

Supporting Statement for
OMB Control No. 9000-0097, Federal Acquisition Regulation Part 4 Requirements

FAR Section Affected: 52.204-3, 52.204-6, 52.204-7, 52.204-12, 52.204-13, 52.204-14, 52.204-15, 52.212-1, and 52.212-4

A. Justification.

1. Administrative requirements. The Federal Acquisition Regulatory Council is in the process of combining OMB Control Nos. for the Federal Acquisition Regulation (FAR), to reduce the administrative burdens associated with renewing the information collections by combining the information collections in a given FAR part. The review of the information collections by FAR part allows improved oversight to ensure there is not redundant or unaccounted for burden.

This justification supports revision and extension of the expiration date of OMB Control No. 9000-0097 and combines it with the previously approved information collections OMB Control No. 9000-0159, 9000-0145, and 9000-0179, with the new title “Federal Acquisition Regulation Part 4 Requirements”. Upon approval of this consolidated information collection, OMB Control Nos. 9000-0159, 9000-0145, and 9000-0179 will be discontinued. The burden requirements previously approved under the discontinued Numbers will be covered under OMB Control No. 9000-0097.

OMB Control#	Title	Expiration
9000-0097	Taxpayer Identification Number Information	06/30/2019
9000-0159	System for Award Management (SAM) Registration	06/30/2019
9000-0145	Use of Data Universal Numbering System (DUNS) as Primary Contractor Identification	06/30/2019
9000-0179	Service Contractor Reporting Requirement	10/31/2020

This clearance covers the information that contractors must submit to comply with the following FAR part 4 requirements:

a. Taxpayer Identification Number Information. FAR Subpart 4.9, Taxpayer Identification Number Information (TIN), and the provision at 52.204-3, Taxpayer Identification, implement statutory and regulatory requirements pertaining to taxpayer

identification and reporting. FAR Subpart 4.9 requires each contractor doing business with a Government agency to furnish its TIN to that agency in accordance with 31 U.S.C.7701(c). The Government also is required to include, with each certified voucher prepared by the Government payment office and submitted to a disbursing official, the TIN of the contractor receiving payment under the voucher. The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the contractor's relationship with the Government as prescribed in FAR 4.904 and in accordance with 31 U.S.C.3325(d). FAR 52.204-3, Taxpayer Identification is prescribed for use in solicitations that do not include the provision at FAR 52.207-7, System for Award Management; and are not conducted under the procedures of part 12 for commercial acquisitions.

b. SAM Registration and Maintenance. FAR Subpart 4.11 prescribes policies and procedures for requiring contractor registration in the System for Award Management (SAM) database to: (1) Increase visibility of vendor sources (including their geographical locations) for specific supplies and services; and (2) establish a common source of vendor data for the Government. FAR provision 52.204-7, System for Award Management, implements the requirement for offerors on Federal contracts. The clause requires prospective contractors to be registered in the SAM database prior to award of a contract or agreement, except in certain limited cases. Offerors are required to provide certain business information, including their Taxpayer Identification Number (TINs) and Electronic Funds Transfer (EFT) information only once into a common Governmentwide data source. FAR clause 52.204-13, System for Award Management Maintenance, requires contractors to make sure their SAM data is kept current, accurate, and complete throughout contract performance and final payment; this maintenance is, at a minimum, to be done through an annual review and update of the contractor's SAM registration. FAR provision 52.212-1 and clause 52.212-4 contains the equivalent of 52.204-7 and 52.204-13 respectively, for commercial acquisitions.

c. Use of the Unique Entity Identifier as Primary Contractor Identification (formerly known as Data Universal Numbering System (DUNS)). The Unique entity identifier is a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. The Government uses the unique entity identifier to identify contractors in reporting to the Federal Procurement Data System (FPDS). The FPDS provides a comprehensive mechanism for assembling, organizing, and presenting contract placement data for the Federal Government. Federal agencies report data on all contracts in excess of the micro-purchase threshold to FPDS. In 2016, the FAR was amended to redesignate the terminology for unique identification of entities receiving Federal awards; the proprietary term "DUNS number" was replaced by the term "unique entity identifier." Contracting officers insert the FAR provision 52.204-6, Unique Entity Identifier, in solicitations they expect will result in contracts in excess of the micro-

purchase threshold. This provision requires offerors to submit their unique entity identifier, with their offer. If the offeror does not have a unique entity identifier, the provision provides instructions on obtaining one. Contracting officers also insert FAR clause 52.204-12, Unique Entity Identifier Maintenance, in all solicitations containing provision 52.204-6. The clause requires contractors to maintain their unique entity identifier with whatever organization issues such identifiers, for the life of the contract. The clause also requires contractors to notify contracting officers of any changes to the unique entity identifier.

