

**OMB Case 0704-0246**  
**SUPPORTING STATEMENT**

**A. JUSTIFICATION**

1. This is a request for extension of OMB Clearance Number 0704-0246, which will expire on July 31, 2009. This request covers the following requirements for the collection of information relating to Defense Federal Acquisition Regulation Supplement (DFARS) Part 245, Government Property and related clauses and forms (available at <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>):

a. DFARS 245.302(1)(i) (formerly 245.405(1)) requires contractors to obtain contracting officer approval before using Government production and research property on work for foreign governments and international organizations.

b. DFARS 245.606-70 require contractors to use DD Form 1342 as a source document for establishing property records; to report information concerning IPE; and to list excess IPE.

c. DFARS 245.603-70(c) requires contractors that perform plant clearance duties to ensure that inventory schedules are satisfactory for storage or removal purposes. Contractors may use DD Form 1637 for this function.

d. DFARS 245.607-1(a)(i) permits contractors to request a pre-inventory scrap determination, made by the plant clearance officer after an on-site survey, if inventory is considered without value except for scrap.

e. DFARS 245.7101-2 permits contractors to use DD Form 1149 for transfer and donation of excess contractor inventory.

f. DFARS 245.7101-4 requires contractors to use DD Form 1640 to request plant clearance assistance or to transfer plant clearance.

g. DFARS 245.7303 and 245.7304 require contractors to use invitations for bid for the sale of surplus contractor inventory.

h. DFARS 245.7308(a) requires contractors to send certain information to the Department of Justice and the General Services Administration when the contractor sells or otherwise disposes of inventory with an estimated fair market value of \$3 million or more, or disposes of any patents, processes, techniques or inventions, regardless of cost.

i. DFARS 245.7310-7 requires the purchaser of scrap to represent and warrant that the property will be used only as scrap. The purchaser also must sign DD Form 1639.

j. DFARS 211.274 requires contractors to provide reliable accountability of property and asset visibility throughout the property life cycle by recording the property in the DoD IUID Registry. This DoD IUID recording replaces the annual report for contracts involving Government property requirements of DD Form 1662 as formerly required under DFARS 252.245-7001. The hours stated herein also represent those that will be required under the proposed DFARS clause for reporting of Government-furnished material in the IUID Registry.

2. DFARS Part 245 prescribes policies and procedures for providing Government property to contractors; contractors' use and management of Government property; and reporting, redistributing, and disposing of contractor inventory. The information generated by the requirements of DFARS Part 245 is used by contractors, property administrators, and contracting officers to maintain property records.

3. Improved information technology is used to the maximum extent practicable.

4. As a matter of policy, we review the Federal Acquisition Regulation (FAR) to determine if adequate language already exists. The language in DFARS Part 245 applies solely to DoD and is not considered duplicative of the language in FAR Part 45. Similar information is not readily available.

5. The burden applied to small business is the minimum consistent with applicable laws, regulations, executive orders, 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 performing their contractual requirements. Collecting this information less frequently would impede contracting officers and property administrators from performing their administrative functions in an effective and efficient manner.

7. Collection of this information does not require any of the characteristics of collection cited at 5 CFR 1320.5(d)(2).

8. Collection is consistent with the guidelines in 5 CFR 1320.6. Public comments were solicited in the Federal Register, May 4, 2009 (74 FR 20469) and no comments were received (TAB A).

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 statutory requirements, current regulations and prudent business practices.

11. No sensitive questions are involved.

12. Estimate of public burden. We discussed the burden requirements of DFARS Part 245 with property management specialists at the Defense Supply Center Richmond (DSCR) (the successor organization to the Defense Industrial Plant Equipment Center), the Defense Logistics Agency (DLA), and the Defense Contract Management Agency (DCMA). Where definitive information was available, we used it. In those instances where definitive information was not available, we relied on the judgment and expertise of property management specialists.

a. DFARS 245.302(1)(i). DCMA property management specialists indicate that there is no centralized database system that maintains statistics on the number of contractors that request approval to use Government

production and research property on work for foreign governments and international organizations. They estimate that approximately 120 contractors are affected and that each contractor submits about 2 requests a year. They also estimate that it takes approximately 1.5 hours for each contractor to store, retrieve, prepare, and submit the information for each request.

A.	Number of respondents	120
B.	Responses per respondent	2
C.	Total annual responses	240
D.	Hours per response	1.5
E.	Total hours	360
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$12,826

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

b. DFARS 245.606-70. DSCR maintains information on the number of DD Forms 1342 that are submitted by contractors to satisfy these requirements. DSCR specialists indicate that they receive approximately 600 submissions annually. DSCR estimates that it takes approximately 2.5 hours for each contractor to store, retrieve, prepare, and submit the information for each submission.

