

**Federal Acquisition Regulation (FAR)**  
**Termination Settlement Proposal Forms (SFs 1435-1440)**  
**OMB Control No. 9000-0012**  
**Justification - Part A Supporting Statement**

**FAR sections affected: SFs 1435 through 1440**

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 estimates due to use of the calendar year 2025 OPM GS wage rates 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:
  - **Standard Forms (SFs) 1435 through 1440.** These termination settlement proposal forms are used by all Executive agencies, including the Department of Defense, for settling terminated prime contracts and subcontracts per FAR subpart 49.6, Contract Termination Forms and Formats. The forms provide a standardized format for listing essential cost and inventory information needed to support the terminated contractor's negotiated position.
2. Use of the Information. The contracting officer uses the collected information to determine and support reimbursement costs upon settlement of a terminated contract.
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. No other format exists for the collection of this information that we are aware of.

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 90 FR 14450, on April 2, 2025. No comments were received.
  - B. A 30-day notice was published in the *Federal Register* at 90 FR 25273, on June 16, 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.

**Estimated total annual public hour and cost burden.**

The following estimates are based on averages of historical award data available in the Federal Procurement Data System (FPDS) for fiscal years 2019 through 2021. On average per year, FPDS accounts for 38,059 modifications for termination for convenience (complete or partial) to 4,862 unique contractors that would have been subject to the termination settlement proposal forms (SFs 1435 through 1440).

The estimated number of respondents are the number of unique contractors (annual average for fiscal years 2019 through 2021). The responses per respondent are a mathematical calculation from dividing the estimated total annual responses (number of termination for convenience modifications) by the number of respondents (38,059 / 4,862 = 7.83).

The estimated time required to gather necessary information, prepare necessary paperwork, and convey this information to the Government is 2.4 hours per response. The previously approved burden hours per response of 2.4 hours are still relevant for this information collection. No public comments were received in prior years that have challenged the validity of the Government's estimate.

Estimated number of respondents/yr.....	4,862
Responses per respondent.....	x 7.83
Total annual responses.....	38,059
Estimated hrs/response.....	x 2.4
Estimated annual burden hours.....	91,342
Hourly rate*.....	x \$71
Estimated annual cost to the public.....	\$6,485,282

**Note:**

The hourly rate is calculated by applying a 36.25 percent fringe factor and a 12 percent overhead factor to a base hourly rate and then rounding to the nearest whole dollar. The base hourly rate is derived from the Office of Personnel Management (OPM) 2025 General Schedule (GS) Locality Pay Table for the rest of the United States ("Salary Table 2025-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.

\* For a GS-12/step 5, the base hourly rate is \$48.13 and loaded rounding to the nearest whole dollar is \$71.

13. Estimated nonrecurring costs. Not applicable.

14. Estimated cost to the Government.

Total annual responses.....	38,059
Review time per response (hours).....	x 6
Review time per year (hours).....	228,354
Hourly rate*.....	x \$71
Estimated annual cost to the Government.....	\$16,213,134

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 2025 OPM GS wage rate for the rest of the United States.

<b>Reporting Public Burden</b>	<b>2023</b>	<b>2025</b>	<b>Change</b>
<b>Responses</b>	38,069	38,069	0
<b>Hours</b>	91,366	91,366	0
<b>Cost</b>	\$5,389,162	\$6,485,282	+\$1,096,120

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.