d. Service Contractor Reporting Requirement. Section 743(a) of Division C of the Consolidated Appropriations Act, 2010 (Pub. L. 111-117) requires executive agencies covered by the Federal Activities Inventory Reform (FAIR) Act (Pub. L. 105-270), except DoD, to submit to the Office of Management and Budget (OMB) annually an inventory of activities performed by service contractors. DoD is exempt from this reporting requirement because 10 U.S.C 2462 and 10 U.S.C. 2330a(c) already require DoD to develop an annual service contract inventory. This information collection covers the burden hours related to the requirement at FAR subpart 4.17, Service Contracts Inventory, and its associated clauses, 52.204-14 and 52.204-15.

2. Uses of information. When the Internal Revenue Service (IRS) issued its final regulations implementing section 6050M of the Tax Reform Act of 1986 (Pub. L. 99-514), the reporting requirements included the requirement to report certain modifications to contracts that were awarded before January 1, 1989. As implemented by 26 U.S.C. 6050M, the reporting requirements include the requirement to report certain modifications to contracts that were awarded before January 1, 1989 and entered into on or after April 1, 1990. Also, in accordance with 31 U.S.C. 7701(c), a contractor doing business with a Government agency is required to furnish its TIN to that agency. 31 U.S.C. 3325(d) requires the Government to include, with each certified voucher prepared by the Government payment office and submitted to a disbursing official, the TIN of the contractor receiving payment under the voucher. The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the contractor's relationship with the Government. The TIN is also required for Government reporting of certain contract and payment information to the IRS. FAR clause 52.204-3 collects the required information on the TIN.

The SAM registration and maintenance required by provision 52.204-7 and clause 52.204-13 collects and keeps information from offerors such as TIN and EFT. The Government will use this common Governmentwide data source to more efficiently meet the requirements of the Debt Collection Improvement Act of 1996 (Section 31001 of Public Law 104-134).

The unique entity identifier required by provision 52.204-6 is used to identify a specific commercial, nonprofit, or Government entity and to categorize data related to Federal contracts. Any notification provided to the contracting officer regarding any change to the unique entity identifier in accordance with clause 52.204-12 is used to modify contracts to reflect the updated unique entity identifier.

Civilian agencies use the service contract information provided by clauses 52.204-14 and 52.204-15 in the report due to OMB every year. House Report 111-366 notes, in connection with section 743 of Division C of the Consolidated Appropriations Act for Fiscal Year 2010 (Pub. L. 111-117), that, "in the absence of complete and reliable information on the extent of their reliance on service contractors, Federal agencies are not well-equipped to determine whether they have the right balance of contractor and in-house resources needed to accomplish their missions. Therefore, this information collection intends to supplement agency annual service contract reporting requirements with the contractor-provided service contract reporting information.

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, whether through e-mail or through a centralized Government website, the contractors may submit this information collection requirement electronically.

4. Efforts to identify duplication. These requirements are issued under the 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. With regards to the TIN collected in accordance to provision 52.204-3, and the unique entity identifier collected in accordance with provision 52.204-6, the information is required on a solicitation-by-solicitation basis, and not less frequently, because these offerors either will not or cannot provide the information once through their SAM account registration. The notification required by clause 52.204-12 is only provided in the event the contractor has a change to their unique entity identifier during the life of a contract.

With regards to the SAM registration required by provision 52.204-7, offerors only register once, which is much less frequent than having to provide the information with every individual proposal submittal. The maintenance of SAM information required by clause 52.204-13 is, at a minimum, to be done annually.

With regards to the service contract information required by clauses 52.204-14 and 52.204-15, data is required annually. If the information is not obtained from the applicable contractors, then agencies will be unable to comply with the annual services inventory reporting requirements and analysis that are mandated by law (Section 743 of Division C of Pub. L. 111-117).

Therefore, these collections are conducted as infrequently as possible.

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 84 FR 10826, on March 22, 2019. One comment was received. Since the comment related to the "Proposed tariffs on Motorcycles, Motorcycles Parts & Accessories as part of Section 301 Large Civil Aircraft Dispute," it was deemed out-of-scope of this information collection since this information collection does not address tariffs.

A 30-day notice published in the *Federal Register* at 84 FR 27329 on June 12, 2019.

