

Report of Subcontracts to Small and Veteran-Owned Business
Department of Veterans Affairs
Office of Small and Disadvantaged Business Utilization
OMB 2900-0741 (VA0896a)

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.

In accordance with Public Law 109-461, Title V, Section 502(a)(1), codified at 38 U.S.C. 8127(a)(4), "The Secretary shall establish a review mechanism to ensure that, in the case of a subcontract of a Department contract that is counted for purposes of meeting a goal established pursuant to this section, the subcontract was actually awarded to a business concern that may be counted for purposes of meeting that goal." The VA Form 0896a will be utilized to ensure that subcontract information reported by prime contractors and utilized for credit against subcontracting goals is accurate and includes Service Disabled Veteran Owned Small Business, (SDVOSB) and Veteran Owned Small Business, (VOSB) that are verified for eligibility in the Vendor Information Pages database maintained by VA OSDDBU.

2. Indicate how, by whom, and for what purposes the information is to be used; indicate actual use the agency has made of the information received from current collection.

In order to implement the review mechanism requirement, the VA Office of Small and Disadvantaged Business Utilization (OSDBU) utilizes VA Form 0896A to collect information from prime contractors. OSDBU personnel will utilize VA's vendor Information Pages (VIP) database, the FFATA Subaward Reporting System (FSRS) and coordinate with subcontractors to have them verify the information reported by the prime contractors.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

This process involves the use of electronic submissions of information via email. Contractors will submit information on VA Form 0896A. In the event that a contractor does not have the capability to submit the form as an email attachment, it can also be provided as a hardcopy. VA plans to explore the utilization of information technology as a means to gather the information at a later date. The technology platform is in development but due to resource constraints will not be completed until FY 2017, 3rd Quarter. Once the acquisition of an information technology solution is achieved, VA will replace the form with the information technology solution.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The purpose of this data collection is to obtain unique information. It is not a duplication of information already collected. In accordance with federal acquisition regulations (FAR) 19.704 and 52.219-9, prime contractors submit their subcontracting plans to VA contracting officers. The VA contracting officers submit the subcontracting plans to the OSDBU for review and concurrence. The FAR does not require that subcontracting plans provide the specific dollar amount of or percentage of contract value that are applicable to individual subcontractors. The VA needs the ability to determine that the utilized subcontractors were verified by the VA as Service Disabled Veteran Owned Small Businesses (SDVOSB) and Veteran Owned Small Businesses (VOSB) at subcontract award and the actual dollar amounts expended by prime contractors with the subcontractors they identify on their subcontracting plans in order to comply with the “review mechanism” requirement established by PL 109-461. The VA Form 0896A is utilized to obtain information from prime contractors to collect information regarding their subcontracts with SDVOSBs and VOSBs. Submission of the form does not replace the requirement for Prime Contractors to enter subcontracting information in the electronic subcontracting reporting system (eSRS). The eSRS reporting is for overall accomplishments by prime contractors. VA Form 0896A is utilized for reporting that is specific to individual firms that are awarded subcontracts by prime contractors. Prime contractors are required to fill out the form and submit it to the OSDBU office either via e-mail (email address: vacoosdbusub@va.gov), or by postal mail.

VA OSDBU personnel will confirm the information reported on the form by the prime contractors through the VIP and FSRS databases and, when necessary, request that the SDVOSB and VOSB firms subcontracted by the prime contractors review it and verify its accuracy. The OSDBU will utilize the information reported by the prime contractors, the FSRS, and any subcontractors in order to compile annual reports to reflect the level of accuracy in the reporting being accomplished by the prime contractors. This will allow the VA to comply with the “review mechanism” requirement of PL 109-461.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

This information collection does not negatively impact small businesses. In fact, the purpose of this process is to benefit small businesses by maximizing the utilization of small business in fulfilling VA acquisition requirements. The impact of VA Form 0896a will be to expand opportunities for SDVOSB/VOSB and other small businesses by allowing VA to provide oversight to the Subcontracting Program.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

The consequence of not implementing this data collection process would be the failure of the VA to adhere to federal law. Public law 109-461 specifically requires that the VA review data that would not be collected if not for this ICR. This data collection process would enable the OSDBU office to compile the data necessary to report on prime contractor adherence to their approved subcontracting plans and to analyze reasons for deviations, conduct trend analysis, and to make recommendations to VA leadership on how to improve subcontracting goal accomplishments.

7. Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study and require the use of a statistical data classification that has not been reviewed and approved by OMB.

There are no special circumstances that require the collection of information to be conducted along the lines discussed in the bulleted items in the general instructions.

8. a. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the sponsor's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the sponsor in responses to these comments. Specifically address comments received on cost and hour burden.

