

SUPPORTING STATEMENT – PART A

OMB Control Number 0704-0232—Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 215.4, Contract Pricing, and Related Clause at DFARS 252.215

Summary of Changes from Previously Approved Collection

- Decrease in burden as a result of using current data.
- Increase in hourly wage as a result of using the current hourly rate for calendar year 2026.

1. Need for the Information Collection

This justification supports renewal of OMB Control Number 0704-0232 for the information collection required by the clause at Defense Federal Acquisition Regulation Supplement (DFARS) 252.215-7002, Cost Estimating System Requirements. DFARS 252.215-7002 includes the following information collection requirements, which are necessary to evaluate and monitor contractor cost estimating systems; however, the need for information collection decreases as contractor estimating systems improve and gain contracting officer approval:

- a. Paragraph (d)(1) requires the contractor to establish an adequate estimating system, disclose such estimating systems to the administrative contracting officer, in writing.
- b. Paragraph (d)(3)(ii) requires the contractor to disclose significant changes to the cost estimating system to the administrative contracting officer on a timely basis.
- c. Paragraph (e)(2) requires the contractor to respond within 30 days to the contracting officer's written initial determination that identifies material weaknesses in the contractor's estimating system.
- d. Paragraph (f) requires the contractor to respond within 45 days to the contracting officer's final determination of material weaknesses, and either correct the material weaknesses or submit an acceptable corrective action plan showing milestones and actions to eliminate the weaknesses.

2. Use of the Information

DoD contracting officers use this information obtained under the clause at DFARS 252.215-7002 to determine if the contractor has an adequate system for generating cost estimates, which forecasts costs based on appropriate source information available at the time, and has the ability to monitor the correction of material weaknesses. The need for information collection decreases as contractor estimating systems improve and gain contracting officer approval.

3. Use of Information Technology

Information technology is used to collect the covered information (100%). Contractor responses to initial and final determinations are submitted electronically.

4. Non-duplication

As a matter of policy, DoD reviews the DFARS to determine whether adequate language already exists. This information collection does not duplicate any other requirement.

5. Burden on Small Business

This collection has no impact on small businesses. The requirements of DFARS 252.215-7002 apply only if the contractor is a large business and either—

a. In the preceding fiscal year, the contractor received DoD prime contracts or subcontracts totaling \$50 million or more for which certified cost or pricing data were required; or

b. In the preceding fiscal year, the contractor received DoD prime contracts or subcontracts totaling \$10 million or more (but less than \$50 million) for which certified cost or pricing data were required, and the contractor was notified, in writing, by the contracting officer that paragraphs (d) and (e) of this clause apply.

6. Less Frequent Collection

If the information required by DFARS 252.215-7002 is not collected, then DoD contracting officers would be unable to render timely decisions regarding approval or disapproval of a contractor's estimating system.

7. Paperwork Reduction Act Guidelines

There are no special circumstances for collection. Collection of this information is consistent with the guidelines at 5 CFR 1320.5 (d) (2).

8. Consultation and Public Comments

a. Public Notice

i. Public comments were solicited in the *Federal Register* on May 29, 2026 (91 FR 32017). One public comment was received in response to this notice; however, the comment was unrelated to this information collection.

ii. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* on July 31, 2026 (91 FR 48376).

b. Consultation

Subject matter experts at the Defense Contract Management Agency (DCMA) were consulted regarding this information collection.

9. Gifts or Payment

DoD will not provide a 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 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 this information collection.

12. Respondent Burden and its Labor Costs

The estimated public burdens and labor costs associated with each reporting element under DFARS clause 252.215-7002 are provided in the tables that follow along with a discussion of the burdens.

a. Paragraph (d)(1). Subject matter experts at DCMA estimate that only 2 respondents per year will submit an initial system disclosure, which are contractors who have not previously disclosed a cost estimating system to DoD. Assuming a contractor has no existing written policies and procedures for estimating, it could take the contractor 200 hours to prepare the disclosure.

The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate of \$48.61 for a GS-12, step 5 employee (for the Rest of U.S. locality 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 ($\$48.61 + \$17.62 = \$66.23$, rounded to \$66).

Estimation of Respondent Burden: DFARS 252.215-7002(d)(1)	
Number of respondents	2
Responses per respondent	1
Number of responses	2
Hours per response	200
Estimated hours (number of responses multiplied by hours per response)	400
Cost per hour (hourly wage) – <i>Note</i>	\$66

Annual public burden (estimated hours multiplied by cost per hour)	\$26,400
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b. Paragraph (d)(3)(ii). According to subject matter experts at DCMA, only a subset of contractors that have an approved estimating system (approximately 325) would submit changes on a regular basis. Typically, this is done via changes to the Cost Accounting Standards Board (CASB) Disclosure Statement, which only applies to CAS-covered contractors. Most CAS-covered contractors submit annual updates to their Disclosure Statement, which may or may not contain changes that impact estimating. DCMA estimates that they receive Disclosure Statement revisions from approximately 122 contractors a year.

The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate of \$48.61 for a GS-12, step 5 employee (for the Rest of U.S. locality 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 ($\$48.61 + \$17.62 = \$66.23$, rounded to \$66).

