

Collection 9000–0073, Advance Payments”. Follow the instructions provided at the “Submit a Comment” screen. Please include your name, company name (if any), and “Information Collection 9000–0073, Advance Payments” on your attached document.

- **Mail:** General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street NW, Washington, DC 20405. ATTN: Ms. Mandell/IC 9000–0073, Advance Payments.

**Instructions:** Please submit comments only and cite Information Collection 9000–0073, Advance Payments, in all correspondence related to this collection. Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check [www.regulations.gov](http://www.regulations.gov), approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

**FOR FURTHER INFORMATION CONTACT:** Mr. Kevin Funk, Procurement Analyst, at telephone 202–357–5805, or via email at [kevin.funk@gsa.gov](mailto:kevin.funk@gsa.gov).

#### **SUPPLEMENTARY INFORMATION:**

##### **A. OMB Number, Title, and Any Associated Form(s)**

9000–0073, Advance Payments.

##### **B. Needs and Uses**

Advance payments may be authorized under Federal contracts and subcontracts. Advance payments are the least preferred method of contract financing and require special determinations by the agency head or designee. Specific financial information about the contractor is required before such payments can be authorized (see FAR 32.4 and 52.232–12). The information is used to determine if advance payments should be provided to the contractor.

##### **C. Annual Reporting Burden**

*Respondents:* 73.  
*Responses per Respondent:* 12.  
*Annual Responses:* 876.  
*Hours per Response:* 1.42.  
*Total Burden Hours:* 1,244.

##### **D. Public Comments**

A 60 day notice was published in the **Federal Register** at 84 FR 8332, on March 7, 2019. No comments were received.

**Obtaining Copies:** Requesters may obtain a copy of the information collection documents from the General

Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street NW, Washington, DC 20405, at 202–501–4755. Please cite OMB Control No. 9000–0073, Advance Payments, in all correspondence.

Dated: May 21, 2019.

**Janet Fry,**

*Director, Federal Acquisition Policy Division, Office of Governmentwide Acquisition Policy, Office of Acquisition Policy, Office of Governmentwide Policy.*

[FR Doc. 2019–11003 Filed 5–24–19; 8:45 am]

**BILLING CODE 6820–EP–P**

#### **GENERAL SERVICES ADMINISTRATION**

**[OMB Control No. 3090–0235; Docket No. 2019–0001; Sequence No. 1]**

##### **General Services Administration Acquisition Regulation; Information Collection; Federal Supply Schedule Pricing Disclosures and Sales Reporting**

**AGENCY:** Office of Acquisition Policy, General Services Administration (GSA).

**ACTION:** Notice of request for comments regarding an extension to an existing OMB clearance.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat Division is submitting a request to the Office of Management and Budget (OMB) to review and approve an extension of a previously approved information collection requirement regarding Commercial Sales Practices disclosures and General Services Administration Acquisition Regulation (GSAR) clause 552.238–81 Price Reductions.<sup>1</sup> The information collected is used to establish and maintain Federal Supply Schedule (FSS) pricing and price-related terms and conditions.

**DATES:** Submit comments on or before: July 29, 2019.

**ADDRESSES:** Submit comments identified by Information Collection 3090–0235, Federal Supply Schedule Pricing Disclosures and Sales Reporting, by any of the following methods:

- **Regulations.gov:** <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching the OMB control number. Select the link “Submit a Comment” that corresponds with “Information Collection 3090–0235, Federal Supply Schedule Pricing Disclosures and Sales

Reporting.” Follow the instructions provided at the “Submit a Comment” screen. Please include your name, company name (if any), and “Information Collection 3090–0235, Federal Supply Schedule Pricing Disclosures and Sales Reporting” on your attached document.

- **Mail:** General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street NW, Washington, DC 20405. ATTN: Ms. Mandell/IC 3090–0235, Federal Supply Schedule Pricing Disclosures.

**Instructions:** Please submit comments only and cite Information Collection 3090–0235, Federal Supply Schedule Pricing Disclosures and Sales Reporting, in all correspondence related to this collection. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

**FOR FURTHER INFORMATION CONTACT:** Mr. Matthew McFarland, Office of Acquisition Policy, (301) 758–5880 or [matthew.mcfarland@gsa.gov](mailto:matthew.mcfarland@gsa.gov).

#### **SUPPLEMENTARY INFORMATION:**

##### **A. Purpose**

The extension has been renamed “Federal Supply Schedule Pricing Disclosures and Sales Reporting” because it now includes a burden estimate associated with the basic version of GSAR clause 552.238–80 Industrial Funding Fee and Sales Reporting.<sup>2</sup> GSA uses this information to collect the Industrial Funding Fee and administer the FSS program. This burden was included under a separate approved information collection identified by OMB control number 3090–0121.