A 60-day notice was published in the Federal Register in 80 FRN 76743 on December 10, 2015; no comments were received. A 30-day notice was published in 81 FRN 12201 on March 9, 2016; no comments have been received.

b. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, clarity of instructions and recordkeeping instructions, recordkeeping, disclosure or reporting format, and on the data elements to be recorded, disclosed or reported. Explain any circumstances, which preclude consultation every three years with representatives of those from whom information is to be obtained.

Nothing precludes consultation every three years with representatives of those from whom information is to be obtained.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No gifts will be provided to any respondents to the data collection process that will be implemented. No payments are anticipated to any respondents to the data collection process.

10. Describe any assurance of privacy, to the extent provided by law, provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

An assurance of privacy is not provided to respondents in this data collection process. This collection of information is limited to data that will enable the VA to review if subcontracting dollars are being expended with SDVOSB and VOSB firms in accordance with the information provided by prime contractors. The amount of contract dollars expended with individuals firms will be obtained. Proprietary or sensitive product data will not be collected.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private; include specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature.

12. Estimate of the hour burden of the collection of information:

The estimated total annual responses from the prime contractors, the respondent population, are 305. This estimate is based upon VA's Electronic Subcontracting Reporting System (eSRS) summary subcontract plan submissions for fiscal year 2014. This projection is based upon the assumption that 100% of the prime contractors will submit VA Form 0896A. FAR 19.704 (10) (i) and (ii) states that the prime contractors shall "cooperate in any studies or surveys as may be required," and "submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan." OSDBU personnel will contact the SDVOSB and VOSB firms and ask them to verify the data submitted by the prime contractors. Utilization of email to verify the information from the subcontractors is anticipated to be the primary means of verification.

- a. The number of respondents: 305
- b. Frequency of response: Annually
- c. Annual Burden Hours: 610
- d. Estimated completion time: Two Hours
- e. The respondent population is composed of VA prime contractors. OSDBU expects that respondents are in managerial positions, such as procurement managers, subcontract administrators or financial managers. OSDBU used general wage data to estimate the respondents' costs associated with

completing the information collection.

The Bureau of Labor Statistics (BLS) gathers information on Management Occupations (11-0000; <http://www.bls.gov/oes/current/oes110000.htm>). It presents the National estimates for management occupations. OSDBU utilizes the mean hourly rate to determine management occupations wage rates. The rates can be found at the website above. It will change periodically based on the BLS updates.

Legally, respondents may not pay a person or business for assistance in completing the information collection and a person or business may not accept payment for assisting a respondent in completing the information collection. Therefore, there are no expected overhead costs for completing the information collection.

Number of respondents is estimated at	305
Frequency of response is annually	1
Average estimated response time is	2 hours
Annual burden is estimated at	610 hours

b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB 83-I.

This request for approval covers one form.

c. Provide estimates of annual cost to respondents for the hour burdens for collections of information. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

The cost to all respondents for completing this form is approximately \$33,733 (610 hours x \$55.30 for mean hourly wage for management occupations). Cost would be calculated using the site in number 12 and is adjusted annually by the Bureau of Labor Statistics. See cost data on the BLS Management Occupations (<http://www.bls.gov/oes/current/oes110000.htm>).

13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

a. There is no capital, start-up, operation, maintenance costs, or costs associated to the request to provide information.

b. Cost estimates are not expected to vary widely.

14. Provide estimates of annual cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operation expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The estimated annual cost to the Federal government is \$19,215.00. VA OSDBU calculated this amount as follows:

A reviewer/processor who is a GS-12, step 5, with an hourly wage of approximately \$42 will review these forms. The review for each form takes approximately 1.5 hours. Reviewing 305 responses will cost approximately \$19, 215 (wage for 1.5 hours = \$63 x 305 =\$19,215.00.

<u>Description</u>	<u>Yearly Cost</u>
VA Administrative Cost - 305 hours	\$19,215
Total Annual Cost	<u>\$19,215</u>

15. Explain the reason for any program changes or adjustments reported in Items 13 or 14 of OMB 83-I.

The form has been changed from 323 prime contractor respondents per year to 305. The exact number will vary, based on the number of prime contractors with active subcontracting plans in any given fiscal year. The annual burden has changed from 646 to 610 hours. An expiration date placeholder has been included in the form; once available, the actual date will be added.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The information collected will be analyzed in order to compile annual reports to reflect the level of accuracy in the reporting being accomplished by the prime contractors. These reports will be submitted to VA leadership and potentially to other interested parties (such as members of congress). It is anticipated that the reports would consist of spreadsheets that reflect the subcontracting dollars that prime contractors agreed to expend with SDVOSB and VOSB firms via their subcontracting plans and the actual dollars they expended, as determined by this data collection process and if the named subcontractors were indeed verified by VA. As the data is collected, reasons for discrepancies between the two figures will be analyzed.

17. If seeking approval to omit the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

An expiration date placeholder has been included in the form; once available, the actual date will be added.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB 83-I.

There are no exceptions to the certification statement identified in Item 19 of OMB form 83-I.