 responses/contract). The Government estimates that it will take the contractor 1.5 hours to prepare each response.

Estimated respondents/year.....	10
Responses/respondent annually.....	x 4
Total annual responses.....	40
Estimated hours/response.....	x 1.5
Estimated annual burden hours.....	60
Hourly rate*.....	x \$70
Estimated cost to the public.....	\$4,200

● **FAR 52.216-16, Incentive Price Revision–Firm Target; and FAR 52.216-17, Incentive Price Revision–Successive Targets.**

These clauses are prescribed at FAR 16.406(a) and (b) for use in solicitations and contracts when a fixed-price incentive (firm or successive targets) contract is contemplated. On average per year, the Government awards 63 fixed-price incentive contracts to 22 unique awardees, approximately 3 contracts per contractor (63 awards/22 unique awardees, rounded to the nearest whole number).<sup>3</sup>

Paragraph (c/c&e), Data Submission. The Government estimates one data submission per contract or 3 annual responses per respondent (3 contracts/respondent x 1 response/contract) and that it will take the contractor 8 hours to prepare each response.

Estimated respondents/year.....	22
Responses/respondent annually.....	x 3
Total annual responses.....	66
Estimated hours/response.....	x 8
Estimated annual burden hours.....	528
Hourly rate*.....	x \$70

<sup>3</sup> Though the reporting requirements for 52.216-16 and 52.216-17 are slightly different, it is not possible to differentiate between the two types of incentive contracts (firm versus successive target) in FPDS. As such, a single estimate is provided for both clauses. The difference in reporting is not expected to be significant.

Estimated cost to the public..... \$ 36,960

Paragraph (g/i), Quarterly Statements. Given that statements are required to be submitted on a quarterly basis until completion of the covered work, the Government estimates that there are on average 4 responses per contract or 12 annual responses per respondent (3 contracts/respondent x 4 responses/contract). The Government estimates that it will take the contractor 1.5 hours to prepare each response.

Estimated respondents/year.....		22
Responses/respondent annually.....	x	<u>12</u>
Total annual responses.....		264
Estimated hours/response.....	x	<u>1.5</u>
Estimated annual burden hours.....		396
Hourly rate*.....	x	<u>\$70</u>
Estimated cost to the public.....		\$ 27,720

\* 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.

13. Estimated nonrecurring costs. Not applicable.

14. Estimated cost to the Government.

**Summary of the Government Burden**

Requirement	Responses	Hours	Cost
FAR 52.216-2/-3/-4	44,370	44,370	\$3,105,900
FAR 52.216-5(c)	156	312	\$21,840
FAR 52.216-5(h)	624	624	\$43,680
FAR 52.216-6(c)	10	20	\$1,400
FAR 52.216-6(g)	40	40	\$2,800
FAR 52.216-16(c)/-17(c&e)	3,276	6,552	\$458,640
FAR 52.216-16(g)/-17(i)	13,104	13,104	\$917,280



Total	61,580	65,022	\$4,551,540
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**FAR 52.216-2, Economic Price Adjustment-Standard Supplies; FAR 52.216-3, Economic Price Adjustment-Semistandard Supplies; and FAR 52.216-4, Economic Price Adjustment-Labor and Material.** It is estimated that it takes the Government, on average, one hour to review the information provided by the contractor.

Total annual responses.....	42,720
Review time/response (hours).....	<u>x 1</u>
Review time/year (hours).....	42,720
Hourly rate*.....	<u>x \$70</u>
Estimated cost to the Government.....	\$2,990,400

**FAR 52.216-5, Price Redetermination-Prospective.**

Paragraph (c), Data Submission. It is estimated that it takes the Government, on average, 2 hours to review the information provided by the contractor.

Total annual responses.....	432
Review time/response (hours).....	<u>x 2</u>
Review time/year (hours).....	864
Hourly rate*.....	<u>x \$70</u>
Estimated cost to the Government.....	\$60,480

Paragraph (h), Quarterly Statements. It is estimated that it takes the Government, on average, 1 hour to review the information provided by the contractor.

Total annual responses.....	1,728
Review time/response (hours).....	<u>x 1</u>
Review time/year (hours).....	1,728
Hourly rate*.....	<u>x \$70</u>
Estimated cost to the Government.....	\$120,960

**FAR 52.216-6, Price Redetermination-Retroactive.**

Paragraph (c), Data Submission. It is estimated that it takes the Government, on average, 2 hours to review the information provided by the contractor.

Total annual responses.....	10
Review time/response (hours).....	x 2
Review time/year (hours).....	20
Hourly rate*.....	x \$70
Estimated cost to the Government.....	\$1,400

Paragraph (g), Quarterly Statements. It is estimated that it takes the Government, on average, 1 hour to review the information provided by the contractor.

Total annual responses.....	40
Review time/response (hours).....	x 1
Review time/year (hours).....	40
Hourly rate*.....	x \$70
Estimated cost to the Government.....	\$2,800

**FAR 52.216-16, Incentive Price Revision-Firm Target; and FAR 52.216-17, Incentive Price Revision-Successive Targets.**

Paragraph (c/c&e), Data Submission. It is estimated that it takes the Government, on average, 2 hours to review the information provided by the contractor.

Total annual responses.....	66
Review time/response (hours).....	x 2
Review time/year (hours).....	132
Hourly rate*.....	x \$70
Estimated cost to the Government.....	\$ 9,240

Paragraph (g/i), Quarterly Statements. It is estimated that it takes the Government, on average, 1 hour to review the information provided by the contractor.

Total annual responses.....	264
Review time/response (hours).....	x 1
Review time/year (hours).....	264
Hourly rate*.....	x \$70
Estimated cost to the Government.....	\$ 18,480

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 fiscal years 2021 through 2023. The data was limited to contracts above the micro-purchase threshold (\$10,000) since the FAR does not require provisions or clauses in micro-purchases, except as provided at FAR 13.202 and 32.1110 (see FAR subpart 13.2). The data set was further limited to base awards by using the FPDS parameter "MOD=0".

Reporting Public Burden	2022	2025	Change
Responses	61,580	45,260	-16,320
Hours	114,743	71,192	-43,551
Cost	\$6,540,351	\$4,983,440	-\$1,556,911

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.