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, current regulations, and statutory requirements.

11. Additional justification for questions of a sensitive nature. No sensitive questions are involved.

12 & 13. Estimated total annual public hour and cost burden.

a. Taxpayer Identification Number (TIN) Information. As of February 20, 2019, SAM has 363,924 companies actively registered for contracts. It is estimated that the majority of offerors are already in SAM. This is due to the fact that FAR clause 52.204-7, System for award Management, is required to be inserted in the majority of solicitations and

contracts except as provided in FAR 4.1102(a). FAR clause 52.204-7 requires vendors to provide their TIN in SAM.

Offerors would only be required to submit their TIN under FAR provision 52.204-3 (i.e. not through SAM) in those limited instances where the solicitation does not include 52.204-7. It is estimated that SAM includes 80 percent of all offerors of government procurements. As such, it is estimated that 72,785 offerors will be required to provide the TIN through 52.204-3. It is estimated that these offerors, who are not registered in SAM, will respond to an average of three solicitations in a fiscal year containing provision 52.204-3.

The estimated time for offerors to enter the TIN is approximately six minutes.

Estimated number of respondents	72,785
Number of responses per respondent per year	x 3
Total annual responses	218,355
Review time per response (hours)	x 0.1
Total burden hours	21,835.50
Average wages and overhead*	x \$37
Total estimated annual cost to the public	\$807,913.50

*Based on the OPM GS-9/step 5 salary (\$27.48 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$37 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov. The estimated cost per response is \$3.70.

b. SAM Registration and Maintenance. It is estimated that for current SAM vendors, an average of 1 hour is needed to update the information (i.e. maintenance) in the system. For new SAM registrants, it is estimated that 3 hours will be required for each respondent to fill out the documentation in the system.

The number of respondents that are required to register in SAM in a given year is estimated based on the number of entities that registered in SAM in FY 2018 for contract awards.¹ In FY 2018, there were 47,835 new registrants in SAM.

To estimate the number of respondents that are required to maintain their SAM information in a given year, data from the Federal Procurement Data System (FPDS) was pulled. For FY 2018, FPDS showed 26,208 contracts awarded in fiscal years 2013 through 2017 that were still being performed in FY2018 (i.e. active contracts). Those

¹Entities that registered where the Purpose of Registration was “Financial Assistance Only” or “Intergovernmental Agency Transfer” were not included in the population since these entities are not covered by the FAR.

26,208 contracts were awarded to 11,903 unique entities. The 11,903 contractors are estimated to be required by clause 52.204-13 to perform maintenance on their SAM account for FY 2018. The estimated burden does not take into account SAM registrants who are maintaining SAM with the expectation of providing an offer some time in the future (i.e. not maintaining due to clause 52.204-13).

SAM Registration

Estimated number of respondents	47,835
Number of responses per respondent per year	x 1
Total annual responses	47,835
Review time per response (hours)	x 3
Total burden hours	143,505
Average wages and overhead*	x \$45
Total estimated annual cost to the public	\$6,457,725

SAM Maintenance

Estimated number of respondents	11,903
Number of responses per respondent per year	x 1
Total annual responses	11,903
Review time per response (hours)	x 1
Total burden hours	11,903
Average wages and overhead*	x \$45
Total estimated annual cost to the public	\$535,635

*Based on the OPM GS-11/step 5 salary (\$33.24 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$45 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov.

c. Unique Entity Identifier. As of February 20, 2019, SAM has 363,924 companies actively registered for contracts. It is estimated that the majority of offerors are already in SAM. This is due to the fact that FAR clause 52.204-7, System for Award Management, is required to be inserted in the majority of solicitations and contracts except as provided in FAR 4.1102(a). FAR clause 52.204-7 requires vendors to provide their unique entity identifier in SAM.

Offerors would only be required to submit their unique entity identifier under FAR provision 52.204-6 (i.e. not through SAM) in those limited instances where the solicitation does not include 52.204-7. It is estimated that SAM includes 80 percent of all offerors of government procurements. As such, it is estimated that 72,785 offerors will be required to provide the unique entity identifier through 52.204-6. It is estimated that

these offerors, who are not registered in SAM, will respond to an average of three solicitations in a fiscal year containing provision 52.204-6.

The estimated time for offerors to enter the unique entity identifier is approximately one minute.