A.	Number of respondents	600
B.	Responses per respondent	1
C.	Total annual responses	600
D.	Hours per response	2.5
E.	Total hours	1,500
F.	Cost per hour	\$29.46*
G.	Total annual cost to respondents	\$44,190

\* Based on GS-09 step 5 salary plus 32.45 percent burden.

c. DFARS 245.603-70(c). DCMA property management specialists estimate that these requirements apply to five contractors. DCMA property management specialists estimate that each contractor prepares and submits approximately 100 inventory schedules per year, and that, on the average, it takes approximately 1 hour for each contractor to retrieve,

prepare, and submit the information for each inventory schedule.

A.	Number of respondents	5
B.	Responses per respondent	100
C.	Total annual responses	500
D.	Hours per response	1
E.	Total hours	500
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$17,815

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

d. DFARS 245.607-1(a)(i). DCMA property management specialists indicate that contractor requests for pre-inventory scrap determination apply primarily to large contractors, as they are the only contractors that would have approved scrap procedures as part of their property management program. DCMA property management specialists estimate that of the 5,000 contractors that maintain Government property, approximately 100 contractors make such a request and that each contractor submits approximately 5 requests per year. They estimate that it takes approximately 3 hours for each contractor to store, retrieve, prepare, and submit the information for each request.

A.	Number of respondents	100
B.	Responses per respondent	5
C.	Total annual responses	500
D.	Hours per response	3
E.	Total hours	1,500
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$53,444

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

e. DFARS 245.7101-2. DCMA property management specialists indicate that there is no centralized database system that maintains statistics on the number of contractors that use the DD Form 1149. They estimate that, of the 5,000 contractors that maintain Government property, approximately 50 percent of the contractors submit DD Forms

1149 and that each contractor submits approximately 3 per year. They estimate that it takes approximately 1 hour for each contractor to store, retrieve, prepare, and submit the information needed for each review.

A.	Number of respondents	2,500
B.	Responses per respondent	3
C.	Total annual responses	7,500
D.	Hours per response	1
E.	Total hours	7,500
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$267,218

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

f. DFARS 245.7101-4. DCMA property management specialists estimate that these requirements apply to five contractors. They estimate that each contractor would request assistance no more than 5 times each year. They estimate that it takes approximately 1 hour for each contractor to store, retrieve, prepare, and submit the information for each request.

A.	Number of respondents	5
B.	Responses per respondent	5
C.	Total annual responses	25
D.	Hours per response	1
E.	Total hours	25
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$891

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

g. DFARS 245.7303. DCMA property management specialists indicate that there is no centralized database system that maintains statistics on the number of contractors that use formal bid procedures for sale of surplus contractor inventory. They estimate that approximately 200 contractors use formal bid procedures each year and that they use this procedure approximately 4 times a year. They estimate that it takes approximately 3.5 hours for each contractor to store, retrieve, prepare, and submit the information for use of formal bid procedures.

A.	Number of respondents	200
B.	Responses per respondents	4
C.	Total annual responses	800
D.	Hours per response	3.5
E.	Total hours	2,800
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$99,761

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

h. DFARS 245.7304. DCMA property management specialists indicate that there is no centralized database system that maintains statistics on the number of contractors that use informal bid procedures for sale of surplus contractor inventory. They estimate that approximately 850 contractor's use informal bid procedures and that they use this procedure approximately 5 times per year. They estimate that it takes approximately 2.5 hours for each contractor to store, retrieve, prepare, and submit the information for use of informal bid procedures.

A.	Number of respondents	850
B.	Responses per respondent	5
C.	Total annual responses	4,250
D.	Hours per response	2.5
E.	Total hours	10,625
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$378,559

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

i. DFARS 245.7308(a). DoD submits approximately two antitrust notifications to the Department of Justice (DoJ) each year. We estimate that it takes approximately 10 hours for each contractor to store, retrieve, prepare, and submit to DoD the information required to support each DoD submission to the DoJ. This estimate allows 6 hours to obtain the information required by a corporation or a partnership, and 4 hours for the contractor to provide the rest of the information from information they should have readily available.

A.	Number of respondents	2
B.	Responses per respondent	1
C.	Total annual responses	2
D.	Hours per response	10
E.	Total hours	20
F.	Cost per hour	\$42.72*
G.	Total annual cost to respondents	\$854

\* Based on GS-12 step 5 salary plus 32.45 percent burden.

j. DFARS 245.7310-7. The DD Form 1639 is used for the sole purpose of having purchasers warrant that the property they have purchased will be used only as scrap. DCMA property specialists indicate that approximately 5,500 forms are submitted each year. It is estimated that it should take a contractor approximately .5 hour to complete and submit the form.

