

## SUPPORTING STATEMENT A

### OMB Control Number 0750-0001 – Defense Federal Acquisition Regulation Supplement (DFARS) Performance-Based Payments—Representation

#### Summary of Changes from Previously Approved Collection

- Burden has decreased due to the use of current data.

#### 1. Need for the Information Collection

This information collection concerns the Defense Federal Acquisition Regulation Supplement (DFARS) solicitation provision at 252.232-7015, Performance-Based Payments—Representation. This provision is prescribed at DFARS 232.1005-70(b) for use in solicitations where the resulting contract may include performance-based payments. The provision includes a representation that will be included in the annual representations and certifications in the System for Award Management. Paragraph (b) of the provision requires the offeror to check a box indicating whether the offeror's financial statements are in compliance with Generally Accepted Accounting Principles.

#### 2. Use of the Information

The Government will use this information to decide whether the offeror is eligible for performance-based payments.

#### 3. Use of Information Technology

Information technology is used to collect the information (100%).

#### 4. Non-duplication

As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) and DFARS to determine whether adequate language already exists. This information collection does not duplicate any other requirement.

#### 5. Burden on Small Business

Although the information collection requirement does not reduce the burden on small entities, the information is the minimum needed by a contracting officer in order to make an informed decision as to whether the offeror is eligible for performance-based payments.

#### 6. Less Frequent Collection

The frequency for collecting this information is only once per year, as part of the registration and annual update of the offeror's information in the System for Award Management.

## 7. Paperwork Reduction Act Guidelines

There are no special circumstances for this collection. The collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

## 8. Consultation and Public Comments

### a. Public Notice

i. A 60-day notice for the collection was published in the *Federal Register* on February 26, 2026, at 91 FR 9605. Two comments were received during the 60-day comment period. Summaries of the comments are included below along with DoD's responses.

Comment: A respondent recommended collecting more information. The respondent also recommended a penalty, including mandatory prison sentences, for top management of companies whose information is late or inaccurate.

Response: DoD collects the information necessary to meet its needs. DoD is not adopting the respondent's recommendation regarding a penalty.

Comment: Another respondent commented that the "check-the-box" representation at DFARS 252.232-7015 is "dangerously insufficient," that the respondent's forensic audit proves that major Federal contractors are falsifying their underlying liability data, and that the contractors' financial statements are "mathematically fabricated." The respondent recommended that DoD update DFARS 252.232-7015 to require contractors and their financial custodians to attest under penalty of perjury that their ERISA Form 5500 filings and actuarial assumptions reconcile accurately with their representations. The respondent also recommended that DoD implement an automated protocol to cross-reference contractor and custodian employer identification numbers against the Department of Labor's EFAST2 database, and that DoD screen for statistical anomalies before authorizing disbursement of performance-based payments.

Response: The existing representation at DFARS 252.232-7015 is sufficient for DoD's current needs regarding a contractor's eligibility to receive performance-based payments, which are based on quantifiable measures of the contractor's results. The recommendation to cross-reference employer identification numbers and screen for statistical anomalies is outside the scope of this information collection renewal.

ii. A 30-day notice for the collection was published in the *Federal Register* on May 4, 2026, at 91 FR 23979.

### b. Consultation

Subject matter experts within DoD were consulted regarding this information collection.

## 9. Gifts or Payment

DoD will not provide payment or gift to respondents under this information collection requirement, other than remuneration to contractors under their contracts.

#### 10. Confidentiality

This information is disclosed only to the extent consistent with statutory requirements, current regulations, and prudent business practices. No assurance of confidentiality is provided to respondents. A Privacy Act Statement is not required for this collection because DoD is not requesting individuals to furnish personal information for a system of records. The collection of information does not include any personally identifiable information; therefore, no Privacy Impact Assessment or Privacy Act System of Records Notice is required.

#### 11. Sensitive Questions

No sensitive questions are involved in the information collection.

