

OMB No. 0704-0255
Supporting Statement

DFARS Part 236 – Construction and Architect-Engineer Contracts

A. JUSTIFICATION

1. Requirement. This is a request for extension of the information collection requirements in the Department of Defense (DoD) currently approved under OMB Control Number 0704-0255 for DFARS Part 236 and the related provisions and clauses at Part 252.236. The approval for 0704-0225 expires August 31, 2008. After review of fiscal year 2007 Federal Procurement Data System (FPDS) data, this extension decreases the total number of annual burden hours from 318,295 to 263,281, a decrease of 55,014 hours.

This request covers the following requirements in 48 CFR Chapter 2 (DFARS), as prescribed in DFARS 236.570, applicable to fixed-price construction contracts:

a. DFARS 252.236-7000, Modification Proposals-Price Breakdown, requires contractors to submit a price breakdown with any proposal for a contract modification.

b. DFARS 252.236-7002, Obstruction of Navigable Waterways, requires contractors to notify the contracting officer of obstructions in navigable waterways.

c. DFARS 252.236-7003, Payment for Mobilization and Preparatory Work, requires contractors to provide supporting documentation when submitting requests for payment for mobilization and preparatory work. DFARS 252.236-7004, Payment for Mobilization and Demobilization, permits contracting officers to require contractors to furnish cost data justifying the percentage of the cost split between mobilization and demobilization, if the Contracting officer believes that the proposed percentages do not bear a reasonable relation to the cost of the work.

d. DFARS 252.236-7010, Overseas Military Construction, and DFARS 252.236-7012, Military Construction on Kwajalein Atoll-Evaluation Preference, require contractors to identify their status as a U.S. firm, or, on Kwajalein Atoll, status as a Marshallese firm. This requirement implements Section 112 of the Fiscal Year 1998 Military Construction Appropriations Act (Pub. L. 104-45).

2. Purpose. DFARS Part 236 prescribes policies and procedures for contracting for construction and architect-engineer services. Government personnel use the information generated by these requirements to (a) evaluate contractor offers for modifications, (b) determine that the contractor has removed all obstructions to navigation, (c) review contractor requests for payment for mobilization and determine reasonableness of allocation costs between mobilization and demobilization, and (d) determine eligibility for the 20 percent preference for U.S. firms in some overseas construction contracts.

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 collection of this information is not expected to have a significant impact on a substantial number of small businesses or other small entities. The requirements for information collection are only occasional, as the circumstances dictate, and the burden applied to large and small entities is the minimum consistent with applicable laws, Executive Orders, regulations and prudent business practices.

6. Consequences for non-collection. The proposed collection of information will be conducted on an occasional basis when offerors submit bids or when contractors request payment or obstruct navigable waterways. Less frequent collection or no collection of information would impede contracting officers from performing their administrative functions in an effective and efficient manner and would make it impossible to enforce the statutory preference for U.S. firms.

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

8. Public comments and consultation. Public comments on the information collection requirement were solicited in the Federal Register on May 13, 2008 (73 FR 27514). No public comments were received.

9. Payment to respondents. There will be no payment or gifts to respondents, other than remuneration of contractors.

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

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

12. Estimates of Public Burden Hours and Associated Annualized Cost.

The burden associated with the requirements of DFARS 252.239 were developed using fiscal year 2007 FPDS database figures and through discussions with contracting professionals who are familiar with construction contracting.

	Note	252.236-7000	252.236-7002	252.236-7003 & 7004	252.236-7010 & 7012	Total
Number of Respondents	(1)	2,500	25	35	35	2,595
Responses per Respondent	(1)	1	1	1	2	1.01
Annual Responses		2,500	25	35	70	2,630
Hours Per Response	(1)	105	3	20	.08	100.11
Total Hours		262,500	75	700	6	263,281
Cost Per Hour	(2)	\$29.49	\$29.49	\$29.49	\$29.49	\$29.49
Total Annual Cost to Public		\$7,741,125	\$2,212	\$20,643	\$171	\$7,764,151

Notes:

(1) The estimates of hour burdens for this information collection requirement are based on the DoD FPDS database of contract actions for fiscal year 2007 and consultations with DoD personnel. In FY 2007, there were 12,435 contract actions relating to construction. We estimate that 2,500 (20%) of these contract actions were contract modifications requiring submission of a price breakdown.

(2) Based on GS-09 step 5 salary (\$45,103) plus 36.45% benefits (\$16,440), divided by 2,087 hours equals \$29.49. The 36.45% fringe benefit rate is derived from Circular No. A-76, Revised Supplemental Handbook (Memorandum M-07-02 dated October 31, 2007) as follows:

Base Payroll	28.3%
Insurance and health benefits	6.7%
Medicare	<u>1.45%</u>
	36.45%

13. Estimated nonrecurring costs. We estimate that there are no nonrecurring costs, i.e., capital and start-up operation and maintenance costs other than the hour burden detailed in section 12.

14. Estimated cost to Government. The time required for the Government to review the requirements of Part 236 is estimated to be approximately 995,086 hours. This estimate is based on receiving reviewing and analyzing the information submitted by the contractor and was developed as a result of discussions with contracting specialists who are familiar with construction contracting.

	Note	252.236-7000	252.236-7002	252.236-7003 & 7004	252.236-7010 & 7012	Total
Total annual responses	(1)	2,500	25	35	70	12,610
Hours per response	(2)	80	2	4	.08	86
Total annual hours		200,000	50	140	6	995,086
Cost per hour		\$29.49	\$29.49	\$29.49	\$29.49	\$29.49
Total annual cost to Gov't	(1)	\$5,898,000	\$1,475	\$4,129	\$171	\$5,903,774

Notes:

(1) Based on GS-9, step 5, salary plus 36.45% fringe benefit rate. See Note (2) under Item 12, above.

(2) The estimated hours per response is based on the time required for Government receive, review, and analyze the information submitted by the contractor. The estimate was developed as a result of discussions with DoD personnel.

15. Program changes. The changes to Items 12 and 14, above, are due to using more current cost per hour data and a slight decrease in the estimated number of contract modifications to construction contracts.

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

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

18. Certification. There are no exceptions to the certificate statement identified in Item 19 of OMB Form 83-I.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

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