

**Federal Acquisition Regulation (FAR)**  
**Value Engineering Requirements**  
**OMB Control No. 9000-0027**  
**Justification - Part A Supporting Statement**

**FAR sections affected:** 52.248-1, 52.248-2, and 52.248-3

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 2025 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 52.248-1, Value Engineering; 52.248-2, Value Engineering-Architect-Engineer; and 52.248-3, Value Engineering-Construction.** These clauses require contractors submitting Value Engineering Change Proposals (VECP's) to the Government to provide such details as: a description of the differences between the existing contract requirement and the proposed requirement, and the comparative advantages and disadvantages of each; a list and analysis of contract requirements that must be changed if the VECP is accepted; a detailed cost estimate showing anticipated reductions associated with the VECP; a statement of the time a modification accepting the VECP must be issued to achieve maximum cost reduction, and the effect on contract completion time; and identification of any previous submissions of the VECP; the agencies and contract numbers involved and previous Government actions, if known.

2. Use of the Information. The Government will use the collected information to evaluate the VECP and, if accepted, to arrange for an equitable sharing plan.

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 90 FR 11975, on March 13, 2025. A comment was received; however, it did not change the estimate of the burden.

**Comment:** This collection should be modified to remove the automated collection techniques that are not currently approved within the contract properly. The incentive language should be removed from the existing agreement and contract regulations need to be followed by all parties involved in the agreement.

**Response:** The respondents' input is appreciated. Any changes to the collection will require rulemaking. The clauses at FAR 52.248-1, 52.248-2, and 52.248-3 require contractors submitting Value Engineering Change Proposals (VECP's) to provide enough details for the Government to evaluate the VECP and, if accepted, arrange for an equitable sharing plan.

B. A 30-day notice was published in the *Federal Register* at 90 FR 22294, on May 27, 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.

Unless otherwise authorized, the FAR clauses at 52.248-1, 52.248-2, and 52.248-3, are not applicable to requirements for research and development, engineering services from nonprofit or not-for-profit organizations, personal services, providing for product or component improvement, commercial products, or with an estimated value not expected to exceed the simplified acquisition threshold (\$250,000). An annual average of FPDS award data for fiscal years 2021 through 2023 shows that 9,049 unique vendors were awarded a Federal Government contract for a requirement that is subject to one of the value engineering clauses. It is also estimated that about 1% of those 9,049 unique vendors had approved VECP's. The Government conservatively estimates that for each VEPC that was approved, the contractor submitted another VEPC that was rejected by the Government (90 (1% of 9,049) X 2 = 180). Factors limiting VECP's include the relatively small number of VECPs being submitted by vendors, external circumstances which add complexity to VECP processing, and the risk incurred by the contractor until the VECP is approved. Time required to read and prepare information is estimated at 15 hours per response.

Estimated number of respondents/yr.....	90
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	180
Estimated hrs/response.....	<u>x 15</u>
Estimated annual burden hours.....	2,700
Hourly rate*.....	<u>x \$49</u>
Estimated annual cost to the public.....	\$132,300

**\* Hourly rate calculation:** 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 it to the nearest whole dollar. The base hourly rate is derived from the OPM 2025 General Schedule (GS) Locality Pay Table for a GS-9/step 5 salary (\$33.19 per hour), rounded to the nearest whole dollar (\$49) for the rest of the U.S. ("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.

13. Estimated nonrecurring costs. Not applicable.

14. Estimated cost to the Government. Time required for Governmentwide review is estimated at 15 hours per response.

Total annual responses.....	180
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Review time per response (hours)..... x 15  
 Review time per year (hours)..... 2,700  
 Hourly rate\*..... x \$49  
 Estimated annual cost to the Government.....\$132,300

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 rates for the rest of the U.S.
- The estimated number of respondents and annual responses were based on current FPDS data.

Reporting Public Burden	2022	2025	Change
Responses	218	180	-38
Hours	3,270	2,700	-570
Cost	\$130,800	\$132,300	+\$1,500

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.