

Federal Acquisition Regulation (FAR)
Subcontracting Plans
OMB Control No. 9000-0007
Justification - Part A Supporting Statement

FAR sections affected: 52.219-9; SF 294; eSRS

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 Electronic Subcontracting Reporting System (eSRS) and 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 requirements in FAR 52.219-9, Small Business Subcontracting Plans, regarding subcontracting plans as follows:

a. **Subcontracting plan**. In accordance with section 8(d) of the Small Business Act (15 U.S.C. 637(d)), contractors receiving a contract that is expected to exceed, or a contract modification that causes a contract to exceed, \$750,000 (\$1.5 million for construction of a public facility) and has subcontracting possibilities, shall submit an acceptable subcontracting plan that provides maximum practicable opportunities for small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. Specific elements required to be included in the plan are specified in section 8(d) of the Small Business Act and implemented in FAR subpart 19.7 and the clause at FAR 52.219-9.

b. **Summary Subcontract Report (SSR)**. In conjunction with the

subcontracting plan requirements, contractors with subcontracting plans must submit an annual summary of subcontracts awarded as prime and subcontractors for each specific Federal Government agency. Contractors submit the information in a SSR through eSRS. This is required for all contractors with subcontracting plans regardless of the type of plan (i.e., commercial or individual).

c. **Individual Subcontract Report (ISR)**. In conjunction with the subcontracting plan requirements, contractors with individual subcontracting plans must submit semi-annual reports of their small business subcontracting progress. Contractors submit the information through eSRS in an ISR, the electronic equivalent of the Standard Form (SF) 294, Subcontracting Report for Individual Contracts. Contractors with contracts that are not reported in the Federal Procurement Data System (FPDS), in accordance with FAR 4.606(c)(5), do not submit ISRs in eSRS; instead, they will continue to use the SF 294 to submit the information to the agency.

d. **FAR 52.219-9(d)(13)**. Written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan. Section 1322 of the Small Business Jobs Act of 2010 (Jobs Act), Public Law 111-240, amends the Small Business Act (15 U.S.C. 637(d)(6)) to require as part of a subcontracting plan that a prime contractor make good faith effort to utilize a small business subcontractor during performance of a contract to the same degree the prime contractor relied on the small business in preparing and submitting its bid or proposal. If a prime contractor does not utilize a small business subcontractor as described above, the prime contractor is required to explain, in writing, to the contracting officer the reasons why it is unable to do so.

2. Use of the Information. The subcontracting plan, SSR, ISR, and written explanation submitted to the Government are used to assess contractors' compliance with the subcontracting plan requirements in accordance with the Small Business Act and the FAR. The information reported to the Government is used for

policy and management control purposes. The evaluation of the contractor's performance against the subcontracting plan will be documented in prime contractors' overall contract performance assessment so that source selection officials make informed award decisions and ensure the Government builds relationships with high-performing suppliers.

3. Use of Information Technology. Contractors use the eSRS to submit SSRs and ISRs. The eSRS is an electronic, single point of entry, web-based system for subcontract reporting. The eSRS implements a real time contract retrieval interface with FPDS. The interface also permits contractors to enter their contract number into eSRS and have the data retrieved from the System for Award Management (SAM). The written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan may be submitted 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. Small businesses are not required to submit subcontracting plans or reports. The burden is applied to other than small businesses that have to submit a subcontracting plan. The collection of information will indirectly benefit small businesses because it is an incentive for large business prime contractors to use a small business subcontractor in actual contract performance to the same extent the subcontractor was used in preparation of the proposal.
6. Less Frequent Collection. Similar information is not already available to the contracting officer. Without the information collection, the Federal Government will lack sufficient data to assess contractor performance pertaining to the use of small business concerns and the various socioeconomic categories under the small business subcontracting program.
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 97004, on December 6, 2024. Comments were received from a respondent; however, they did not change the estimate of the burden.

