

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
NOVATION/CHANGE OF NAME REQUIREMENTS
OMB CONTROL NO. 9000-0076**

A. Justification

1. **Administrative requirements.** FAR 42.1203 and 42.1204 provide requirements for contractors to request novation/change of name agreements and supporting documents when a firm performing under Government contracts wishes the Government to recognize (1) a successor in interest to these contracts, or (2) a name change, it must submit certain documentation to the Government.
2. **Uses of information.** The information is used to justify the Government's recognition of a third party as successor in interest, since 41 U.S.C. 15 prohibits transfer of Government contracts.
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.** Similar information is not already available to the contracting officer or buyer.
7. **Special circumstances for collection.** Collection of information on a basis other than contract-by-contract is not practical. Collection is 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 80 FR 26257, on May 7, 2015. No comments were received. A 30-day notice was published in the *Federal Register* at 80 FR 61818 on October 14, 2015. No comments were received.
9. **Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.** 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 burden and cost burden.** According to data available from the Federal Procurement Data System for fiscal years 2012 through 2014, an average of 1,845 modifications citing novation agreement as the reason for the modification were issued annually for an average of 1,178 unique vendors. Time required to read and prepare information is estimated at 2 hours per completion based on reviews by subject matter experts. This estimate is based on a junior lawyer at a small firm performing the task. The average salary of \$72,000 per year is based on national salary surveys. The equivalent GS salary is a grade 11, step 6, which makes \$74,343 per year based on the OPM 2015 salary table. From this data, the estimated cost per response is \$98.

Annual Burden and Cost to Public

Respondents	1,178
Responses per respondent	<u>X 1</u>
Total responses	1,178
Preparation hours per response	<u>X 2.0</u>
Total response burden hours	2,356
Hourly rate (\$35.62 + 75% OH)	<u>X *\$49</u>
Total Cost to public	\$115,444

Hourly rate calculated by adding an overhead factor of 36.25% (taken from OMB Memo M-08-13, which provides standard cost factors for agency use) to the 2015 calendar year Office of Personnel Management rate for a GS-11, step 6, (\$35.62) and rounding to the nearest dollar (\$49).

14. **Estimated cost to the Government.** Time required for Government wide review is estimated at 1 hour per response. The hourly rate for the cost to the government is changed to \$42.00 to reflect the salary of a GS-11, step 6, equivalent according to the Office of Personnel Management burdened hourly rate for a GS-11, step 6, for calendar year 2015.

Annual Government Burden and Cost

Reviewing time/hr	1
Responses	X 1,178
Review time/yr	1,178
Average wages/hr	<u>X *\$42</u>
Average wages/yr	\$49,476

* OPM 2015 salary table for GS-11, step 6, equivalent.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14.

Estimates are based on data available in the Federal Procurement Data System for fiscal years 2012 through 2014, which accounts for the increase from 1,000 by 178 to 1,178 estimated Respondents. In addition, the salary estimate is revised to use the overhead factor of 36.25% taken from OMB Memo M-08-13 in lieu of the 75% burden factor utilized for the previous estimates.

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.