GSA’s Federal Supply Schedules, commonly known as GSA Schedules or Multiple Award Schedules (MAS), are Government-wide contracts providing federal agencies with a simplified process for acquiring commercial supplies and services. The FSS program is the Government’s preeminent commercial contracting vehicle, accounting for about 10 percent of all federal contract dollars with approximately \$33 billion of purchases made through the program in fiscal year 2018.

GSA establishes the pricing and terms of each GSA Schedule contract with commercial vendors. Federal agencies then follow GSA’s competitive procedures when placing orders against

<sup>1</sup> This clause was formerly found at GSAR 552.238–75 but was amended to GSAR 552.238–81 per GSAR case 2016–G502, effective May 23, 2019. See 84 FR 17030 from April 23, 2019.

<sup>2</sup> This clause was formerly found at GSAR 552.238–74 but was amended to GSAR 552.238–80 per GSAR case 2016–G502, effective May 23, 2019. See 84 FR 17030 from April 23, 2019.

these contracts and thereby satisfy statutory competition requirements to provide “the lowest overall cost alternative to meet the needs of the Federal Government.”<sup>3</sup> In turn, those agencies must pay an Industrial Funding Fee (IFF) that covers GSA’s costs of operating the FSS program. The fee is currently set at 0.75% and is included in the prices ordering activities pay vendors when purchasing from an FSS contract.<sup>4</sup> FSS vendors then report GSA Schedule sales data and remit the IFF collected from ordering activities to GSA once a quarter.

There were a total of 16,215 GSA FSS contracts in fiscal year 2018. This information collection pertains to the pricing disclosures and sales reporting requirements for 14,152 of these contracts. The remaining 2,063 contracts participated in the Transactional Data Reporting pilot and were subject to a separate information collection identified by OMB control number 3090–0306.

GSA believes Transactional Data Reporting offers a meaningful burden reduction for FSS vendors. GSA estimates the combined burden of this information collection is 49% more per contract than the Transactional Data Reporting burden. If all FSS vendors participated in Transactional Data Reporting, rather than being subject to the sales reporting and pricing disclosure requirements of this information collection, they would realize an estimated annual burden reduction of \$30.8 million.<sup>5</sup> On the other hand, vendors will absorb costs when reverting back to the requirements of this information collection, including costs associated with establishing a basis of award customer and monitoring

system for PRC compliance, if GSA ends the Transactional Data Reporting pilot without an alternative means of collecting the IFF, monitoring program sales and establishing and monitoring contract pricing.

The Paperwork Reduction Act generally requires information collections to be renewed every three years.<sup>6</sup> Both this information collection (OMB control number 3090–0235) and the Transactional Data Reporting information collection (OMB control number 3090–0306) were last approved in 2016, so GSA is now obtaining extensions to both information collections. Additionally, GSA is consolidating a separate information collection for IFF and sales reporting (OMB control number 3090–0121) with this information collection because the burdens are interdependent.

This request for comments only pertains to the information collection requirements associated with the basic version of GSAR clause 552.238–80 and CSP and PRC disclosure requirements. GSA has also posted a separate notice requesting comments on the Transactional Data Reporting information collection (OMB control number 3090–0306).

#### *Sales Reporting*

General Services Administration Acquisition Regulation (GSAR) clause 552.238–80 Industrial Funding Fee and Sales Reporting is included in every GSA Schedule contract. The basic version of the clause requires vendors to report their FSS contract sales to GSA within 30 days after the end of the quarter. GSA then calculates the IFF due based on the total amount of sales reported and the vendor must also remit that amount within 30 days after the end of the quarter.<sup>7</sup>

#### *FSS Pricing Disclosures*

The basic version of GSAR clause 552.238–80 Industrial Funding Fee and Sales Reporting also dictates the pricing procedures GSA will use to establish contract pricing. These pricing procedures require GSA to determine price reasonableness on its FSS contracts by comparing a vendor’s prices and price-related terms and conditions with those offered to their other customers. Through analysis and negotiations, GSA establishes a favorable pricing relationship in comparison to one of the vendor’s customers (or category of customers)

and then maintains that pricing relationship for the life of the contract. In order to carry out this practice, GSA collects pricing information through CSP disclosures and enforces the pricing relationship through the PRC.

*Commercial Sales Practices (CSP):* In accordance with GSAR 515.408(a)(2), offerors must submit information in the Commercial Sales Practices Format provided in the solicitation, following the instructions at GSAR Figure 515.4–2, or submit information in their own format. In addition to when an offer is submitted, CSP disclosures are also required prior to executing bilateral modifications for exercising a contract option period, adding items to the contract, or increasing pricing under the Economic Price Adjustment clause (GSAR 552.216–70).

