

SUPPORTING STATEMENT 0704-0429

Survey of Supply Vendors

A. JUSTIFICATION

1. The Defense Logistics Agency (DLA) has a Distribution Planning and Management System (DPMS). DPMS is an automated system with will give DLA real-time knowledge of the location and movement of supplies across the enterprise, government and contractor facilities, alike, and the ability to use that information for planning and management. DPMS will enable DLA to accelerate the movement of materiel and reduce costs through the application of Government transportation rates and such strategies as transportation mode shifts, shipment consolidation, and cross-docking operations.

To realize the full benefits of DPMS, DLA must arrange and pay for transportation shipments from supply contractors under Freight On Board (FOB) Origin terms as opposed to FOB destination terms in which the contractor arranges and pays for transportation, recovering these costs in the price of the supplies that it sells. DLA is conducting an analysis of transportation delivery terms in the DPMS environment to determine when it makes sense for DLA to arrange and pay for transportation and when it makes sense for the contractor to do so. As part of that analysis, DLA needs to survey a sample of the supply contractors that it does business with to learn about their preferences and practices.

The authority for this collection of information is the DLA Strategic Plan 2002-2007.

2. The information from the survey will be used to help identify the conditions under which DPMS adds value to the Government in terms of transit times and costs, and those conditions under which responsibility for transportation is best left in the hands of the contractor. As such, the information will support DLA's need to optimize transportation planning and management.

3. Supply contractors who have the capability to access the Internet will be able to take the survey electronically.

4. No similar information is available elsewhere.

5. Collection of this information does not have a significant impact on small businesses. The survey is within the capability of any organization to answer regardless of size, and DPMS itself is designed to accommodate small and medium-size enterprises.

6. Failure to collect this information will require DLA to make assumptions concerning the business practices of its supply contractors and degrade the quality of the analysis of transportation delivery terms in the DPMS environment.

7. There are no special circumstances that require this collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5(d)(2).

8. The 60-day information collection notice was published in the Federal Register on August 27, 2007 (72 FR 48998). No comments were received.

9. No payment or gift will be provided to the respondents.

10. The respondent's answers will be treated as confidential under Exemption 4 of the Freedom of Information Act (5 USC 552(b)(4)) if the respondent can show that it would not customarily release the information to the public. A notice to that effect appears in the survey. In addition, participation in the survey is fully voluntary.

11. This survey does not ask questions of a personnel nature.

12. Estimates of Response Burden and Annual Cost to the Respondent

The expense to the respondent consists of completing the survey. It is expected that approximately 200 respondents will complete the survey.

a. Respondent Burden:

Number of respondents: 200
Responses per respondent: 1
Number of annual responses: 200
Response time: 1 hour
Annual response burden: 200 hours

b. Estimated Cost to Respondents:

Annual response burden: 200 hours
Average hourly cost: \$28.00
Total cost to respondents: \$5,600.00

13. Other than the costs associated with the burden discussed above, there are no additional capital, start-up, or operational and maintenance costs (O&M) imposed on the respondents.

14. Estimated Cost to the Federal Government

The cost to the Government is limited to survey design, and overhead costs associated with contractor contract, and setting up the internet site so that the respondents can complete the survey on-line.

Survey design: \$6,646
Overhead: \$26,285

15. This is an extension of a previously approved collection.

16. Neither the information nor the analysis will be published. They are for Agency Use Only.

17. Approval not to display an expiration date is not being sought.

18. No exceptions to the certification statement are being sought.

B. COLLETIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methods.