

**JUSTIFICATION FOR 9000-0006**  
**SUBCONTRACTING PLANS/SUBCONTRACTING REPORT**  
**FOR INDIVIDUAL CONTRACTS (STANDARD FORM 294)**

**A. Justification.**

1. **Administrative requirements.** In accordance with the Small Business Act (15 U.S.C. 631, et seq.), contractors receiving a contract for more than \$10,000 agree to have small and small disadvantaged business concerns participate in the performance of the contract as far as practicable. Contractors receiving a contract or a modification to a contract expected to exceed \$550,000 (\$1,000,000 for construction) must submit a subcontracting plan that provides maximum practicable opportunities for small and small disadvantaged business concerns. Specific elements required to be included in the plan are specified in section 8(d) of the Small Business Act and implemented in FAR Subpart 19.7.

In conjunction with these plans, contractors must submit semiannual reports of their progress on Standard Form 294, Subcontracting Report for Individual Contracts.

2. **Uses of information.** A satisfactory subcontracting plan is required before a contract exceeding \$550,000 (\$1,000,000 for construction) can be awarded. The contracting officer must examine the information in the proposed plan to determine if the plan is in compliance with the Small Business Act and the FAR. In addition, the information is used for policy and management control purposes.

Information submitted on Standard Form 294 is used to assess contractors' compliance with their subcontracting plans.

3. **Consideration of information technology.** The Integrated Acquisition Environment Electronic Subcontracting Reporting System (eSRS) is providing a fully Government Paperwork Elimination Act (GPEA) compliant electronic transaction for this information. The system is now fully operational thus eliminating the need for contractors to use the paper Standard Form 294 and Standard Form 295. Currently (July 13, 2007), the Department of Defense is the only organization that is not using eSRS.

4. **Efforts to identify duplication.** This requirement is being issued under the Federal Acquisition Regulation (FAR) which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

- 5. If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** Small businesses are not required to submit subcontracting plans or reports.
- 6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Submission of duplicate plans covering commercial products has been eliminated by the use of Commercial Products Plans covering company-wide production rather than a particular contract. Reporting under Commercial Products Plans is done annually on the SF 295. Information similar to that submitted on the SF 294 is not already available to the contracting officer.
- 7. Special circumstances for collection.** Collection of information related to the plan must be done prior to award of the contract. Under sealed bid solicitations, plans must be submitted with bids so that all firms can be evaluated equally. Plans under negotiated acquisitions may be required only from the firm(s) being considered for award or, if the contracting officer determines it necessary, submitted with initial offers. Collection is generally consistent with guidelines in 5 CFR 1320.6.
- 8. Efforts to consult with persons outside the agency.** Under the procedures established for development of the FAR, agency and public comments were solicited and each comment addressed before finalization of the text. A notice in the April 16, 2007 Federal Register made this requirement available to the public and requested comments. No major problems regarding this requirement were reported.
- 9. Explanation of any decision to provide any payment or gift to respondents, other than reenumeration of contractors or guarantees.** Not applicable.
- 10. Describe assurance of confidentiality provided to respondents.** This information is disclosed only to the extent consistent with prudent business practices and current regulations.
- 11. Additional justification for questions of a sensitive nature.** No sensitive questions are involved.

12. & 13. **Estimated total annual public hour and cost burden.** Time required for reading and preparing information is estimated as follows:

For Submission of SF 294 Report

Estimated respondents.....	3,845
Average responses annually.....	<u>2</u>
Total annual responses.....	7,690
Estimated hrs/response.....	<u>9</u>
Total hours for SF 294.....	69,210
Hourly rate.....	<u>\$43</u>
Total cost.....	\$2,976,030

For Development of Plan

Number of respondents.....	4,253
Average responses annually.....	<u>1.63</u>
Total annual responses.....	6,932
Estimated hrs/response.....	<u>19</u>
Total hours for SF 294.....	131,715
Hourly rate.....	<u>\$43</u>
Total cost.....	\$5,663,762

For Recordkeeping

Number of recordkeepers.....	3,845
Annual hours per recordkeeper.....	<u>140</u>
Total hours.....	538,300

**14. Estimated cost to the Government.**

Annual Recordkeeping Burden and Cost

Number of responses per year.....	14,622
Hours per response.....	<u>35</u>
Total hours.....	511,770
Hourly rate (including overhead).....	<u>x\$44</u>
Total cost.....	\$22,517,880

**15. Explain reasons for program changes or adjustments reported in Item 13 or 14.** This submission requests an extension of OMB approval of an information collection requirement in the FAR. The information collection requirement in the FAR remains unchanged.

16. **Outline plans for published results of information collections.** Results will not be tabulated or published.

17. **Approval not to display expiration date.** Not applicable.

18. **Explanation of exception to certification statement.** Not applicable.

**B. Collections of Information Employing Statistical Methods.**

Statistical methods are not used in this information collection.