

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0066, PROFESSIONAL EMPLOYEE COMPENSATION PLAN**

A. Justification.

1. **Administrative requirements.** FAR 22.1103 requires that all professional employees are compensated fairly and properly. Accordingly, FAR 52.222-46, Evaluation of Compensation for Professional Employees, is required to be inserted in solicitations for negotiated service contracts when the contract amount is expected to exceed \$650,000 and the service to be provided will require meaningful numbers of professional employees. The purpose of the provision at FAR 52.222-46 is to require offerors to submit for evaluation a total compensation plan setting forth proposed salaries and fringe benefits for professional employees working on the contract.
2. **Uses of information.** The Government will use this information to determine if professional employees are compensated fairly and properly. Plans indicating unrealistically low professional employees' compensation may be assessed adversely as one of the factors considered in making a contract award.
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. Nothing in the FAR precludes the use of electronic interchange.
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 35358, on June 19, 2015. No comments were received. A 30-day notice was published in the *Federal Register* at 80 FR 58256 on September 28, 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 and cost burden.**

Recordkeeping Burden:

Number of respondents	12,921 ¹
Responses per respondent	<u>x 1²</u>
Total responses	12,921
Estimated hours/response	<u>x 3³</u>
Estimated total burden hours	38,763
Average cost per hour	<u>x 45⁴</u>
Total recordkeeping cost to the public	\$1,744,335

Reporting Burden:

Number of respondents	12,921 ⁵
Responses per respondent	<u>x 2⁶</u>
Total responses	25,842
Estimated hours per response	<u>x 0.5⁷</u>
Estimated total burden hours	12,921
Average cost per hour	<u>x 26⁸</u>
Total reporting cost to the public	\$335,946

Total public burden:

Number of respondents	12,921
Responses per respondent	<u>x 3</u>
Total responses	38,763
Estimated hours per response	<u>1.333333</u>
Estimated total burden hours	51,684
Average cost per hour	<u>x 35.00</u>

¹Number of contractors with unique DUNS numbers awarded contracts in Service Codes C, D, Q, and R in Fiscal Year 2014, according to data from the Federal Procurement Data System (FPDS).

² On-going throughout the year.

³ Updated estimate based on consideration of public comments.

⁴ Based on 2015 OPM General Schedule salary tables. Used salary for the equivalent of a GS-12, Step 5, or \$33.39/hour, plus an overhead rate of 36.25%, based on OMB Memorandum M-08-13, rounded to the nearest dollar, or \$45/hour.

⁵ See #1.

⁶ Average of two proposals for each professional services solicitation.

⁷ Reporting burden is remains unchanged from previously approved estimate.

⁸ A low labor rate is used for reporting because it is essentially a clerical duty. Based on 2015 OPM General Schedule salary tables. Used salary for the equivalent of a GS-7, Step 5, or \$18.82/hour, plus an overhead rate of 36.25%, based on OMB Memorandum M-08-13, rounded to the nearest dollar, or \$26/hour.

Total cost to the public \$1,808,940⁹

Item 14. **Estimated cost to the Government.** Time required for Government review is estimated to be 30 minutes.

Annual Government burden and cost:

Number of respondents	12,921
Responses per respondent	<u>x 2</u>
Total responses	25,842
Estimated hours per response	<u>x 0.5</u>
Estimated total burden hours	12,921
Average cost per hour	<u>x 45</u>
Total Government cost	\$581,445

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

This is an extension of a previously approved information collection. The General Schedule annual and hourly amounts in items 12 and 14 have been updated to reflect the 2015 salary tables published by the Office of Personnel Management. There is a slight change in the number of contractors from FDPS.

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.

⁹ Estimated hrs/per response (1.333333) multiplied by avg. cost per hr (35), multiplied by total responses (38,763)