

OMB No. 0704-0359
Supporting Statement

DFARS Part 232-Contract Financing

A. Justification

1. Requirement. This request for information collection covers the following requirements in 48 CFR Chapter 2 (DFARS):

a. DFARS Part 232, Contract Financing (TAB A), contains guidance related to contract financing and payment.

b. DFARS 252.232-7007, Limitation of Government's Obligation (TAB B), identifies procedures for incrementally funding a fixed-price contract and requires the contractor to provide the Government with written notice when the work under the contract will, within 90 days, reach the point at which the amount payable by the Government, including any termination costs, approximates 85 percent of the funds currently allotted to the contract.

2. Purpose. The information will allow the Government to decide whether to expedite allotment of additional funds for continued performance or to terminate the contract for convenience.

3. Information Technology. Improved information technology is used to the maximum extent practicable. This information collection complies with the Government Paperwork Elimination Act, Pub. L. 105-277, Title XVII.

4. Duplication. As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) to determine if adequate language already exists. This request for information applies solely to DoD and does not duplicate any other requirement. Similar information is not already available to the Government.

5. Small business. The burden applied to small business is the minimum consistent with applicable laws, Executive orders, regulations and prudent business practices. Although the information collection requirement does not reduce the burden on small entities, the information is the minimum needed by a contracting officer in order to make an informed decision as to whether to expedite the allotment of additional funds for continued performance or to terminate the contract for convenience.

6. Consequences for noncollection. The frequency for collecting

this information is determined by the frequency, under an incrementally funded fixed-price contract, the contractor will expend, within 90 days of the notice, approximate 85 percent of the funds currently allotted. Less frequent collection would impede contracting officers from performing their administrative functions in an efficient and effective manner by not providing the information required for the contracting officer to make informed decisions.

7. Special circumstances. There are no special circumstances for collection. Collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Public comments and consultation. Public comments were solicited in the *Federal Register* (58 FR 14262) on March 27, 2007 (TAB D). No public comments were received.

9. Payment to respondents. No payment or gift will be provided to respondents, other than remuneration of contractors under their contracts.

10. Confidentiality. This information is disclosed only to the extent consistent with prudent business practices, current regulations, statutory and Freedom of Information Act requirements.

11. Sensitive questions. There are no questions of a sensitive nature.

12. Estimate of public burden.

Number of respondents	Note (1)	800
Responses per respondent	(1)	1
Total annual responses		800
Hours per response	(1)	1
Total hours		800
Cost per hour	Note (2)	\$48.30
Total annual cost to public		\$38,640

Notes:

(1) No historical data is available as to the number of notices contractors have submitted during their performance of incrementally funded fixed-price contracts. The Chairman of the DoD Contract Finance Committee estimated the number of responses, the average time per response, and the equivalent GS level of the contractor personnel performing the effort.

(2) Based on GS-13, step 5 salary \$36.36 per hour, plus 32.45 percent fringe benefits or \$48.30. The 32.45% fringe benefit rate is derived from Circular No. A-76, Revised Supplemental Handbook (May 2003).

13. Estimated nonrecurring costs. We estimate that there are no nonrecurring costs, i.e., capital and start-up, or operation and maintenance costs.

14. Estimated cost to the Government.

Total annual responses	Note (1)	800
Hours per response	(2)	1
Total annual hours		800
Cost per hour	(1)	\$48.30
Total annual cost to Government		\$38,640

Notes:

(1) See Item 12, above.

(2) The estimated 1 hour per response is based on the time required for the Government to receive, review, and analyze the information submitted by the contractor.

15. Program changes. The changes in Items 12 and 14, above, are due to using more current cost per hour data.

16. Publication. Results of this information collection will not be published.

17. Expiration date. We do not seek approval not to display the expiration date for OMB approval of this information collection.

18. Certification. There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. Collections of Information Employing Statistical Methods

Statistical methods will not be employed.