#### 12. Respondent Burden and its Labor Costs

##### a. Estimation of Respondent Burden

The estimates in the following table are based on data from the Federal Procurement Data System (FPDS) for fiscal year (FY) 2023 through FY 2025 and advice of DoD subject matter experts. DoD reviewed the number of awards using performance-based financing, the number of unique entities receiving such awards, and the estimated number of unique entities that submitted offers in response to the solicitations that contain the representation in the solicitation provision at DFARS 252.232-7015. This data was separated into small entities and other than small entities. DoD used an average of data for these 3 years, resulting in an estimate of awards to 127 unique other than small entities and 312 unique small entities. DoD used the average rather than the median because the data points represent precise data and do not contain any extreme outliers. DoD estimates that an additional 10 percent of unique entities may have submitted offers and not received awards (i.e., a total of approximately 483 entities, of which 140 are other than small entities and 343 are small entities). Because this representation is included in the annual representations and certifications, each offeror only needs submit one response per year, unless the response changes. The representation only requires checking a box and the required information should be readily available, so DoD estimates 0.1 hour per response.

Estimation of Respondent Burden: DFARS 252.232-7015	
Number of respondents	483
Number of responses per respondent	1
Number of total annual responses	483
Hours per response	0.1
Annual respondent burden hours	48.3

b. Labor Cost of Respondent Burden

The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate for a GS-12, step 5, employee for calendar year 2025 including locality pay for the Rest of United States, plus the 36.25% civilian personnel full fringe benefit rate from Office Management and Budget (OMB) memorandum M-08-13. ( $\$48.13 \times 1.3625$  O/H rate =  $\$65.58$ ).

Labor Cost of Respondent Burden: DFARS 252.232-7015	
Number of total annual responses	483
Hours per response	0.1
Cost per hour (hourly wage)	\$65.58
Labor burden per response (hours per response * hourly wage)	\$6.56
Annual Labor Burden (total annual responses * hours per response * hourly wage)	\$3,168

13. Respondent Costs Other than Burden Hour Costs

DoD does not estimate any annual cost burden part from the hourly burden in item 12 above.

14. Cost to the Federal Government

a. Labor Cost to the Federal Government

DoD estimates that it will take the Government 6 minutes (0.1 hour) to review and verify the information contained in each response. Although the offerors will only input the information once per year, the Government will need to review the information each time an offer is submitted ( $(127 \text{ awards to other than small entities} \times 10.07 \text{ average offers per award}) + (312 \text{ awards to small entities} \times 9.85 \text{ average offers per award}) = 4,352 \text{ offers}$ ). Review of the representation should take on the average no more than 6 minutes per offer.

The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate for a GS-12, step 5, employee (for calendar year 2025) plus the 36.25% civilian personnel full fringe benefit rate from Office of Management and Budget (OMB) memorandum M-08-13 and the rate for the Rest of the U.S. of  $\$48.13 \times 1.3625$  O/H rate =  $\$65.58$ .

Estimation of Cost to the Government: DFARS 252.232-7015	
Number of total annual responses (offers)	4,352
Hours per response	0.1
Cost per hour (hourly wage)	\$65.58

Cost per response	\$6.56
Total cost (Total annual responses * cost per response)	\$28,540

b. Operational and Maintenance Costs

There are operational and maintenance costs for this information collection.

15. Reasons for Change in Burden

The burden and number of respondents have decreased due to the use of current FPDS data. Although the number of unique entities has decreased, the criteria used for this query are the same as the criteria for the initial query in 2019.

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Change in Burden	2023	2026	Difference
Number of respondents	710	483	-227
Total annual responses	710	483	-227
Total Hours	71	48	-23
Cost per hour	\$58.72	\$65.58	\$6.86
Total Cost	\$4,169	\$3,168	\$1,001

16. Publication of Results

Results of this collection will not be published.

17. Non-Display of OMB Expiration Date

DoD does not seek approval to omit the display the expiration date for OMB approval of this information collection.

18. Exceptions to “Certification for Paperwork Reduction Submissions”

DoD is not requesting any exemptions to the provisions stated in 5 CFR 1320.9.