

Federal Acquisition Regulation (FAR)
Change Order Accounting and Notification of Changes
OMB Control No. 9000-0026
Justification - Part A Supporting Statement

FAR sections affected: 52.243-1, 52.243-2, 52.243-3, 52.243-4, 52.243-6, and 52.243-7

Overview of Information Collection:

This justification supports clearance of an extension of the collection and a revision to address existing contractors' response requirements under the changes clause for fixed-price, cost-reimbursement, and time-and-materials or labor-hours contracts.

There are no program changes. The FAR requirements remain the same. This extension includes adjustments to the burden due to use of data from the Federal Procurement Data System (FPDS) for fiscal years 2022 through 2024, and the calendar year 2025 Office of Personnel Management (OPM) General Schedule (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 Federal Acquisition Regulation (FAR) part 43 requirements as stated in the following clauses:

FAR 52.243-1, Changes—Fixed-Price, 52.243-2 Changes—Cost-Reimbursement, and 52.243-3 Changes—Time-and-Materials or Labor-Hours. Contractors are required to assert their right to an adjustment under these clauses within 30 days after receipt of a written change order from the contracting officer.

FAR 52.243-4, Changes. For acquisitions for dismantling, demolition, or removal of improvements; and fixed-price construction contracts that exceed the simplified acquisition threshold (SAT), the contractor must assert its right to an adjustment under this clause within 30 days after receipt of a written change order or the furnishing of a written notice, by submitting to the contracting officer a written statement describing the general nature and amount of proposal, unless this period is extended by the Government. The written notice covers any other written or oral order (which includes direction, instruction, interpretation, or determination) from the

contracting officer that causes a change. The contractor gives the contracting officer written notice stating (1) the date, circumstances, and source of the order and (2) that the contractor regards the order as a change order. The statement of proposal for adjustment may be included in the written notice.

FAR 52.243-6, Change Order Accounting. The contracting officer may require change order accounting whenever the estimated cost of a change or series of related changes exceeds \$100,000. The contractor, for each change or series of related changes, shall maintain separate accounts, by job order or other suitable accounting procedure, of all incurred segregable, direct costs (less allocable credits) of work, both changed and not changed, allocable to the change. The contractor shall maintain these accounts until the parties agree to an equitable adjustment or the matter is conclusively disposed of under the Disputes clause. This requirement is necessary in order to be able to account properly for costs associated with changes in supply and research and development (R&D) contracts of significant technical complexity, if numerous changes are anticipated, or construction contracts if deemed appropriate by the contracting officer.

FAR 52.243-7, Notification of Changes. The clause is available for use primarily in negotiated R&D or supply contracts for the acquisition of major weapon systems or principal subsystems. If the contract amount is expected to be less than \$1,000,000, the clause shall not be used, unless the contracting officer anticipates that situations will arise that may result in a contractor alleging that the Government has effected changes other than those identified as such in writing and signed by the contracting officer. The contractor shall notify the Administrative Contracting Officer in writing if the contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the contractor regards as a change to the contract terms and conditions. This excludes changes identified as such in writing and signed by the contracting officer. On the basis of the most accurate information available to the contractor, the notice shall state—

- (1) The date, nature, and circumstances of the conduct regarded as a change;

- (2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
- (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including—
 - (i) What line items have been or may be affected by the alleged change;
 - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
 - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
 - (iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and
- (6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

0. Use of the Information. Contracting officers use the notices and information provided by contractors in response to a change notice to negotiate an equitable adjustment under the contract that may result from the change order.

0. 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.

0. Non-duplication. These requirements are issued under the FAR, which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

0. Burden on Small Business. The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

0. 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 15464, on April 11, 2025. A comment was received; however, it did not change the estimate of the burden.

Comment: The respondent expressed the following: "This agency collection should not be renewed based on improper implementation of the original contract and noncompliance of the regulations associated with the agreement. This also has legal implications for the agreement in place and this is an additional taxpayer burden for country."

Response: The respondents' input is appreciated. Any changes to the collection of information on change order accounting and notification of changes will require rulemaking.

B. A 30-day notice was published in the *Federal Register* at 90 FR 29548, on July 3, 2025.

0. Gifts or Payment. This collection does not provide any payment or gift to respondents, other than remuneration of contractors.

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

0. Sensitive Questions. No sensitive questions are involved.

0. Burden Estimate.

The following estimates are based on FPDS data for fiscal years 2022 through 2024. The estimates include contracts for the acquisition of commercial products and commercial services. Preparation time for each contractor notice is estimated to take approximately one hour.

Summary of the Public Burden				
FAR Requirement	Respondents	Responses	Hours	Cost
52.243-1, -2, & -3	4,089	8,178	8,178	\$580,638

52.243-4	685	1,370	1,370	\$97,270
52.243-7	54	108	108	\$7,668
Total Reporting Burden	4,828	9,656	9,656	\$685,576
52.243-6	938	1,876	1,876	\$133,196
Total Recordkeeping Burden	938	1,876	1,876	\$133,196
Total Burden	4,774+	11,532	11,532	\$818,772

+This is the sum of the respondents under 52.243-1 through 52.243-4, all others are already included in this total.

