

**Paperwork Burden Analysis**  
**OMB 0704-0214**

A. Justification

1. We request extension of the expiration date for the information requirement currently approved under OMB Control number 0704-0214 for Part 217, Special Contracting Methods, of the Defense Federal Acquisition Regulation Supplement (DFARS). The approval for 0704-0214 expires on November 30, 2008. We are also combining the requirements related to Part 217 from OMB Control Number 0704-187 with this Information Collection updated to appropriately align all Information Collection requirements from Part 217 under one collection requirement. OMB Control Number 0704-0187 expires February 28, 2009.

One obsolete provision is removed from this Information Collection requirement. The clause 252.217-7018 is no longer in DFARS.

DFARS Part 217 contains the following information collection requirements:

a. Paragraph (d)(3) of the clause at DFARS 252.217-7012 requires the contractor to show evidence of insurance under a master agreement for vessel repair and alteration.

b. Paragraphs (f) and (g) of the clause at DFARS 252.217-7012 require the contractor to notify the contracting officer of any property loss or damage for which the Government is liable and to submit to the contracting officer a request, with supporting documentation, for reimbursement of the cost of replacement or repair.

c. The provision at 252.217-7026 requires the apparently successful offeror to identify its sources of supply.

d. Paragraphs (c) and (e) of the clause at DFARS 252.217-7028 require the contractor to submit to the contracting officer a work request and proposal for "over and above" work.

e. Paragraph (a) of DFARS 217.7004 requires that solicitations which contemplate exchange (trade-in) of personal property and application of the exchange allowance to the acquisition of similar property (see 40 U.S.C. 481), shall include a request for offerors to state prices for the new items being acquired both with and without any exchange (trade-in allowance).

f. Paragraph (b) of 217.7404-3, Undefined Contract Actions, requires the contractor to submit a "qualifying proposal" in accordance with the definitization

schedule. A qualifying proposal is defined in 217.7401(c) as a proposal containing sufficient information for the DoD to do complete and meaningful analyses and audits of the information in the proposal, and any other information that the contracting officer has determined DoD needs to review in connection with the contract.

g. Paragraph (d) of 217.7505, Acquisition of Replenishment Parts permits contracting officers to include in sole-source solicitations that include acquisition of replenishment parts, a provision requiring that the offeror supply with its proposal, price and quantity data on any Government orders for the replenishment part issued within the most recent 12 months (see 10 U.S.C. 2452 note, Spare Parts and Replacement Equipment, Publication of Regulations).

2. DFARS Part 217 prescribes policies and procedures for acquiring supplies and services by special contracting methods. Contracting officers use the information to:

a. Determine that the contractor is adequately insured. This requirement supports prudent business practice because it limits the Government's liability as a related party to the work the contractor performs.

b. Determine the extent of work to be performed under a master agreement to keep informed of lost or damaged property for which the Government is liable, and to determine the appropriate course of action for replacement or repair of the property.

c. Identify the apparently successful offeror's sources of supply so that competition can be enhanced in future acquisitions. This collection complies with 10 U.S.C. 2384, Supplies: identification of supplier and sources, which requires the contractor to identify the actual manufacturer or all sources of supply for supplies furnished under contract to DoD.

d. Determine the extent of "over and above" work before the work commences. This requirement supports prudent business practice because it allows the Government to review the need for pending work before the contractor begins performance.

e. Contemplate exchange (trade-in) of personal property and application of the exchange allowance to the acquisition of similar property (see 40 U.S.C. 481). This requirement shall include a request for offerors to state prices for the new items being acquired both with and without any exchange (trade-in allowance).

f. Evaluate a contractor's "qualifying proposal" in accordance with the definitization schedule. This requirement will require receipt of a qualifying proposal containing sufficient information for the DoD to do complete a meaningful analyses and audit of the information in the proposal, and any other information that the contracting

officer has determined DoD needs to review in connection with the contract.

g. Include a provision requiring that the offeror supply with its proposal, price and quantity data on any Government orders for the replenishment part issued within the most recent 12 months. This provision shall be placed in sole-source solicitations that include acquisition of replenishment parts.