Estimation of Respondent Burden: DFARS 252.215-7002(d)(3)(ii)	
Number of respondents	122
Responses per respondent	1
Number of responses	122
Hours per response	40
Estimated hours (number of responses multiplied by hours per response)	4,880
Cost per hour (hourly wage) – <i>Note</i>	\$66
Annual public burden (estimated hours multiplied by cost per hour)	\$322,080

c. Paragraph (e)(1). Contracting officer initial determinations regarding material weaknesses of a contractor's cost estimating system usually occur when the Defense Contract Audit Agency has identified a potential weakness through either a full system audit or as a result of an audit of an individual proposal where weaknesses in the cost estimating system were identified. According to subject matter experts at DCMA, there are approximately 17 initial determinations issued annually, and it takes on average approximately 40 hours for a contractor to prepare a response to an initial determination.

The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate of \$48.61 for a GS-12, step 5 employee (for the Rest of U.S. locality 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 ($\$48.61 + \$17.62 = \$66.23$, rounded to \$66).

Estimation of Respondent Burden: DFARS 252.215-7002(e)(1)

Number of respondents	17
Responses per respondent	1
Number of responses	17
Hours per response	40
Estimated hours (number of responses multiplied by hours per response)	680
Cost per hour (hourly wage) – <i>Note</i>	\$66
Annual public burden (estimated hours multiplied by cost per hour)	\$44,880

d. Paragraph (f). A contractor response and written corrective action plan is only required when requested in a final determination of material weaknesses issued by the contracting officer. According to subject matter experts at DCMA, there are approximately 6 final determinations issued annually and that it takes on average approximately 40 hours for a contractor to prepare a response to a final determination.

The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate of \$48.61 for a GS-12, step 5 employee (for the Rest of U.S. locality 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 ($\$48.61 + \$17.62 = \$66.23$, rounded to \$66).

Estimation of Respondent Burden: DFARS 252.215-7002(f)	
Number of respondents	6
Responses per respondent	1
Number of responses	6
Hours per response	40
Estimated hours (number of responses multiplied by hours per response)	240
Cost per hour (hourly wage) – <i>Note</i>	\$66
Annual public burden (estimated hours multiplied by cost per hour)	\$15,840

e. Total Burden for DFARS 252.211-7002. The total number of respondents for this clause is the sum of the number of respondents that submit initial system disclosures and system change disclosures in accordance with paragraphs (d)(1) and (d)(3)(ii) of the clause. Contractors that respond to contracting officer determinations in accordance with paragraphs (e) and (f) of the clause are a subset of the 124 contractors providing annual disclosures and are, therefore, excluded from the total in the table below. The totals for the number of responses and estimated hours in the table below are calculated by adding the amount estimated for each paragraph of DFARS clause 252.215-7002, as identified in the preceding tables.

Estimation of Respondent Burden: DFARS 252.215-7002 TOTAL	
Total number of respondents	124
Responses per respondent (estimated responses divided by respondents)	1.2
Total number of responses	147
Hours per response (estimated hours divided by responses)	42.2
Total estimated hours	6,200
Cost per hour (hourly wage)	\$66
Labor burden per response	\$2,783.67
Total annual public burden (estimated hours multiplied by cost per hour)	\$409,200

13. Respondent Costs Other than Burden Hour Costs

DoD does not estimate an annual cost burden apart from the labor burden in item 12 above.

14. Estimated Cost to Government

a. Based on consultation with subject matter experts at DCMA, the time required for the Government to review the information collected from contractor is shown in the table below. The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate of \$48.61 for a GS-12, step 5 employee (for the Rest of U.S. locality 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 ($\$48.61 + \$17.62 = \$66.23$, rounded to \$66).

Estimation of Government Costs: DFARS 252.215-7002 Breakdown				
Summary	(d)(1)	(d)(3)(ii)	(e)(1)	(f)
Number of responses	2	122	17	6
Hours per response	200	40	200	80
Estimated hours	400	4,880	3,400	480
Cost per hour – <i>Note</i>	\$66	\$66	\$66	\$66
Annual Government cost	\$26,400	\$322,080	\$224,400	\$31,680

b. The total estimation of annual cost to the Government is estimated as follows:

Estimation of Government Costs: DFARS 252.215-7002 Total
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Total number of responses (sum of number of responses in 14.a. above)	147
Total hours per response (estimated hours divided by number of responses)	62
Total estimated hours (sum of estimated hours in 14.a. above)	9,160
Cost per hour	\$66
Total annual Government cost (estimated hours multiplied by cost per hour)	\$604,560

15. Reasons for Change in Burden

The change in burden associated with DFARS 252.215-7002 is the result of using data for fiscal years 2023 through 2026 and the current hourly rate for calendar year 2026, as described in section 12 of this supporting statement.

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Change in Burden	2023	2026	Difference
Number of respondents	302	124	-178
Total annual responses	427	147	-280
Total Hours	17,400	6,200	-11,200
Cost per hour	\$61	\$66	\$5
Total Cost	\$1,061,400	\$409,200	-\$652,200

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 not display the expiration dates for OMB approval of the information collection.

18. Exception to the “Certification for Paperwork Reduction Submissions”

There are no exceptions to the certification accompanying this Paperwork Reduction Act.