

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0012, TERMINATION SETTLEMENT PROPOSAL FORMS-FAR
(STANDARD FORMS 1435 THROUGH 1440)**

A. Justification.

1. Administrative requirements. The termination settlement proposal forms (Standard Forms 1435 through 1440) will be used by all Executive agencies, including the Department of Defense, for settling terminated prime contracts and subcontracts per FAR Subpart 49.6. The forms provide a standardized format for listing essential cost and inventory information needed to support the terminated contractor's negotiated position. Submission of this information assures that a contractor will be fairly reimbursed upon settlement of the terminated contract. No other format exists for the collection of this information that we are aware of.

2. Uses of information. The information will be used by contracting officers to help determine/support reimbursement costs upon settlement of a terminated contract.

3. Consideration of information technology. We use improved 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.

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

6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. Collection of information on a basis other than solicitation-by-solicitation or contract-by-contract is not practical.

7. Special circumstances for collection. Collection is generally consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency. A 60-day notice was published in the Federal Register at 78 FR 59009 on September 25, 2013. No comments were received.

9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration 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 to read and prepare information is estimated at 2.5 hours per termination.

A. Number of respondents.....	5,949
B. Responses per respondent annually.....	<u>x 1.7</u>
C. Total annual responses.....	10,113
D. Hours.....	<u>x 2.4</u>
E. Total hours.....	24,271
F. Cost per hour.....	53*
G. Total annual cost to respondents.....	\$1,286,363

*Based on the OPM GS salary (38.92 an hour) plus 36.25 percent burden, rounded to the nearest dollar, or \$53 an hour. The burden rate used is that mandated by OMB memorandum M-08-13 for use in public-private competition, as updated by OMB for the current year.

14. Estimated cost to the Government. Time required for Government-wide review is estimated at 6 hours (2 hours/form) per termination.

Annual Reviewing Burden and Cost

A. Number of respondents	5,949
B. Responses per respondent	x 2.4
C. Total annual respondents	14,278
D. Review hours per response	x 6

E. Total hours	85,668
F. Cost per hour	\$ 53*
G. Total annual cost to the Government	\$4,540,404

*Based on the OPM GS salary (38.92 an hour) plus 36.25 percent burden, rounded to the nearest dollar, or \$53 an hour. The burden rate used is that mandated by OMB memorandum M-08-13 for use in public-private competition, as updated by OMB for the current year.

15. Explain reasons for program changes or adjustments reported in Item 13 and 14. This submission requests a revision to an existing information collection based on a change to the estimated number of respondents required to submit information. The information collection requirement in the FAR is changed.

Based on data retrieved from the Federal Procurement Data System (FPDS) there was an estimated average of 5,949 unique vendors that would have been subject to the termination settlement proposal forms (Standard Forms 1435 through 1440). This data was based on the estimate average number of terminations for convenience (complete or partial) for Fiscal Years, 2010, 2011, and 2012.

In consultation with subject matter experts, it was determined that the 5,949 unique vendors was a sufficient baseline for estimating the number of respondents. It is therefore estimated that approximately 5,949 respondents would need to comply with this information collection. The estimated number of responses per respondent for this information collection is based on an estimated average number of respondents divided by the estimated average number of unique vendors (1.7).

Additionally, in discussion with subject matter experts, it was estimated that the previously approved burden hours per response of 2.4 hours is still relevant for this information collection. No public comments were received in prior years that have challenged the validity of the Government's estimate. The revisions to this information collection reflect a significant upward adjustment from what was published in the Federal Register at 75 FR 63831 on October 18, 2010. This increase is based on a revision to the estimated number of respondents that would be subject to this information collection.

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.