Fill-out provision 52.204-6

Estimated number of respondents	72,785
Number of responses per respondent per year	x 3
Total annual responses	218,355
Review time per response (hours)	x 0.02
Total burden hours	4,367.10
Average wages and overhead*	x \$45
Total estimated annual cost to the public	\$196,519.50

Further, it is estimated that fifteen percent of the 72,785 offerors who would be required to provide the unique entity identifier through provision 52.204-6 (10,918 offerors) will be required to request a new unique entity identifier to submit in order to complete the provision. The historical estimate of approximately five minutes is used for the time to receive the DUNS number.

Request Unique Entity Identifier

Estimated number of respondents	10,918
Number of responses per respondent per year	x 1
Total annual responses	10,918
Review time per response (hours)	x 0.08
Total burden hours	873.44
Average wages and overhead*	x \$45
Total estimated annual cost to the public	\$39,304.80

*Based on the OPM GS-11/step 5 salary (\$33.24 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$45 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov.

Total Burden for Provision 52.204-6

Estimated number of respondents	83,703
Number of responses per respondent per year	x 2.74*
Total annual responses	229,273
Review time per response (hours)	x 0.02**
Total burden hours	5240.54
Total estimated annual cost to the public	\$235,824.50

*Responses by respondent was calculated by dividing the total annual responses for both filling out provision 52.204-6 and requesting a unique entity identifier (218,355 + 10,918) by the total estimated number of respondents (72,785 + 10,918).

**Time per response was calculated by dividing the total burden hours for both filling out provision 52.204-6 and requesting a unique entity identifier (4,367.10 + 873.44) by the total annual response (218,355 + 10,918). The estimated cost per response is \$1.05.

With regards to the burden associated with clause 52.204-12, it is estimated to be minimal and therefore not quantified. It is rare for a company to change its unique entity identifier mid-stream of a contract and therefore, we estimate that only a negligible number -- if any -- would be required to notify their contracting officer of such a change.

d. Service Contractor Reporting Requirement. FAR clauses 52.204-14 and 52.204-15 are prescribed for use in contracts that are predominantly for services. The clause requires submission of information that will enable the agency to prepare an annual inventory of services performed on behalf of the agency and collect information on the costs associated with the reporting burden.

FPDS was the source for data used in this justification. Contracts and task orders entirely funded by the Department of Defense are not covered. The reporting thresholds cover 11,003 fixed-price service contracts and task orders over \$500,000 and 4,962 cost-reimbursement, time-and-materials, and labor-hour service contracts and task orders above the simplified acquisition threshold (\$250,000 in FY 18) awarded in FY18. Because reporting is required on an annual basis for a covered contract/task order, the burden in a given year is derived not only from the contracts/task orders *awarded* that year but the contracts/task orders awarded in previous years that are still in effect in the current year. In general, contracts and task orders have a period of performance of 5 years. Therefore, the total number of contracts and task orders on which reports would have been submitted in FY18 is estimated to be 79,825 (11,003 X 5 years plus 4,962 X 5 years).

Only one report is required for each contract and task order annually, and we estimate that it will take approximately 2 hours to prepare and submit the report.

Estimated number of respondents	79,825
Number of responses per respondent per year	x 1
Total annual responses	79,825
Review time per response (hours)	x 2
Total burden hours	159,650
Average wages and overhead*	x \$37

Total estimated annual cost to the public	\$5,907,050
---	-------------

*Based on the OPM GS-9/step 5 salary (\$27.48 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$37 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov. The estimated cost per response is \$74.

e. Summary.

Estimated total number of respondents	296,051
Total annual responses	587,191
Estimated total burden hours	342,134
Total estimated annual cost to public	\$13,944,148

14. Estimated cost to the Government.

a. Taxpayer Identification Number.

Total annual responses	218,355
Review time per response (hours)	x .02
Total burden hours	4,367.10
Average wages and overhead*	x \$37
Total estimated annual cost to the Government	\$161,582.70

*Based on the OPM GS-9/step 5 salary (\$27.48 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$37 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov.

b. SAM Registration and Maintenance.

Total annual responses	59,738
Review time per response (hours)	x 1
Total burden hours	59,738
Average wages and overhead*	x \$37
Total estimated annual cost to the Government	\$2,210,306

*Based on the OPM GS-9/step 5 salary (\$27.48 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$37 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov.

c. Unique Entity Identifier.

Total annual responses	218,355
Review time per response (hours)	x .02
Total burden hours	4,367.10
Average wages and overhead*	x \$37
Total estimated annual cost to the Government	\$161,582.70

*Based on the OPM GS-9/step 5 salary (\$27.48 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$37 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov.

d. Service Contractor Reporting Requirement.