Comment: The respondent recommended removing the requirement for subcontracting plans in Federal contracting. The respondent stated that the “process of creating, maintaining, and reporting subcontracting plans imposes significant administrative burdens without a corresponding benefit that cannot already be achieved through existing reporting mechanisms.”

Response: The respondent's input is appreciated. Subcontracting plans and subcontracting plan reporting are required by section 8(d) of the Small Business Act (15 U.S.C. 637(d)). Therefore, changes to the information collected would require a change to the underlying statute.

B. A 30-day notice was published in the *Federal Register* at 90 FR 11972, 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.

Summary of the Public Burden

<u>SUMMARY</u>	<u>Subcontracting Plan</u>	<u>SSR</u>	<u>ISR</u>	<u>Written</u>	<u>Total</u>
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					<u>explanation</u>		
	Commercial	Individual		Without order-level reporting	With order-level reporting		
Respondents	731	3,215	5,515	18,552	379	1,973	30,365
Responses/respondent	1	1	1	2	2	1	
Responses	731	3,215	5,515	37,104	758	1,973	49,296
Estimated hrs/response	5	5	2	2	5	2	
Burden hrs	3,655	16,075	11,030	74,208	3,790	3,946	112,704
Hourly rate	\$48	\$48	\$48	\$48	\$48	\$48	
Annual cost to the public	\$175,440	\$771,600	\$529,440	\$3,561,984	\$181,920	\$189,408	\$5,409,792

a. Subcontracting plan.

Subcontracting plans are provided on a contract-by-contract basis for individual subcontracting plans. Individual subcontracting plans cover the entire contract period, including options. Commercial plans are provided on an entity basis and cover the fiscal year of the contractor. According to data from FPDS, in fiscal years 2021-2023 731 entities were awarded contracts with commercial subcontracting plans and 3,215 contracts were awarded with individual subcontracting plans. The data used covered construction contracts valued over \$1.5 million and all other contracts and modifications valued over \$750,000; contracts required to have a subcontracting plan.

The burden is calculated as follows:

Commercial plan

Estimated number of respondents/yr.....	731
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	731
Estimated hrs/response.....	<u>x 5</u>
Estimated annual burden hours.....	3,655
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the public.....	\$175,440

Individual plan

Estimated number of respondents/yr.....	3,215
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	3,215
Estimated hrs/response.....	<u>x 5</u>
Estimated annual burden hours.....	16,075
Hourly rate*.....	<u>x \$48</u>

Estimated annual cost to the public..... \$771,600

b. Summary Subcontract Report (SSR).

SSRs are submitted annually for all types of subcontracting plans. One SSR is submitted for each commercial subcontracting plan. For individual subcontracting plans, an SSR is required for every agency that funds work under the contract that the plan covers. The number of SSRs accepted in eSRS for fiscal year 2021 was 5,515.¹ Time required for reading, preparing information, and data entry into eSRS is estimated as follows:

Commercial and individual plans

Estimated number of respondents/yr.....	5,515
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	5,515
Estimated hrs/response.....	<u>x 2</u>
Estimated annual burden hours.....	11,030
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the public.....	\$529,440

c. Individual Subcontract Report (ISR).

ISRs are submitted semi-annually for each contract with an individual subcontracting plan. The ISR consists of data for subcontracting under a given contract. ISRs are not required for commercial plans. Based on an annual average of eSRS data for fiscal years 2021-2023, there were a total of 37,862 ISRs submitted in eSRS. It is estimated that ISRs without order-level reporting requirement account for about 98% of all ISRs submitted (98% of 37,862 = 37,104); the other 2% (2% of 37,862 = 758) are for ISRs with order-level reporting requirement. Time required for reading, preparing information, and data entry into eSRS is estimated as follows:

Individual plan without order-level reporting requirement

Estimated number of respondents/yr.....	18,552
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	37,104
Estimated hrs/response.....	<u>x 2</u>
Estimated annual burden hours.....	74,208
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the public.....	\$3,561,984

¹ Data point will be updated as soon as eSRS data is received.