3. We use improved information technology to the maximum extent practicable. This information collection requirement may be submitted electronically where electronic submission is feasible.

4. As a matter of policy, we review the Federal Acquisition Regulation (FAR) to determine if adequate language already exists. The guidance in DFARS 217 only applies to DoD and is not duplicative of the FAR.

5. The collections associated with paragraphs 1a, and 1e are the minimum consistent with applicable laws, regulations, and prudent business practices. The collections associated with paragraphs 1b, 1d, 1f, 1h and 1i are not expected to have a significant impact on a substantial number of small business or other small entities. The requirement to notify the contracting officer only applies to a small number of contractors that have contracts for ship repair.

6. DoD specialist who are most knowledgeable of the requirements and need for the information reviewed the collection frequency. Every attempt has been made to keep the frequency of collection to a minimum without jeopardizing the ability of the Government to assure that offerors are submitting adequate responses to requests for proposal. This information is collected in response to individual solicitations. Where feasible, this information is only collected from the successful offeror, prior to contract award. Contracting officers could not perform their administrative functions effectively and efficiently if the information were collected less frequently.

7. We will not collect information in a manner that requires explanation of special circumstances.

8. Public comments were solicited in Federal Register on August 18, 2008 (73 FR 48200), as required by 5 CFR 1320.8(d) (copy attached). We received no comments in the response.

9. We will not provide a payment or gift to respondents to this information collection requirement.

10. We will disclose the information collected only to the extent consistent with prudent business practices and the Freedom of Information Act. We do not provide an

assurance of confidentiality to respondents.

11. No sensitive questions are involved.

12. Estimated cost. We estimated the hour burden using information from the prior clearance and estimates and processing times from contracting professionals familiar with the solicitation process. We have no reason to believe that there has been a substantial change in the number of contractors subject to these requirements.

a. DFARS 252.217-7012(d)(3) requires contractors to show evidence of insurance under master agreements for vessel repair and alteration. Based on historical DD 350 data, we estimate approximately 30 master agreements per year. We estimate that a contractor will take, on average, 1 hour to copy and provide the contracting officer the required evidence. The estimated burden for this requirement is:

Number of Respondents	30
Average Responses per respondent	1
Number of responses	30
Average hours per response	1
Estimated hours	30
Cost per hour <sup>1</sup>	\$32.40
Total annual public burden	\$972

Note 1: Equivalent to 2008 Year GS9 Step 5 (Rest of US) rate of \$24.46, plus burden of 32.45%.

b. DFARS 252.217-7012(f) and (g) require the contractor to notify the contracting officer of any property loss or damage for which the Government is liable, and to submit to the contracting officer a request for reimbursement of the cost of replacement or repair with supporting documentation. Based on historical DD 350 data, we estimate approximately 900 orders per year for additional work under master agreements. We estimate that a contractor needs 8 hours to prepare and submit the request to the contracting officer. The estimated burden for this requirement is:

Number of Respondents	30
Average Responses per respondent	30
Number of responses	900
Average hours per response	8
Estimated hours	7,200
Cost per hour <sup>1</sup>	\$32.40
Total annual public burden	\$233,280

Note 1: Equivalent to 2008 Year GS9 Step 5 (Rest of US) rate of \$24.46, plus burden of 32.45%.

c. The provision at 252.217-7026 requires apparently successful offerors to identify their source of supplies when the acquisition is conducted under other than full

and open competition. Based on historical DD 350 data and information received from Navy representatives, we estimate approximately 23,900 contracts awarded under other than full and open competition. Contractors are required to reveal their sources of supply under those contracts. We estimate that a contractor would take, on the average, 24 hours to identify and supply the required information to the Government. The estimated burden for this requirement is:

Number of Respondents	23,900
Average Responses per respondent	1
Number of responses	23,900
Average hours per response	24
Estimated hours	573,600
Cost per hour <sup>1</sup>	\$32.40
Total annual public burden	\$18,584,640

