

SUPPORTING STATEMENT

A. JUSTIFICATION

1. This is a request for extension of the information collection requirement currently approved under OMB Control Number 0704-0245, for Defense Federal Acquisition Regulation Supplement Part 247, Transportation, and the related provisions and clauses at Part 252.247. The approval for 0704-0245 expires March 31, 2008.

This information collection requirement pertains to information that an offeror/ contractor must submit to the Department of Defense in response to the requirements of the provisions and clauses prescribed at DFARS 247.270, Stevedoring contracts, and DFARS Subpart 247.5, Ocean Transportation by U.S. Flag Vessels (TAB B).

a. Stevedoring contracts (DFARS 247.270).

(i) DFARS 252.247-7000, Hardship Conditions, is prescribed at 247.270-6(a) for use in all solicitations and contracts for acquisition of stevedoring services.

- Paragraph (a) of the clause requires the contractor to notify the contracting officer of unusual conditions associated with loading or unloading a particular cargo for potential adjustment of contract labor rates, and submit any associated request for price adjustment to the contracting officer within 10 working days of the vessel sailing time.

(ii) DFARS 252.247-7001, Price Adjustment, is prescribed at 247.270-6(b) for use in solicitations and contracts when using sealed bidding to acquire stevedoring services.

- Paragraphs (b) and (c) require the contractor to notify the contracting officer of certain changes in the wage rates or benefits that apply to its direct labor employees.
- Paragraph (g) requires the contractor to state in the final invoice that there have been no decreases in rates of pay for labor or that the contractor has given notices of all such

decreases.

(iii) DFARS 252.247-7002, Revision of Prices, is prescribed at 247.270-6(c) for use in solicitations and contracts when using negotiation to acquire stevedoring services.

- Paragraph (d) requires that, if either the contractor or the contracting officer delivers a written demand that the parties negotiate to revise the prices under the contract, the contractor must submit relevant data upon which to base negotiations.

(iv) DFARS 252.247-7007, Liability and Insurance, is prescribed at 247.270-6 (g) for use in all solicitations and contracts for acquisitions of stevedoring services.

- Paragraph (f) requires the contractor to furnish the contracting officer with satisfactory evidence of insurance.

b. Ocean transportation (Subpart 247.5). This subpart implements the Cargo Preference Act of 1904 (10 U.S.C. 2631).

(i) DFARS 252.247-7022, Representation of Extent of Transportation by Sea, is prescribed at 247.573 (a) for use in all solicitations except those for direct purchase of ocean transportation services, or those with an anticipated value at or below the simplified acquisition threshold.

- Paragraph (b) requires the offeror to represent whether the offeror anticipates that supplies will be transported by sea in the performance of any contract or subcontract resulting from the solicitations.

(ii) DFARS 252.247-7023, Transportation of Supplies by Sea is prescribed at 247.573 (b) for use in all solicitations except those for direct purchase of ocean transportation services. The clause is used with its alternate number in solicitations and contracts with anticipated value at or below the simplified acquisition threshold.

- Paragraph (d) requires the contractor to submit requests for use of other than U.S.-flag vessels in writing to the contracting officer.
- Paragraph (e) requires the contractor to submit one copy of the rated on board vessel operating carrier's ocean bill of lading.
- Paragraph (f) requires the contractor to represent, with its final invoice, that:
 - (1) no ocean transportation was used in that performance of the contract; (2) only U.S.-flag vessels were used for all ocean shipments under the contract; (3) ocean transportation was used, and the contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or (4) the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer.
- Paragraph (h) requires the contractor to flow down these requirements to subcontracts that exceed the simplified acquisition threshold and are wither noncommercial subcontracts or are certain specified types of commercial subcontracts.

(iii) DFARS 252.247-7024, Notification of Transportation of Supplies by Sea, is prescribed for use at 247.573 (c) in all contracts for which the offeror made a negative response to the inquiry in the provision at 252.247-7022.

- Paragraph (a) requires the contractor, after award, to notify the contracting officer if the contractor learns that supplies are to be transported by sea and the contractor indicated, in the solicitation, that the contractor did not anticipate transporting any supplies by sea.

2. The information generated by these requirements is used by contracting officers to verify adequate insurance prior to award of stevedoring contracts and to provide appropriate price adjustments to such contracts; and to assist the Maritime Administration in monitoring compliance with the Cargo Preference Act of 1904.

3. Improved information technology is used to the maximum extent practicable. Contractors are permitted to submit required notification information electronically, and DoD may process the data collected electronically via Electronic Data Interchange. This means of collection was adopted to reduce errors and increase efficiency. This paperwork is compliant with the requirements of GPEA.

4. As a matter of policy, we review the Federal Acquisition Regulation to determine if adequate language already exists. The language in DFARS Part 247 and in the related clauses at 252.247 applies solely to DoD and is not duplicative of the language in FAR Parts 47 and 52. Similar information is not available to the Government.

5. The burden applied to small businesses is the minimum consistent with applicable laws, Executive Orders, regulations, and prudent business practices.

6. The frequency for collecting this information was reviewed by the DoD specialists who are most knowledgeable of the requirements and the need for the information. Every attempt has been made to keep the frequency of collection to a minimum without jeopardizing the ability of the Government to assure that contractors are meeting their contractual requirements. Less frequent reporting of unusual or hazardous conditions and less frequent collection of this information would impede contracting officers and transportation officers from performing their administrative functions. Rates that should be adjusted would remain unchanged and cause financial harm to contractors.

7. The collection of this information is consistent with the general information collection guidelines in 5 CFR 1320.5 (d) (2).

8. Public comments were solicited in the Federal Register (73 FR 1866) dated January 10, 2008 (TAB C). No comments were received regarding the proposed burden hours.

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

10. This information is disclosed only to the extent consistent with prudent business practices and current regulations and statutory requirements.

11. No sensitive questions are involved.

12. Estimate of Public Burden.

I. Number of respondents	60,400
II. Responses per respondent	7.71
III. Total annual responses	465,842
IV. Hours per response	.32
V. Total hours	150,114
VI. Rate per hour	\$33
VII. Total annual cost to public	\$4,953,762

See matrix for details. The annual cost to the public reflects higher wage rates as a result of inflation. Average cost per hour is the approximate equivalent of GS-09, step 5 salary (\$25/hour, 2007 Wash. DC table) plus 32.85 percent fringe benefit rate.

13. None. We do not estimate any annual cost burdens apart from the hour burden in items 12 and 14.

14. Cost to the Government.

The time required for Government review of the requirements of Part 247 and related clauses is estimated to be approximately 93,358 hours (see attached matrix for details). This estimate is based on receiving, reviewing, and analyzing the information submitted by the contractor, and was developed as a result of discussions with personnel at the Military Traffic Command, Military Sealift Command, and the Maritime Administration.

I. Number of responses	465,842
II. Average hours per response	.2
III. Total hours	93,358
IV. Average cost per hour	\$33
V. Total annual cost to Government	\$3,080,814

Average cost per hour is the approximate equivalent of a GS-09, step 5 salary (\$25/hour, 2007 Wash. DC table), plus 32.85 percent burden.

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

16. Results of this collection will not be published.

17. We seek approval to display the expiration dates for OMB approval of the information collection.

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

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.

Results will not be tabulated. Statistical methods will not be employed.