

SUPPORTING STATEMENT FOR 9000-0034
EXAMINATION OF RECORDS BY COMPTROLLER
GENERAL AND CONTRACT AUDIT

A. Justification.

1. Administrative requirements. The objective of this information collection, for the examination of records by Comptroller General and contract audit, is to require contractors to maintain certain records and to ensure the Comptroller General and/or agency have access to, and the right to, examine and audit records, which includes: books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form, for a period of three years after final payment under the contract. This information is necessary for examination and audit of contract surveillance, verification of contract pricing, and to provide reimbursement of contractor costs, where applicable. The records retention period is required by the statutory authorities at 10 U.S.C. 2313, 41 U.S.C. 254, and 10 U.S.C. 2306, and are implemented through the following clauses: Audit and Records-Negotiation clause, 52.215-2; Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Items clause, 52.212-5; and Audit and Records-Sealed Bidding clause, 52.214-26.

2. Uses of information. The information must be retained so that audits necessary for contract surveillance, verification of contract pricing, and reimbursement of contractor costs can be performed. This information collection does not require contractors to create or maintain any record that the contractor does not maintain in its ordinary course of business.

3. Consideration of information technology. This collection requires notification "in writing" and the FAR definition of "in writing" does not preclude electronic transmission. This collection is Government Paperwork Elimination Act (GPEA) compliant.

4. Efforts to identify duplication. This requirement was 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 solicitation-by-solicitation is not practical. Collection is consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency. A notice was published in the *Federal Register* at 81 FR 62502 on September 9, 2016. No comments were received. A 30-day notice was published in *Federal Register* at 81 FR 93688 on December 21, 2016. 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. For this information collection requirement the following data was retrieved from the Federal Procurement Data System - Next Generation (FPDS-NG) for Fiscal Year (FY) 2016. The parameters for this information collection were based on the prescription from each of the applicable clauses. Resulting from a thorough review of each clause prescription, it was determined that the type of contracts associated with this information collection are: Negotiated awards over the simplified acquisition threshold (SAT) using commercial procedures; Negotiated awards over the SAT using other than commercial procedures; and Sealed bid awards over \$700,000.

Total estimated hour and cost burden based on type of contract:

The total unique vendors from paragraphs (a), (b), & (c), equates to 20,646. The 20,646 unique vendors will be used as the number of estimated respondents per year.

Estimated respondents/yr	20,646
Responses annually.....	<u>x 9*</u>
Total annual responses.....	185,814
Estimated hrs/response.....	<u>1.0**</u>
Estimated total burden/hrs.....	185,814
Average Wages + overhead.....	<u>\$55.00***</u>
Estimated cost to public.....	\$10,219,770

(a) Negotiated awards over the simplified acquisition threshold (SAT) using commercial procedures.

FPDS-NG for FY 2016 shows 18,774 contracts (6,306 of those were awarded to unique vendors).

Estimated respondents/yr	6,306
Responses annually.....	<u>x 9*</u>
Total annual responses.....	56,754
Estimated hrs/response.....	<u>1.0**</u>
Estimated total burden/hrs.....	56,754
Average Wages + overhead.....	<u>\$55.00***</u>
Estimated cost to public.....	\$3,121,470.00

(b) Negotiated awards over the SAT using other than commercial procedures.

FPDS-NG for FY 2016 shows 24,386 contracts (6,611 of those were awarded to unique vendors).

Estimated respondents/yr	6,611
Responses annually.....	<u>x 9*</u>
Total annual responses.....	59,499
Estimated hrs/response.....	<u>1.0**</u>
Estimated total burden/hrs.....	59,499
Average Wages + overhead.....	<u>\$55.00***</u>
Estimated cost to public.....	\$3,272,445.00

(c) Sealed bid awards over \$700,000.

FPDS-NG for FY 2016 shows 18,076 contracts (7,729 of those were awarded to unique vendors).

Estimated respondents/yr	7,729
Responses annually.....	<u>x 9*</u>
Total annual responses.....	69,561
Estimated hrs/response.....	<u>1.0**</u>
Estimated total burden/hrs.....	69,561
Average Wages + overhead.....	<u>\$55.00***</u>
Estimated cost to public.....	\$3,825,855.00

* It is estimated that number of responses per respondent is nine. This is derived by dividing the number of contract actions (61,236) by the number of unique vendors (20,646) (61,236/20,646 = 2.97, rounded to 3 contracts), times an average of three subcontracts per contract (considering the applicable clauses flows down to subcontractors).

** The time required to read and prepare the required information is estimated at 60 minutes per response.

*** Based on the OPM salary table for calendar year 2012, we estimated an hourly rate equivalent to a GS-13, step-7, or \$40.07 per hour, plus 36.45 percent overhead burden which is the rate mandated by OMB for A-76 public-private competitions, and rounded to the nearest whole dollar, or \$55.00.

14. Estimated cost to the Government. Time required for Government-wide review is estimated at 16 hours.

Annual Reporting Burden and Cost

Total annual responses.....	20,646
Review Time per response.....	16hrs
Total burden hours.....	330,336
Average wages/hr. with benefits & overhead.....	<u>x \$55</u>
Total Government cost/yr.....	\$18,168,480.00

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The number of total annual responses has increased from 14,830 to 20,646, based on the data from FPDS-NG. FY 2015 data led to 14,830 and FY 2016 data has led to 20,646. The number of estimated responses per respondent has decreased from 10 to 9. However, the estimated hours per response of 60 minutes, has remained the same. These adjustments reflect an overall increase in the information collection.

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. Collection of Information Employing Statistical Methods. Statistical methods are not used in this information collection.