Note 1: Equivalent to 2008 Year GS9 Step 5 (Rest of US) rate of \$24.46, plus burden of 32.45%.

d. DFARS 252.217-7028 requires contractors to submit a work request and a proposal for “over and above” work to the contracting officer. We estimate there will be approximately 3,031 actions for over and above” work per year based on historical DD 350 data. Since the contractor must submit a work request and a proposal for each action, we estimate that there are 102,200 (51,100 contractors with 2 submission each) contractor submission per year. We further estimate that it takes the contractor, on the average, 4 hours to prepare and submit the request/proposal. The estimated burden for this requirement is:

Number of Respondents	25,550
Average Responses per respondent	2
Number of responses	51,100
Average hours per response	4
Estimated hours	204,400
Cost per hour <sup>1</sup>	\$32.40
Total annual public burden	\$6,622,560

Note 1: Equivalent to 2008 Year GS9 Step 5 (Rest of US) rate of \$24.46, plus burden of 32.45%.

e. 217.70, Exchange of Personal Property, paragraph 217.7004(a) requires that solicitations which contemplate exchange (trade-in) of personal property and application of the exchange allowance to the acquisition of similar property (see 40 U.S.C. 481), shall include a request for offerors to state prices for the new items being acquired both with and without any exchange (trade-in allowance). Based on historical DD 350 data, we estimate 1,574 solicitations per year for exchangeable property, 4 responses per solicitation, 4 responses per respondent, and 1 hour per response. The estimated burden for this requirement is:

Number of Respondents	1,574
Average Responses per respondent	4
Number of responses	6,296
Average hours per response	1
Estimated hours	6,296
Cost per hour <sup>1</sup>	\$39.19
Total annual public burden	\$246,740

Note 1: Equivalent to 2008 Year GS11 Step 5 (Rest of US) rate of \$29.59, plus burden of 32.45%.

f. 217.74, Undefined Contract Actions, paragraph 217.7404-3(b). In accordance with 10 U.S.C. 2326, unless an exception in 217.7404-5 applies, paragraph (b) of section 217.7404-3, requires, the contractor to submit a "qualifying proposal" in accordance with the definitization schedule. A qualifying proposal is defined in 217.7401(c) as a proposal containing sufficient information for the DoD to do a complete and meaningful analyses and audits of the information in the proposal, and any other information that the contracting officer has determined DoD needs to review in connection with the contract.

Based on historical DD 350 data, we estimate 398 initial letter contracts (LCs) and 86,800 orders under contracts per year. We estimate 75 percent of orders over \$500,000 and 25 percent of orders under \$500,000 are undefinitized (equals 25,990 undefinitized orders); 1 response per contract action; 1 respondent per letter contract but only 1 respondent per 10 orders under Basic Ordering Agreements (BOAs); response time for the additional requirements that may be required in a qualifying proposal calculated as a weighted average varying from 40 hours for actions of \$10 million or more to 4 hours for actions of \$25,000 to less than \$100,000. The estimated burden for this requirement is:

Number of Respondents	2,997
Average Responses per respondent	8.8
Number of responses	26,388
Average hours per response	12.18
Estimated hours	321,398
Cost per hour <sup>1</sup>	\$55.87
Total annual public burden	\$17,956,506

Note 1: Equivalent to 2008 Year GS13 Step 5 (Rest of US) rate of \$42.18, plus burden of 32.45%.

g. 217.75, Acquisition of Replenishment Parts, paragraph 217.7505(d). Paragraph (d) of Section 217.7505 permits contracting officers to include in sole-source solicitations that include acquisition of replenishment parts, a provision requiring that the offeror supply with its proposal, price and quantity data on any Government orders for the replenishment part issued within the most recent 12 months (see 10 U.S.C. 2452 note, Spare Parts and Replacement Equipment, Publication of Regulations).