<u>Individual plan - with order-level reporting requirement</u>	
Estimated number of respondents/yr.....	379
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	758
Estimated hrs/response.....	<u>x 5</u>
Estimated annual burden hours.....	3,790
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the public.....	\$ 181,920

d. FAR 52.219-9(d)(13) - Written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan.

The written explanation for not using a small business subcontractor is submitted on a contract-by-contract basis. The written explanation is only required if the prime contractor does not make good faith effort to utilize a small business subcontractor to the same degree the prime contractor relied on the small business in preparing and submitting its bid or proposal. FPDS for fiscal years 2021-2023 identified 731 entities awarded contracts with commercial plans and 3,215 contracts with individual subcontracting plans, for a total of 3,946 plans. We estimate that at most 50%, or 1,973, of these contracts with subcontracting plans may have instances of the prime contractor not using a small business subcontractor to the same extent used in preparing the bid or proposal. We estimate two hours as the average time required to read and prepare information for this collection. We also estimate that the responses per respondent would be once a year since respondents have until 30 days of contract completion to submit the written explanation.

The burden is calculated as follows:

Estimated number of respondents/yr.....	1,973
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	1,973
Estimated hrs/response.....	<u>x 2</u>
Estimated annual burden hours.....	3,946
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the public.....	\$189,408

* The hourly rate is calculated by applying a 36.25 percent

fringe factor and a 12 percent overhead factor to a base hourly rate (\$32.56), and then rounding to the nearest whole dollar (\$48). The base hourly rate is derived from the Office of Personnel Management (OPM) 2024 General Schedule (GS) Locality Pay Table for a GS-9/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

<u>SUMMARY</u>	<u>Subcontracting Plan</u>	<u>SSR</u>	<u>ISR</u>	<u>Written explanation</u>	<u>Total</u>
Responses	3,946	5,515	37,862	1,973	49,296
Review time per response (hours)	3	1	1	0.33	
Review time per year (hours)	11,838	5,515	37,862	651	55,866
Hourly rate	\$48	\$48	\$48	\$48	
Annual cost to the Gov	\$568,224	\$264,720	\$1,817,376	\$31,252	\$2,681,572

a. Subcontracting plan.

The time required to review the plan for compliance with FAR 52.219-9 is estimated as follows:

Commercial and individual plans

Total annual responses..... 3,946
 Review time per response (hours)..... x 3
 Review time per year (hours)..... 11,838
 Hourly rate*..... x \$48
 Estimated annual cost to the Government.....\$568,224

b. Summary Subcontract Report (SSR).

Time required for reviewing and acknowledging the SSR in eSRS is estimated as follows:

Commercial and individual plans

Total annual responses..... 5,515
 Review time per response (hours)..... x 1

Review time per year (hours).....	5,515
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the Government.....	\$264,720

c. Individual Subcontract Report (ISR).

Time required for reviewing and acknowledging ISRs in eSRS is estimated as follows:

Individual plans

Total annual responses.....	37,862
Review time per response (hours).....	<u>x 1</u>
Review time per year (hours).....	37,862
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the Government.....	\$1,817,376

d. FAR 52.219-9(d)(13) - Written explanation for not using a small business subcontractor as specified in the proposal or subcontracting plan.

Time required for Governmentwide review and evaluation of the information collected is estimated at a third of an hour per response. Government review can benefit from economies of scale by incorporating this requirement into the standard contractor performance evaluation and performance reporting (i.e., Contractor Performance Assessment Reporting System (CPARS)) that already occurs for all contracts over the simplified acquisition threshold.

Total annual responses.....	1,973
Review time per response (hours).....	<u>x 0.33</u>
Review time per year (hours).....	651.09
Hourly rate*.....	<u>x \$48</u>
Estimated annual cost to the Government.....	\$ 31,252

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 2021-2023; and data from eSRS for fiscal years 2021-2023.

Reporting Public Burden	2022	2025	Change
Responses	55,016	49,296	-5,720
Hours	135,595	112,704	-22,891
Cost	\$5,423,800	\$5,409,792	-\$14,008

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.