Reporting by service contractors occurs once a year. The data are reported directly into a website without going through the Government agency holding the service contract. The agency contracting officer must (a) ensure that the clause(s) is included in the contract as appropriate and (b) verify that the contractor has submitted the report in a timely manner. These requirements are estimated to add 1 hour to verify contractor compliance. Ensuring the clause is included in the covered contracts is a current contracting officer responsibility to properly structure contracts and administer contract performance.

The Government will review the data submitted by contractors and use that data to supplement the agency's annual inventory of service contractors. The costs associated with the agency annual inventory reporting requirement are the result of the overall statutory requirement and not specifically incurred as a result of the contractor information collection. Therefore, we estimate that 0.5 hours of labor will be required per response for the annual service contract reporting added to the 1 hour to verify contractor compliance. The system development requirements were incorporated into the system development and integration process at the time the initial collection requirement was established, and the costs to incorporate the data collection are minimal and embedded in the overarching system integration cost.

Total annual responses	79,825
Review time per response (hours)	x 1.5
Total burden hours	119,737.50
Average wages and overhead*	x \$37
Total estimated annual cost to the Government	\$4,430,287.50

*Based on the OPM GS-9/step 5 salary (\$27.48 an hour) plus 36.25% burden, rounded to the nearest dollar, or \$37 an hour. Reference Salary Table 2018-RUS, Effective January 2018, found at www.opm.gov.

e. Summary.

Total annual responses	576,273
Total burden hours	188,209.70
Total estimated annual cost to the Government	\$6,963,758.90

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

14. The FAR requirement remains the same for all of these information collections.

However, there were adjustments to each based on the following:

- a) Taxpayer Identification Number (TIN) Information - The total annual burden increased by 10,007.5 hours (from 11,828 hours to 21,835.5 hours), due to use of a different methodology for estimating burden, which resulted in a higher number of estimated respondents. In the prior renewal, the population of respondents was estimated by looking at those companies that actually received awards in FPDS; for the current renewal, the population of respondents is estimated by looking at those companies that are registered as offerors in SAM. Since this information collection is derived from a FAR provision (applies to offerors), not a FAR clause (applies to contractors), SAM is considered the more appropriate source for estimating. Note: the current methodology for this information collection is now standardized with the current methodology used for the information collection for the unique entity identifier.
- b) SAM Registration and Maintenance - The total annual burden decreased by 33,748 hours (from 189,156 hours to 155,408) due to use of new methodology in estimating burden, which resulted in a lower number of estimated respondents. In the prior renewal, the population of respondents for *SAM registration* was estimated by looking at those companies that received contracts, for the first time, in FPDS; for the current renewal, the population of respondents is estimated by looking at historical information on the number of companies that registered in SAM for the most recent full year of data. In the prior renewal, the population of respondents for *SAM maintenance* were estimated by looking at the number of companies that received award that year that had also previously received awards; for the current renewal, the population of SAM maintenance is estimated by looking at the number of companies that had active contracts in the most recent full year of data. Companies would have been required by the FAR clause in their active contracts to annually update their SAM registration.
- c) Unique Entity Identifier - The total annual burden decreased by approximately 5,780 hours (from 11,021 hours to 5,240.54 hours) due to use of a different methodology in estimating burden, which resulted in a lower number of estimated respondents. In the prior renewal, the population of respondents was estimated by looking at those companies that actually received awards in FPDS; for the

current renewal, the population of respondents is estimated by looking at those companies that are registered as offerors in SAM. Since this information collection is derived from a FAR provision (applies to offerors), not a FAR clause (applies to contractors), SAM is considered the more appropriate source for estimating. In addition, the prior renewal included task and delivery orders in the population for respondents, which would have inflated the estimate since provision 52.204-6 applies at the contract-level, not order-level. Note: the current methodology for this information collection is now standardized with the current methodology used for the information collection for the TIN.

- d) Service Contractor Reporting Requirement - The total annual burden decreased by 62,694 hours (from 222,344 hours to 159,650 hours) due to use of more current data, a higher simplified acquisition threshold, as well as a revision to the methodology used to estimate burden, which resulted in a lower number of estimated respondents. In the prior renewal, the population of respondents included indefinite-delivery, indefinite-quantity (IDIQ) contracts but not task orders; for the current renewal, the population excludes IDIQ contracts but includes task orders. The revision to the methodology was required to conform to the requirements of FAR clause 52.204-15, which requires that for IDIQ contract, reporting occur at the order-level as opposed to the contract-level.

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.