Reporting Burden

FAR 52.243-1, Changes—Fixed-Price, 52.243-2 Changes—Cost-Reimbursement, and 52.243-3 Changes—Time-and-Materials or Labor-Hours. The estimates deducted the burden for FAR 52.243-4. A total of 8,041 change order modifications were issued to a total of 4,089 unique entities. The responses per respondent are a mathematical calculation from dividing the estimated total annual responses (change order modifications) by the number of respondents (unique entities) and then rounding it to the next whole number ($8,041/4,089=1.96$).

Estimated number of respondents/yr.....	4,089
Responses per respondent.....	$\times \underline{2}$
Total annual responses.....	8,178
Estimated hrs/response.....	$\times \underline{1}$
Estimated annual burden hours.....	8,178
Hourly rate*.....	$\times \underline{\$71}$
Estimated annual cost to the public.....	\$580,638

FAR 52.243-4, Changes. The estimates include acquisitions for dismantling, demolition, or removal of improvements (North American Industry Classification System (NAICS) Codes 238910 & 562910) that exceed \$10,000; and fixed-price construction (Product and Service Codes (PSCs) that begin with Y & Z2) contracts that exceed the SAT (\$250,000). A total of 1,068 change order modifications were issued to a total of 685 unique entities. The responses per respondent are a mathematical calculation from dividing the estimated total annual responses (change order modifications) by the number of respondents (unique entities) and then rounding it to the next whole number ($1,068/685=1.56$).

Estimated number of respondents/yr.....	685
Responses per respondent.....	x 2
Total annual responses.....	1,370
Estimated hrs/response.....	x 1
Estimated annual burden hours.....	1,370
Hourly rate*.....	x \$71
Estimated annual cost to the public.....	\$97,270

FAR 52.243-7, Notification of Changes. The estimates include negotiated R&D or supply contracts for the acquisition of major weapon systems or principal subsystems (PSCs: Category AC, Groups 10-14, 2541, 5865) valued at or above \$1,000,000. A total of 70 change order modifications were issued to a total of 54 unique entities. The responses per respondent are a mathematical calculation from dividing the estimated total annual responses (change order modifications) by the number of respondents (unique entities) and then rounding it to the next whole number (70/54=1.29).

Estimated number of respondents/yr.....	54
Responses per respondent.....	x 2
Total annual responses.....	108
Estimated hrs/response.....	x 1
Estimated annual burden hours.....	108
Hourly rate*.....	x \$71
Estimated annual cost to the public.....	\$7,668

Recordkeeping

FAR 52.243-6, Change Order Accounting. The burden under this clause is only for recordkeeping. There is no reporting burden associated with this clause. The estimate includes contracts for R&D, supplies, and construction (PSCs: Groups 7 through 99 and the ones that begin with AC, Y & Z2) that exceed \$100,000. A total of 1,378 change order modifications were issued to a total of 938 unique entities. The records per recordkeeper are a mathematical calculation from dividing the estimated total annual records (change order modifications) by the number of recordkeepers (unique entities) and then rounding it to the next whole number (1,378/938=1.47).

Recordkeepers/yr.....	938
Records per recordkeeper.....	x 2
Total annual records.....	1,876

Review hours/response..... x 1
Annual recordkeeping burden hours.....1,876
Hourly rate*.....x \$71
Annual recordkeeping burden cost to the public...\$133,196

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 OPM 2025 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.

0. Estimated nonrecurring costs. Not applicable.

14. Estimated cost to the Government. Time required for Governmentwide review is estimated at 1 hour per response, and the hourly rate is \$71*.

Summary of the Government Burden			
FAR Requirement	Responses	Hours	Cost
52.243-1, -2, & -3	8,178	8,178	\$580,638
52.243-4	1,370	1,370	\$97,270
52.243-7	108	108	\$7,668
TOTAL	9,656	9,656	\$685,576

0. Reasons for changes. There are no program changes. The FAR requirements remain the same. Adjustments are made to the public and Government burden estimates based on the following:

- Use of FPDS data for fiscal years 2022 through 2024
- Use of calendar year 2025 OPM GS wage rates for the rest of the United States
- The estimated number of respondents and annual responses includes change order modifications under fixed-price, cost-reimbursement, time-and-materials and labor-hours contracts.

Reporting Public Burden	2022	2025	Increase
Responses	9,240	11,532	2,292
Hours	9,240	11,532	2,292
Cost	\$545,160	\$818,772	\$273,612

- 0. Publicizing Results. Results will not be tabulated or published.
- 0. OMB Not to Display Approval. Approval to not display the expiration date for OMB approval of the information collection is not sought.
- 0. Exceptions to "Certification for Paperwork Reduction Submissions." There is no exception to the certification statement.
- 0. 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.