*Price Reductions Clause (PRC):* GSAR 538.273 (b)(2) prescribes the PRC for use in all FSS solicitations and contracts. The clause is intended to ensure the Government maintains its price/discount (and/or term and condition) advantage in relation to the vendor’s customer (or category of customer) upon which the FSS contract is based. The basis of award customer (or category of customer) is identified at the conclusion of negotiations and noted in the contract. Thereafter, the PRC requires FSS vendors to inform the contracting officer of price reductions within 15 calendar days. Per GSAR 552.238–81(c)(1),

A price reduction shall apply to purchases under this contract if, after the date negotiations conclude, the Contractor—

(i) Revises the commercial catalog, pricelist, schedule or other document upon which contract award was predicated to reduce prices;

(ii) Grants more favorable discounts or terms and conditions than those contained in the commercial catalog, pricelist, schedule or other documents upon which contract award was predicated; or

(iii) Grants special discounts to the customer (or category of customers) that formed the basis of award, and the change disturbs the price/discount relationship of the Government to the customer (or category of customers) that was the basis of award.

FSS ordering procedures are required by law to “result in the lowest overall cost alternative to meet the needs of the Federal Government.”<sup>8</sup> CSP disclosures and the PRC provide GSA a mechanism for meeting this objective by giving it insight into a vendor’s pricing practices, which is proprietary information that

<sup>3</sup> 41 U.S.C. 152(3)(B) requires FSS ordering procedures to “result in the lowest overall cost alternative to meet the needs of the Federal Government.”

<sup>4</sup> The IFF for Schedule 599, Special Item Number 599–2 is \$1.50 per transaction.

<sup>5</sup> The estimated burden for this information collection, which applied to the 14,152 contracts not participating in the Transactional Data Reporting pilot, is estimated to be \$94.2 million. This equates to a per-contract burden of \$6,662/year. The estimated burden for the Transactional Data Reporting information collection is \$9.2 million/year for the 2,063 contracts participating in the FSS pilot; this equates to a per-contract the burden of \$4,483/year. The estimated \$30.8 million/year burden reduction is calculated by taking the updated 3090–0235 burden estimate (\$94.2 million/year) and subtracting the product of the number of contracts included in 3090–0235 multiplied by the average per-contract burden of Transactional Data Reporting (14,152 contracts × \$4,483), which equals \$63.4 million/year (\$94.2M – \$63.4M = \$30.8M). More information about the Transactional Data Reporting burden can be found under Information Collection 3090–0306 at <http://www.reginfo.gov/public> by searching “ICR” for “3090–0306”.

<sup>6</sup> 44 U.S.C. 3507(g).

<sup>7</sup> Alternate I of the clause applies to FSS contracts participating in the Transactional Data Reporting pilot and falls under the information collection identified by OMB control number 3090–0306.

<sup>8</sup> 41 U.S.C. 152(3)(B).

can only be obtained directly from the vendor.

#### *Information Collection Changes and Updates*

The burden estimates from the previous approval have been adjusted to include updates to sales reporting estimates previously included under OMB control number 3090-0121; reflect actual participation in the Transactional Data Reporting pilot; and revised labor rates used to calculate cost estimates. The number of respondents and applicable actions has also been updated.

**Sales Reporting:** The basic version of the Industrial Funding Fee and Sales Reporting clause has traditionally been associated with OMB control number 3090-0121, which was last extended in June 2017. GSA determined this information collection should be consolidated with the FSS Pricing Disclosures information collection (OMB control number 3090-0235) because they apply to the same population within the GSA Schedules program.

The estimation methodology for the sales reporting calculations is the same as what was used for the 2017 renewal of OMB control number 3090-0121 except the sales categories were revised to align with those used for the Transactional Data Reporting information collection (OMB control number 3090-0306).

**Adjustments for Transactional Data Reporting Pilot:** GSA Schedule contracts included in the Transactional Data Reporting pilot are no longer subject to this information collection; the separate reporting requirements for those contracts are covered by OMB control number 3090-0306.

The Transactional Data Reporting pilot had yet to launch when these burden estimates were previously calculated in 2016, so GSA based its estimates for the number of contracts that would participate on the total number of contracts under the Schedules and Special Item Numbers eligible for the pilot:

- The ratio of GSA Schedule contracts that would continue under this information collection was estimated to be 56.8%, which was based on the percentage of the program's sales in fiscal year 2015 for contracts that would not be eligible to participate in the Transactional Data Reporting pilot.
- The ratio of GSA Schedule contracts slated to be included in the Transactional Data Reporting pilot was estimated to account for the remaining 43.2%.

Consequently, the 2016 burden estimates for the CSP and PRC renewal and the 2017 IFF and sales reporting renewal relied upon these Transactional Data Reporting pilot participation projections. However, pilot participation became optional in 2017 and the number of contracts that eventually joined the pilot was lower than anticipated in 2016. Of the 16,215 contracts that were active in FY 2018,

- 14,152 contracts, or 87.28% of the total, are subject to this information collection.

- 2,063 contracts, or 12.72% of the total, participated in the Transactional Data Reporting pilot.

Consequently, the revised participation figures resulted in significantly higher burden estimates for this information collection and lower burden estimates for the Transactional Data Reporting information collection (OMB control number 3090-0306).

