

**OMB CASE 0704-0253
SUPPORTING STATEMENT**

A. JUSTIFICATION

1. **Requirement.** This is a request for an extension of the expiration date of the information collection requirement currently approved under OMB Control Number 0704-0253. This request concerns information related to Contractor Performance System Reviews (CPSRs). Federal Acquisition Regulation (FAR) 44.3 requires CPSRs under certain circumstances. Defense FAR Supplement (DFARS) 244.305-70(a)(2) requests the contractor, within 15 days after completion of a CPSR, to submit its plan for correcting deficiencies or making improvements in its purchasing system. The approval for 0704-0253 expires on November 30, 2010.
2. **Purpose.** The administrative contracting officer considers this plan before making a decision on granting, withholding, or withdrawing purchasing system approval at the conclusion of a CPSR.
3. **Information Technology.** The contractor may submit its plan electronically. The contractor must sign the plan and electronic signature is accepted.
4. **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. **Small Business.** This collection is not expected to have a significant impact on small entities because CPSRs generally are only considered for contractors whose sales to the Government (excluding sales under sealed bid procedures and sales of commercial items pursuant to Part 12) are expected to exceed \$25 million annually.
6. **Consequences for Non-collection.** The collection of this information is necessary to allow the Administrative Contracting Officer to decide whether to grant, withhold, or withdraw purchasing system approval at the conclusion of a CPSR. Review and approval of the contractor's purchasing system in accordance with FAR 44.3 allows the consent to subcontract requirements at FAR 44.2 to be waived, thereby eliminating the requirement for the contracting officer's written consent for prime contractors to enter into particular subcontracts.

7. **Special Circumstances.** There are no special circumstances that require the collection to be conducted in any manner listed in 5 CFR 1320.5(d)(2).

8. **Public Comments and Consultation.** Collection is consistent with the guidelines in 5 CFR 1320.5. Under the procedures established for development of the DFARS, agency and public comments were solicited by publication of a notice in the Federal Register at 75 FR 26739 on May 12, 2010. No comments were received.

9. **Payment to Respondents.** No payment or gift will be provided to respondents, other than remuneration of contractors under their contracts.

10. **Confidentiality.** The information collected will be discussed only to the extent consistent with prudent business practice, current regulations, and statutory requirements. No assurance of confidentiality is provided to respondents.

11. **Sensitive Questions.** No sensitive questions are involved.

12. **Estimate of Public Burden Hours and Associated Annualized Cost.** Approximately 90 contractors per year are required to submit plans based on information submitted by DCMA on July 22, 2010. We estimate each plan takes an average of 16 hours to prepare and submit. DCMA specialists involved in the management of CPSRs developed the estimates based on CPSR activity. For fiscal year 2010, DCMA plans to complete 120 reviews. For the first three quarters, 78 reviews were completed and 58 contractors were required to submit plans, reflecting that about 75% of CPSRs require plans. Seventy-five percent of 120 reviews supports that 90 respondents respond annually. All reports are submitted electronically, by email.

	Note	
Number of Respondents		90
Responses per Respondent		1
Annual Responses		90
Hours Per Response		16
Total Hours		1440
Cost Per Hour	(1)	\$37.21
Total Annual Cost to Public		\$53,582

Note (1): The cost per hour is based on the General Schedule GS11 Step 5 hourly rate of \$27.31 for 2010, plus 36.25% civilian personnel full fringe benefit rate for 2009 taken from OMB Memo M-08-13 ($\$27.31 \times 136.25\% = \37.2098 rounded to \$37.21).

13. Estimated Nonrecurring Costs. None

14. Estimated Annual Cost to the Government. We estimate it will take the Government one hour to review and verify the information in each response. The estimate was developed by the DCMA specialists involved in the management of CPSRs, and was based on current CPSR activity.

Number of Respondents	90
Responses per Respondent	1
Annual Responses	90
Total Hours	90
Cost Per Hour	\$37.21
Total Annual Cost to Government	\$3,349

15. Program Changes. The estimate of burden hours is unchanged. The increased costs reflect updating the labor hourly rate to reflect the 2010 salary for GS-11, Step 5 and using a more current average fringe rate of 36.25%.

16. Publication. Results of this information will not be tabulated or published.

17. Expiration Date. We do not seek approval to not display the expiration dates for OMB approval of the information collection.

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

B. Collections of Information Employing Statistical Methods.

Statistical methods will not be employed.