Based on historical DD 350 data, we estimate approximately 1,050 sole-source solicitations per year for acquisitions of \$1 million or more, of which approximately 525 are for supplies, we estimate 100 solicitations may require such data on prior pricing of replenishment parts, 1 respondent per solicitation, 1 response per respondent, and 2 hours per response. The estimated burden for this requirement is:

Number of Respondents	100
Average Responses per respondent	1
Number of responses	100
Average hours per response	2
Estimated hours	200
Cost per hour	\$39.19
Total annual public burden	\$7,838

Note 1: Equivalent to 2008 Year GS11 Step 5 (Rest of US) rate of \$29.59, plus burden of 32.45%.

h. Sum total of the burdens from paragraphs a through g:

Number of Respondents	54,181
Average Responses per respondent <sup>1</sup>	2.01
Number of responses	108,714
Average hours per response	10.24
Estimated hours	1,113,124
Cost per hour	\$39.22
Total annual public burden	\$43,652,537

Note 1: Determined by dividing total number of responses by number of respondents.

Note 3: Calculated from a weighted average of total annual cost burden divided by total annual hours.

13. DFARS 217 imposes no recordkeeping requirement.

14. We estimate approximately 8 hours, on average, to evaluation information requirements in DFARS Part 217. Our estimate considers the time required to receive, review, and analyze information submitted by contractors. We estimated the Government burden as follows:

a. DFARS 252.217-7012(d)(3)

Number of Responses	30
Average hours per response	2
Estimated hours	60
Cost per hour	\$32.40
Total annual public burden	\$1,944

b. DFARS 252.217-7012(f) and(g)

Number of Responses	900
Average hours per response	10
Estimated hours	9,000
Cost per hour	\$32.40
Total annual public burden	\$291,600

c. DFARS 252.217-7026:

Number of Responses	23,900
Average hours per response	3.5
Estimated hours	83,650
Cost per hour	\$32.40
Total annual public burden	\$2,710,260

d. DFARS 252.217-7028(c) and (e):

Number of Responses	51,100
Average hours per response	12.5
Estimated hours	638,750
Cost per hour	\$32.40
Total annual public burden	\$20,695,500

e. DFARS 217-7004(a)

Number of Responses	6,296
Average hours per response	.5
Estimated hours	3,148
Cost per hour	\$39.19
Total annual public burden	\$123,370

f. DFARS 217.7404-3(b)

Number of Responses	26,388
Average hours per response	4.3
Estimated hours	113,468
Cost per hour	\$55.87
Total annual public burden	\$6,339,481

g. DFARS 217.7505(d)

Number of Responses	100
Average hours per response	2
Estimated hours	200
Cost per hour	\$39.19
Total annual public burden	\$7,838

h. Sum total of the burdens in a through g:

Number of Responses	108,714
Average hours per response	7.8
Estimated hours	848,276
Cost per hour <sup>1</sup>	\$39.21
Total annual Government burden	\$30,169,993

Note 1: The cost per hour is calculated as a weighted average for all Information Collection requirements, which includes GS9, GS11 and GS13 rates based on experience requirements. Total annual burden costs are rounded to the nearest dollar.

15. There is a program change of 14 hours due to the deletion of the hours associated with 252.217-7018(b) and (c), which has been removed from the DFARS. The total public burden hours are updated from the data used from our last submission by the increase of 327,894 hours, due to the incorporation of Part 217 Information Collection requirements from OMB 0704-0187 into this Information Collection requirement. Otherwise the amount of hours for the Information Collection requirements from 0704-0187 and 0704-0214 remain unchanged. The total annual cost to the public has increased by \$ 22,537,326 mainly because of the addition of the OMB 0704-0187 Part 217 requirements and the adjustment for 2008 hourly rates.

16. We will not publish results of this information collection.

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

18. There are no exceptions to the certification accompanying this Paperwork Reduction Act Submission. We will provide the information required by 50 CFR 1320.8(b)(3) in a separate Federal Register notice announcing OMB approval of this information collection.

B. Collections of Information Employing Statistical Methods. Results will not be tabulated. Statistical methods will not be employed.