**Revised Labor Rates:** The previous burden estimates used a fully burdened labor rate of \$68/hour. This included a \$50/hour base rate, which was based on professional judgment, and 36% for fringe benefits, which was rounded down from the 36.25% fringe benefit factor included in OMB Circular A-76.<sup>9</sup>

The revised burden estimates attempt to align with the Department of Defense's Regulatory Cost Analysis Tool (RCAT), which was developed to prepare economic analyses in compliance with Executive Order 13771 and uses various Government labor category rates as the basis for cost estimates. GSA determined—

- The GS-14, Step 5 labor rate from the RCAT (\$77.25/hour) was the most appropriate for the tasks performed by vendors to comply with CSP and PRC disclosure requirements and perform the initial setup for sales reporting systems.
- The GS-12, Step 5 labor rate from the RCAT (\$55.19/hour) was the most appropriate for the tasks performed by vendors for quarterly sales reporting.

#### **B. Annual Reporting Burden**

This information collection applies to GSA FSS contracts that include the basic version of GSAR clause 552.238-80 Industrial Funding Fee and Sales Reporting. In FY 2018, 13,828 vendors held a total of 16,215 GSA FSS

contracts; 12,151 of these vendors held a total of 14,152 contracts containing the basic version of clause 552.238-80.<sup>10</sup> These contracts accounted for approximately 77.8% of GSA FSS sales in fiscal year 2018. The 2,063 GSA FSS contracts subject to Alternate I of GSAR clause 552.238-80—those participating in the Transactional Data Reporting pilot—are covered by a separate information collection identified under OMB control number 3090-0306.

#### *Cost Burden Calculation*

**Sales Reporting:** The two primary activities associated with sales reporting are initial setup and quarterly reporting. GSA calculated the cost burden for each as follows:

- **Initial Setup:** The duties required for these activities will generally be completely by a senior-level subject matter expert. For the purposes of establishing an hourly rate, GSA equates these duties to those of a GS-14, Step 5 employee, whose hourly rate in 2019 for the "Rest of U.S." locality is \$56.92 an hour.<sup>11</sup> When factoring a 36.25 percent overhead rate for fringe benefits, the fully burdened rate is \$77.55 an hour.<sup>12</sup>

- **Quarterly Reporting:** The duties required for these activities will generally be completed by mid-level personnel. For the purposes of establishing an hourly rate, GSA equates these duties to those of a GS-12, Step 5 employee, whose hourly rate in 2019 for the "Rest of U.S." locality is \$40.51 an hour. When factoring a 36.25 percent overhead rate for fringe benefits, the fully burdened rate is \$55.19 an hour.

**Pricing Disclosures:** The duties required for these activities will generally be completed by a senior-level subject matter expert. For the purposes of establishing an hourly rate, GSA equates these duties to those of a GS-14, Step 5 employee, whose hourly rate in 2019 for the "Rest of U.S." locality is \$56.92 an hour. When factoring a

<sup>10</sup> Some vendors hold multiple contracts and may have contracts participating in the Transactional Data Reporting pilot and other contracts that are subject to CSP and PRC disclosure requirements.

<sup>11</sup> General Schedule (GS) labor rates may be viewed on the Office of Personnel Management (OPM) under Pay & Leave: Salaries and Wages, SALARY TABLE 2019-RUS at [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/19Tables/html/RUS\\_h.aspx](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/19Tables/html/RUS_h.aspx).

<sup>9</sup> 36.25% overhead rate was used in reference to Office of Management and Budget (OMB) Circular No. A-76. Circular A-76 requires agencies to use standard cost factors to estimate certain costs of Government performance. These cost factors ensure that specific government costs are calculated in a standard and consistent manner to reasonably reflect the cost of performing commercial activities with government personnel.

<sup>12</sup> 36.25% overhead rate was used in reference to Office of Management and Budget (OMB) Circular No. A-76. Circular A-76 requires agencies to use standard cost factors to estimate certain costs of Government performance. These cost factors ensure that specific government costs are calculated in a standard and consistent manner to reasonably reflect the cost of performing commercial activities with government personnel.

36.25 percent rate for fringe benefits, the fully burdened rate is \$77.55 an hour.

#### *Heavier Lifts and Lighter Lifts*

Due to the diversity among the FSS vendor population, the burden associated with many of the CSP and PRC components of this information collection cannot be equally attributed to all FSS contracts. In these areas, GSA is categorizing contracts into those with a “heavier lift” or “lighter lift.”

FSS contracts are held by a diverse set of companies, which vary in terms of business size, offerings, and FSS sales volume. For example, in FY 2018:

- 30.7 percent, or 4,975 contracts had \$0 in reported FSS sales.
- 6.8 percent, or 1,100 contracts, accounted for about 80 percent of all FSS sales.
- The top 20 percent of FSS contracts (in terms of FY 2018 sales) accounted for 94.6 percent of FSS sales.
- Only 19.7 percent of FSS contracts had more than \$1 million in FSS sales.
- 68.7 percent of FSS contracts were held by small businesses and had less than \$1 million in FSS sales.
- Small businesses held 81 percent of the FSS contracts but accounted for 37 percent of FSS sales.

