

**Supporting Statement for Paperwork Reduction Act
Information Collection 3090-XXXX; Simplifying Federal Award Reporting**

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Section 5 of the Digital Accountability and Transparency Act (Public Law 113-101) requires a pilot program that will result in recommendations for standardizing reporting, eliminating unnecessary duplication, and reducing compliance costs for recipients of Federal awards. The pilot participants are required to provide requested reports as well as the cost to collect the data via the pilot.

The proposed pilot program will provide an alternative submission method for existing Federal Acquisition Regulation (FAR) requirements and assess the pilot results against the existing FAR-required method. Pilot participants will provide required reports via a prototype reporting portal and will be asked to provide information on the burden for providing via the portal as opposed to the current method.

Need for ICR.

A National Dialogue to reduce reporting compliance costs is currently underway and generating ideas and votes from contractors regarding areas of greatest interest. Ideas from this dialogue as well as the 2014 Open Dialogue on Improving How to Do Business with the Federal Government have been selected for further analysis. Discovery and analysis on these ideas is currently underway. As the analysis moves forward and additional ideas are selected for further discovery, additional opportunities for piloting central collection of reports may be identified and the generic ICR will support a flexible approach to reducing burden for Federal awardee reporting.

2. Indicate how, by whom, and for what purpose the information is to be used.

The burden information obtained through the pilot will be compared against the burden estimates for the existing reporting methods to determine if the pilot method can reduce burden and costs. The results will be included in a final report to Congressional committees as required by Public Law 113-101.

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.

The pilot program will allow participants to use information technology to meet reporting requirements rather than current methods such as email, postal services, express mail, faxes, or other delivery methods.

4. Describe efforts to identify duplication.

The pilot program uses input from National Dialogue participants as well as examination of existing Federal Acquisition Regulation reporting requirements to identify existing areas of duplication in an effort to reduce those areas.

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

The pilot program will include multiple methods for pilot participants to submit the required reports such as an opportunity to interface electronically as well as direct entry. Pilot participation is optional.

6. Describe the consequence 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.

Less frequent reporting of the additional data required by the DATA Act pilot will result in missing the statutory deadline for reporting results.

7. Explain any special circumstances.

The General Services Administration collects the information in a manner that complies with OMB guidelines. No special circumstances exist to require this data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d).

8. Describe efforts to consult outside of the agency.

Interested parties will continue to have the opportunity to submit ideas for the program pilot and other reporting burden reduction ideas to the National Dialogue that can be found at www.cao.gov.

A 60-day notice was published in the *Federal Register* at 80 FR 73187, on November 24, 2015. One comment was received:

Comment: “The best way to simplify these numerous, massive, expensive awards is to shut them all down. They are all fake and mean nothing so who will miss them. Certainly we all know they are fake. They are voted on not because the awarded has done anything noteworthy. They are simply awards for being alive. They all need to be cut. The budget for giving awards should be zero. Totally zero.

Response: Thank you for reviewing the Federal Register Notice. The comment addresses awards that are part of a voting process which appears to be associated with individual personnel awards. However, the Federal Register Notice focuses on streamlining reporting burden for Federal contract awards. If the comment is intended to address

Federal contract awards, the commenter is encouraged to visit the Chief Acquisition Officers Council (CAOC) National Dialogue: Improving Federal Procurement and Grants Processes to engage in a more robust discussion (link: <https://cxo.dialogue2.cao.gov/>).

A 30-day notice was published in the *Federal Register* at 81 FR 25405 on April 28, 2016.

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

No payments or gifts will be provided.

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

Participants in the pilot will be providing information required by the Federal Acquisition Regulation and the additional data to meet the DATA Act pilot. Information provided under the pilot will be considered as official information subject to the terms and conditions of the Federal Acquisition Regulation and the respective contract under which the information is being provided.

11. Provide additional justification for any questions of a sensitive nature.

There are no sensitive questions.

12. Provide estimates of the hour burden of the collection of information.

Number of responses.....	720
Responses per Respondent (3 per week).....	$x \ 156$
Total Annual Responses.....	112,320
Hours per Response.....	$x \ .5$
Total Burden Hours.....	56,160

The estimated cost per response is \$8.75.

The estimated burden is based on an analysis of the number of contractors with contracts subject to the target areas. For example, if payroll requirements were selected for the pilot, an analysis of the number of current Federal contracts for which FAR 22.406-6 requirements are included would be used. Generally, surveys recommend a margin of error of between 5-10% for a 90-95% confidence level. Applying this rationale to the program pilot, the target participation is between 5-20%. Each Federal contractor for which this requirement would apply will provide at least one weekly report with some holding multiple contracts, in some cases up to three.

Applying a 20% participation rate to this analysis of eligible contractors (approximately 3600) would produce an estimated pilot population of 720 contractors. The reports vary in that some may be emailed, some may be express mail, and others may be faxed. The reporting portal would allow participants to directly enter reports or work

with any payroll providers to provide such reports. As the payroll reporting requirement already exists, the burden for this information collection would be the change in reporting from the current fashion to the information technology supported method. It is estimated it will take a pilot program participant 30 minutes to log in and report the data, less if done via a payroll provider.

The burden estimate is approximately 1,080 hours per week. For the year of the pilot, the estimate is 56,160 hours.

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

The cost estimate is based on the median wage of bookkeepers, accountants, and auditors (occupation code 43-3301) available on 10/9/2015 from the Bureau of Labor Statistics May 2014 National Occupational Employment and Wage Estimates http://www.bls.gov/oes/current/oes_nat.htm . The median wage is \$17.51 per hour and the burden is calculated by multiplying this hourly rate and the estimated hours (low and high) for reporting. The annual estimated cost to the public is \$983,362.

14. Provide estimates of annualized costs to the Federal Government.

The cost for the National Dialogue, discovery, and reporting portal are approximately \$250,000.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14.

This is a new collection so there is no change in burden.

16. For collections of information whose results will be published, outline plans for tabulation and publication.

The data collection for the pilot program must continue for twelve months. Within 90 days of completion of the pilot program, a report is due to Congressional committees. The estimated timeframe for analysis, compilation, and report publication is spring 2017.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement identified in the “Certification for Paperwork Reduction Act Submissions”.

No exception to the certification statement is being requested.