

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0067, INCENTIVE CONTRACTS**

1. **Administrative requirements.** In accordance with FAR 16.4, incentive contracts are normally used when a firm fixed-price contract is not appropriate and the required supplies or services can be acquired at lower costs, and sometimes with improved delivery or technical performance, by relating the amount of profit or fee payable under the contract to the contractor's performance.

The information required periodically from the contractor--such as cost of work already performed, estimated costs of further performance necessary to complete all work, total contract price for supplies or services accepted by the Government for which final prices have been established, and estimated costs allocable to supplies or services accepted by the Government and for which final prices have not been established--is needed to negotiate the final prices of incentive-related items and services. Contractors are required to submit the information in accordance with several incentive fee FAR clauses: FAR 52.216-16, Incentive Price Revision – Firm Target; FAR 52.216-17, Incentive Price Revision – Successive Targets; and FAR 52.216-10, Incentive Fee.

2. **Uses of information.** The contracting officer evaluates the information received to determine the contractor's performance in meeting the incentive target and the appropriate price revision, if any, for the items or services.

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 is not practical.

7. **Special circumstances for collection.** 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 22735, on April 23, 2015. No comments were received. A 30-day

notice was published in the Federal Register at 80 FR 38690 on July 7, 2015. 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. Data from the Federal Procurement Data System – Next Generation (FPDS-NG) shows that for fiscal year (FY) 2011, there were 465 new cost plus incentive fee and fixed price incentive fee contract awards (excluding orders). For these 465 contracts, there were 269 vendors associated with these awards. This equates to 1.72 responses annually. Using this data as a baseline, we estimate 2,000 annual responses for this information collection requirement. An adjustment was made to account for existing contracts, and new and existing orders of the same type. The estimated number of responses is rounded to 2, and the estimated number of vendors is 1,000. Based on the public comment, the estimated hours per response are increased by .5 hours from the previous estimate. As a result of the adjustments, the estimated total burden hours remain unchanged from the previously published estimate. The estimated cost per response is \$66.89.

Estimated respondents/yr.....	1,000
Responses annually.....	<u>x 2</u>
Total annual responses.....	2,000
Estimated hrs/response.....	<u>x 1.5</u>
Estimated total burden/hrs.....	3,000
Cost per hour.....	x \$32.73 ¹
Benefits and overhead.....	<u>+ 36.25%</u> ²
Estimated cost to public.....	\$133,784

14. Estimated cost to the Government. Time required for Governmentwide review is estimated at 1 hour per response.

Annual Reporting Burden and Cost

Reviewing time/hr.....	1
Responses/yr.....	<u>x 2,000</u>
Review time/yr.....	2,000
Average wages/hr.....	<u>x \$32.73</u>

¹ The cost of \$32.73 per hour is based on a GS-12 Step 5 salary (Base GS Salary Table 2012).

² The 36.25% fringe benefit rate is derived from OMB Memorandum M-08-13, dated March 11, 2008.

Benefits and overhead.....+ 36.25%
Total Government cost..... \$89,189

15. **Explain reasons for program changes or adjustments reported in Item 13 or 14.** This submission requests an extension of OMB approval of an information collection requirement in the Federal Acquisition Regulation (FAR). The information collection requirement in the FAR remains unchanged. The total estimated annual burden remains the same as the previously approved estimate. Adjustments were made to the estimated number of respondents, and the estimated annual responses using fiscal year 2011 data from the Federal Procurement Data System as a baseline. In addition, the estimated hours per response increased, based on the public comment, but the total estimated burden hours remain unchanged.

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.