In general, a vendor’s sales volume will have the greatest effect on the associated burden of these requirements, although the number and type of offerings, and business structure, can also be significant factors. As previously shown, a relatively small

number of FSS contracts account for the vast majority of FSS sales and therefore likely bear a heavier burden for these requirements. Conversely, the majority of FSS contracts, which are typically held by small businesses with lower sales volume, absorb less of the burden for these requirements.

To account for the differences among FSS contracts, GSA is utilizing the Pareto principle, or “80/20 rule,” which states 80 percent of effects comes from 20 percent of the population. Accordingly, GSA is categorizing FSS contracts by those with a heavier lift (20 percent) and those with a lighter lift (80 percent). Contracts with heavier lifts are those with the characteristics leading to increased burden—more sales volume, higher number of contract items, more complex offerings, more transactions, more complex transactions, and/or intricate business structures.

#### *Sales Reporting*

The basic version of the Industrial Funding Fee and Sales Reporting clause requires vendors to report their total sales by Special Item Number once a quarter in the 72A Reporting System.<sup>13</sup> Vendors must file these reports within 30 days after the end of each of the following quarters:

- January 1 to March 31
- April 1 to June 30
- July 1 to September 30
- October 1 to December 31

After vendors report their sales, the 72A Reporting System calculates the IFF

due for the quarter. The system then prompts users to “Pay Now” or “Pay Later.” Vendors can remit IFF payments via credit card, online check, or paper check. Regardless of whether a vendor remits the IFF at the time sales are reported or at a later date, the IFF due must be remitted within the same 30 day deadline following the end of the reporting quarters.

*Categorization of Vendors by Quarterly Sales Revenue:* Sales reporting imposes a progressive burden—one that increases with a vendor’s sales volume. Quarterly reporting times will increase with a vendor’s applicable sales volume, as vendors with lower to no reportable sales will spend little time on quarterly reporting, while those with more reportable sales will face a higher reporting burden.

GSA separated contracts into categories based on reported annual sales volume in order to account for the differences in reporting burden. These categories are:

- Category 1: No sales activity
- Category 2: Sales between \$0 and \$25,000
- Category 3: Sales between \$25,000 and \$250,000
- Category 4: Sales between \$250,000 and \$1 million
- Category 5: Sales over \$1 million

The distribution of contracts by sales category is as follows:

#### CONTRACTS BY SALES CATEGORY

	FSS contracts (count)	FSS contracts (percentage)
Category 1 .....	4,657	33
Category 2 .....	1,188	8
Category 3 .....	3,469	25
Category 4 .....	2,168	15
Category 5 .....	2,670	19
Total .....	14,152	100

*Automated vs. Manual Reporting Systems:* Vendors subject to these clauses must create systems or processes to produce and report accurate data. Generally, vendors will use automated or manual systems to identify the

quarter’s reportable sales. An automated system is one that relies on information technology, such as an accounting system or data management software, to identify and compile reportable data. These systems can tremendously

streamline the reporting process but require upfront configuration to perform the tasks, such as coding the sales types to be retrieved. Conversely, a manual system is one that incorporates little to no automation and instead relies on

<sup>13</sup> <https://72a.gsa.gov>.

personnel to manually identify and compile the reportable data. An example of a manual system would be an accountant reviewing invoices to identify the reportable data and then transferring the findings to a spreadsheet. In contrast to automation, a manual system requires relatively little setup time but the reporting effort will generally increase with the vendor's sales volume.

The likelihood of a vendor adopting an automated system increases with their applicable sales volume. Vendors with little to no reportable data are unlikely to expend the effort needed to establish an automated reporting system since it will be relatively easy to identify and report a limited amount of data. However, as a vendor's applicable sales increase, they will be increasingly likely to establish an automated system to reduce the quarterly reporting

burden. Consequently, vendors with higher reportable sales will likely bear a higher setup burden to create an automated system, or absorb a high quarterly reporting burden if they choose to rely on manual reporting methods.

The following chart depicts the likelihood of the population of contracts operating under manual and automated reporting systems:

#### CONTRACTS BY REPORTING SYSTEM TYPE

[Manual vs. Automated]

	Manual system (percentage)	Automated system (percentage)	Manual system— vendor count	Automated system— vendor count
Category 1 .....	100	0	4,657	0
Category 2 .....	100	0	1,188	0
Category 3 .....	90	10	3,122	347
Category 4 .....	50	50	1,084	1,084
Category 5 .....	10	90	267	2,403
Total Count of Contracts by System Type .....			10,318	3,834
Percentage of Contracts by System Type .....			73%	27%

**Initial Setup:** Vendors with active FSS contracts already have procedures in place to meet these longstanding reporting requirements. However, new FSS vendors will absorb a one-time setup burden to establish reporting systems. The estimated setup time varies between automated and manual reporting systems. Vendors implementing a manual system must acclimate themselves with the new reporting requirements and train their staff accordingly, while those with automated systems must perform these tasks in addition to configuring information technology resources.

GSA estimates the average one-time setup burden is 8 hours for vendors with a manual system and 40 hours for those with an automated system. GSA also attributes the same system type probabilities (manual system 73%, automated system 27%) to the population of new vendors. These estimates apply to the 1,220 vendors awarded FSS contracts in fiscal year 2018.

**Quarterly Reporting:** Vendors are required to report sales within 30 calendar days after the end of each quarter. The average reporting times vary by system type (manual or automated) and sales volume. GSA

estimates vendors using a manual system will have average quarterly reporting times ranging from 15 minutes (0.25 hours) per quarter for vendors with \$0 sales to an average of 8 hours per quarter for vendors with quarterly sales over \$1 million. On the other hand, GSA projects vendors with automated systems will have reporting times of 2 hours per quarter, irrespective of quarterly sales volume, as a result of efficiencies achieved through automated processes. The following table shows GSA's projected quarterly reporting times per sales category and system type:

#### QUARTERLY REPORTING HOURS BY SYSTEM TYPE AND CATEGORY

	Manual systems	Automated systems
Category 1 .....	0.25	2.00
Category 2 .....	1.00	2.00
Category 3 .....	2.00	2.00
Category 4 .....	4.00	2.00
Category 5 .....	8.00	2.00

**Annualized Public Burden Estimates for Sales Reporting:** The burden estimates consist of quarterly reporting times for all 14,152 participating contracts and a one-time setup burden for the 1,220 new contracts:

#### Quarterly Reporting

*Annual Burden (Hours):* 90,945.  
*Annual Burden (Cost):* \$5,019,255.

#### Initial Setup

*Annual Burden (Hours):* 20,336.  
*Annual Burden (Cost):* \$1,577,078.

#### Price Reductions Clause

GSA attributes the PRC-related burden to training, compliance systems, and notifying GSA of price reductions

within 15 calendar days after their occurrence.

**Training:** FSS vendors provide training to their employees to ensure compliance with FSS pricing disclosure requirements. GSA is basing these burden estimates on the number of vendors, not the number of contracts, because vendors with multiple contracts

subject to this requirement will likely not have to provide separate training for each contract.

In FY 2018, there were 12,151 vendors subject to PRC notification requirements, 2,830 (20%) with a heavier lift and 9,721 (80%) with a lighter lift. Vendors within the heavier lift category may need to develop formal training programs and conduct training for numerous divisions and offices, while vendors in the lighter lift category may have no need for training design and administration due to having as few as one person responsible for PRC compliance.

#### Training—Heavier Lift

*Total Annual Responses:* 2,430.  
*Average Hours per Response:* 40.  
*Total Time Burden (Hours):* 97,208.  
*Total Cost Burden:* \$7,538,480.

#### Training—Lighter Lift

*Total Annual Responses:* 9,721.  
*Average Hours per Response:* 20.  
*Total Time Burden (Hours):* 194,416.  
*Total Cost Burden:* \$15,076,961.

**Compliance Systems:** FSS vendors must develop systems to control discount relationships with other customers/categories of customer to ensure the basis of award pricing relationship is not disturbed. In public comments submitted on this information collection renewal in 2016, a respondent stated PRC monitoring burden should be 1,290 hours to establish a compliance system in the first year and 1,100 hours each year thereafter for monitoring activities. However, GSA believes the amount of investment into a compliance system is inversely related to the amount of time needed to carry out ongoing monitoring activities. Specifically, vendors making high upfront investments, such as programming a quotation tool to control discounts, will have a lower ongoing monitoring reporting burden. On the other hand, vendors not making upfront investments to establish a compliance system will have a higher ongoing reporting burden.

As a result, GSA is using the 1,290 hour estimate but allocating it across the 20-year life of a contract for heavier lift vendors using automated systems to carry out monitoring activities, resulting in an annual burden of 65 hours. GSA estimates heavier lift vendors that spend less time implementing an automated system will incur a similar burden for monitoring activities, meaning GSA is estimating the same 65 hour/year burden for those vendors. For lighter lift vendors, GSA is attributing an average burden of 700 hours for the 20-year life

of the contract, which equates to 35 hours a year.

#### Compliance Systems—Heavier Lift

*Total Annual Responses:* 2,430.  
*Average Hours per Response:* 65.  
*Total Time Burden (Hours):* 156,748.  
*Total Cost Burden:* \$12,155,800.

#### Compliance Systems—Lighter Lift

*Total Annual Responses:* 9,721.  
*Average Hours per Response:* 30.  
*Total Time Burden (Hours):* 341,995.  
*Total Cost Burden:* \$26,521,745.

**Price Reduction Notifications:** 1,035 price reduction modifications were completed in FY 2018, with each modification requiring a notification from the vendor. In a survey conducted among GSA FSS contracting officers, respondents estimated it took an average of 4.25 hours to complete a price reduction modification. GSA believes FSS vendors bear a similar burden for this task and is therefore using the same burden estimate.

#### Price Reduction Notifications

*Total Annual Responses:* 1,035.  
*Average Hours per Response:* 4.25.  
*Total Time Burden (Hours):* 4,399.  
*Total Cost Burden:* \$341,123.

#### Commercial Sales Practices Disclosures

The CSP burden results from disclosures required of any vendor submitting an offer for an FSS contract or modifying an FSS contract to increase prices, add items and Special Item Numbers, or exercise options.

The burden estimates for CSP disclosures are based upon the estimates provided by respondents to the GSA FSS contracting officer survey. The 77 survey respondents provided estimates regarding the amount of time it takes FSS contracting officers to complete CSP-related tasks and GSA believes these responses can be used as a benchmark for vendor burden estimates.

In calculating these burden estimates, GSA acknowledges a vendor's tasks are more complex than simply comparing offered prices to discounts given to other categories of customers. In addition to collecting and analyzing data, GSA expects offerors to provide data that is current, accurate and complete. GSA recognizes this due diligence places an additional burden on offerors. Also, similar to the PRC, factors such as sales volume, the number of contract items, complexity of offerings, and business structures has a significant effect on the burden but can vary widely from vendor to vendor. Consequently, GSA is using the heavier lift and lighter lift methodology for the CSP burden estimates.

**Pre-award Disclosures:** In fiscal year 2018, vendors submitted 2,503 offers for FSS contracts with CSP disclosure requirements. GSA recognizes the complexity of this task varies with the type and number of offerings, business structure, and expected revenue, so for this burden estimate, these offers are separated between offerors with heavier lifts (20 percent or 501 offers) and those with lighter lifts (80 percent or 2,002 offers).

Prior to receiving comments on this information collection in 2016, GSA based its burden estimates for this function directly on the results from the FAS survey of its FSS contracting officers. However, after receiving public comments stating the pre-award disclosure burden for vendors exceeds that for contracting officers, GSA doubled its vendor estimates, resulting in increases for heavier lift vendors from 41.48 hours/year to 82.96 hours/year and for lighter lift vendors from 32.41 hours/year to 64.82 hours/year.

#### Pre-Award Disclosures—Heavier Lift

*Total Annual Responses:* 501.  
*Average Hours per Response:* 82.96.  
*Total Time Burden (Hours):* 41,532.  
*Total Cost Burden:* \$3,909,407.

#### Pre-Award Disclosures—Lighter Lift

*Total Annual Responses:* 2,002.  
*Average Hours per Response:* 64.82.  
*Total Time Burden (Hours):* 129,801.  
*Total Cost Burden:* \$10,066,090.

**Price Increase Modifications:** In FY 2018, 1,457 price increase modifications were processed, including 492 (20 percent) with a heavier lift and 1,967 (80 percent) with a lighter lift. The time burden for these modifications varies mainly with the type and number of offerings. GSA is basing its burden estimates for this function directly on the results from the FAS survey of its FSS contracting officers.

#### Price Increases—Heavier Lift

*Total Annual Responses:* 492.  
*Average Hours per Response:* 10.45.  
*Total Time Burden (Hours):* 5,139.  
*Total Cost Burden:* \$398,553.

#### Price Increases—Lighter Lift

*Total Annual Responses:* 1,967.  
*Average Hours per Response:* 9.71.  
*Total Time Burden (Hours):* 18,039.  
*Total Cost Burden:* \$1,398,942.

**Adding Items and Special Item Numbers (SINs):** In FY 2018, 4,209 addition modifications were processed, including 1,275 (20 percent) with a heavier lift and 5,099 (80 percent) with a lighter lift. The time burden for these modifications varies with the type and number of offerings. GSA is basing its

burden estimates for this function directly on the results from the FAS survey of its FSS contracting officers.

#### Addition Modifications—Heavier Lift

*Total Annual Responses:* 1,275.  
*Average Hours per Response:* 11.13.  
*Total Time Burden (Hours):* 14,189.  
*Total Cost Burden:* \$1,100,320.

#### Addition Modifications—Lighter Lift

*Total Annual Responses:* 5,099.  
*Average Hours per Response:* 10.65.  
*Total Time Burden (Hours):* 54,306.  
*Total Cost Burden:* \$4,211,468.  
*Exercising Options:* In FY 2018, 2,468

option modifications were processed, including 494 (20 percent) with a heavier lift and 1,974 (80 percent) with a lighter lift. The time burden for these modifications varies with the type and number of offerings, business structure, and expected revenue. GSA is basing its burden estimates for this function directly on the results from the FAS survey of its FSS contracting officers because while the associated tasks with processing an option CSP are similar to that of a pre-award CSP, the option CSP requires less time because of familiarity and precedents created during the preceding contract period.

#### Option Modifications—Heavier Lift

*Total Annual Responses:* 494.  
*Average Hours per Response:* 26.14.  
*Total Time Burden (Hours):* 12,903.  
*Total Cost Burden:* \$1,000,605.

#### Option Modifications—Lighter Lift

*Total Annual Responses:* 1,974.  
*Average Hours per Response:* 22.32.  
*Total Time Burden (Hours):* 44,069.  
*Total Cost Burden:* \$3,417,521.

#### GSA Office of Inspector General Audits

The GSA Office of Inspector General (OIG) regularly audits GSA Schedule contracts for compliance with PRC and CSP requirements. The GSA OIG performed 48 contract audits in FY 2018.<sup>14</sup> Survey responses included with public comments submitted for the 2012 renewal of this information collection noted vendors estimated spending approximately 440–470 hours preparing for audits involving the PRC. This burden still applied in 2018, so GSA is taking the median point of that range (455) and multiplying it by 48 audits, to reach the sum of 21,840 hours expended preparing for audits.

#### GSA OIG Audits

*Total Annual Responses:* 48.

*Average Hours per Response:* 455.  
*Total Time Burden (Hours):* 21,840.  
*Total Cost Burden:* \$1,226,316.

#### Total Annual Burden

The total estimated burden imposed by Federal Supply Schedule pricing disclosures is as follows:

#### Estimated Annual Time Burden (Hours)

*Sales Reporting:* 111,281.  
*Price Reductions Clause:* 794,766.  
*CSP Disclosures:* 319,978.  
*GSA OIG Audits:* 21,840.  
*Total Annual Time Burden:* 1,247,865.

#### Estimated Annual Cost Burden

*Sales Reporting:* \$6,141,614.  
*Price Reductions Clause:* \$61,634,109.  
*CSP Disclosures:* \$24,814,275.  
*GSA OIG Audits:* \$1,693,692.  
*Total Annual Cost Burden:* \$94,283,689.

#### C. Public Comments

Public comments are particularly invited on: Whether this collection of information is necessary and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected.

*Obtaining Copies of Proposals:* Requesters may obtain a copy of the information collection documents from the General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street NW, Washington, DC 20405, telephone 202–501–4755. Please cite OMB Control No. 3090–0235, Federal Supply Schedule Pricing Disclosures and Sales Reporting, in all correspondence.

#### Jeffrey A. Koses,

*Senior Procurement Executive, Office of Acquisition Policy, Office of Government-wide Policy.*

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## DEPARTMENT OF DEFENSE

### GENERAL SERVICES ADMINISTRATION

### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[OMB Control No. 9000–0193; Docket No. 2019–0003; Sequence No. 22]

#### Information Collection; FAR Part 9 Responsibility Matters

**AGENCY:** Department of Defense (DOD), General Services Administration (GSA),

and National Aeronautics and Space Administration (NASA).

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, and the Office of Management and Budget (OMB) regulations, DoD, GSA, and NASA invite the public to comment on a revision and renewal concerning the responsibility of prospective contractors. OMB has approved this information collection for use through August 31, 2019. DoD, GSA, and NASA propose that OMB extend its approval for use for three additional years beyond the current expiration date.

**DATES:** DoD, GSA, and NASA will consider all comments received by July 29, 2019.

**ADDRESSES:** The FAR Council invites interested persons to submit comments on this collection by either of the following methods:

- *Federal eRulemaking Portal:* This website provides the ability to type short comments directly into the comment field or attach a file for lengthier comments. Go to <http://www.regulations.gov> and follow the instructions on the site.

*Mail:* General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street NW, Washington, DC 20405. ATTN: Lois Mandell/IC 9000–0193, FAR Part 9 Responsibility Matters.

*Instructions:* All items submitted must cite Information Collection 9000–0193, FAR Part 9 Responsibility Matters. Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check [www.regulations.gov](http://www.regulations.gov), approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail). This information collection is pending at the FAR Council. The Council will submit it to OMB within 60 days from the date of this notice.

**FOR FURTHER INFORMATION CONTACT:** Ms. Mahruba Uddowla, Procurement Analyst, at telephone 703–605–2868, or [mahruba.uddowla@gsa.gov](mailto:mahruba.uddowla@gsa.gov).

#### SUPPLEMENTARY INFORMATION:

##### A. Overview of Information Collection

##### Description of Information Collection

1. OMB number: 9000–0193.
2. Title, and any Associated Form(s): FAR Part 9 Responsibility Matters.

<sup>14</sup> The GSA OIG's audit findings are outlined in their Semiannual Reports to the Congress. The report covering October 1, 2017 to March 31, 2018 stated the OIG performed 21 contract audits and the report covering April 1, 2018 to September 30, 2018 stated the GSA OIG performed 27 contract audits.