A.	Number of respondents	5,500
B.	Responses per respondent	1
C.	Total annual responses	5,500
D.	Hours per response	.5
E.	Total hours	2,750
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$97,980

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

k. DFARS 211.274. DCMA maintains a database on the number of contractors that provide an annual report for contracts with Government property. DCMA property management specialists indicate that approximately 4,400 contractors submit such reports annually and that each contractor submits, on the average, 5 such reports each year. DCMA property management specialists estimate that it takes approximately 1 hour for each contractor to store, retrieve, prepare, and submit the information for each report.

A.	Number of respondents	4,400
B.	Responses per respondent	5
C.	Total annual responses	22,000
D.	Hours per response	1



E.	Total hours	22,000
F.	Cost per hour	\$35.63*
G.	Total annual cost to respondents	\$783.839

\* Based on GS-11 step 5 salary plus 32.45 percent burden.

1. Estimated annual total burden to the public (see TAB B)

A.	Number of respondents	14,282
B.	Responses per respondent	2.9*
C.	Total annual responses	41,917
D.	Hours per response	1.2**
E.	Total hours	49,580
F.	Cost per hour	\$35.45***
G.	Total annual cost to public	\$1,757,377

\* Based on dividing C by A.

\*\* Based on dividing E by C.

\*\*\* Based on dividing G by E.

13. None.

14. Estimated annual cost to the Government. The time estimates are based on receiving, reviewing, and analyzing the information submitted by the contractor, and developed as a result of discussions with property management specialists at DSCR, DARMP, DLA and DCMA. The hourly rate of \$29.46 is based on a GS-9, step 5 salary plus 32.45 percent overhead (OMB Circular A-76).

a. DFARS 245.302(1)(i). Approximately 120 contractors seek Government approval to use Government production and research property on work for foreign governments and international organizations and each contractor submits about 2 requests a year. It takes approximately 3 hours for the Government to receive, review, and analyze the information in each request.

A.	Number of respondents	120
B.	Responses per respondent	2
C.	Total annual responses	240
D.	Hours per response	3
E.	Total hours	720

F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$21,209

b. DFARS 245.606-70. Contractors make approximately 600 submissions annually. It takes approximately 1 hour for the Government to receive, review, and analyze the information submitted by the contractor.

A.	Number of respondents	600
B.	Responses per respondent	1
C.	Total annual responses	600
D.	Hours per response	1
E.	Total hours	600
F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$17,676

c. DFARS 245.603-70(c). DCMA property management specialists estimate that these requirements apply to five contractors. Each contractor prepares and submits approximately 100 inventory schedules per year. It takes approximately 1 hour for the Government to receive, review, and analyze each submission.

A.	Number of respondents	5
B.	Responses per respondent	100
C.	Total annual responses	500
D.	Hours per response	1
E.	Total hours	500
F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$14,728

d. DFARS 245.607-1(a)(i). Approximately 100 contractors request a pre-inventory scrap determination and each contractor submits approximately 5 requests per year. It takes approximately 3 hours for the Government to receive, review, and respond to each request.

A.	Number of respondents	100
B.	Responses per respondent	5
C.	Total annual responses	500
D.	Hours per response	3
E.	Total hours	1,500

F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$44,185

e. DFARS 245.7101-2. Of the 5,000 contractors that maintain Government property, approximately 50 percent of the contractors submit DD Forms 1149 and each contractor submits approximately 3 per year. It takes the Government approximately 30 minutes to receive, review, and analyze each submission.

A.	Number of respondents	2,500
B.	Responses per respondent	3
C.	Total annual responses	7,500
D.	Hours per response	.5
E.	Total hours	3,750
F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$110,463

f. DFARS 245.7101-4. DCMA property management specialists estimate that these requirements apply to five contractors. Each of these contractors is estimated to request plant clearance assistance or to transfer plant clearance approximately 5 times each year. It takes the Government approximately 1 hour to receive, review, and analyze each submission.

A.	Number of respondents	5
B.	Responses per respondent	5
C.	Total annual responses	25
D.	Hours per response	1
E.	Total hours	25
F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$736

g. DFARS 245.7303. Approximately 200 contractors use formal bid procedures and they each use the procedures approximately 4 times a year. It takes the Government approximately 1 hour to receive, review, and analyze each Invitation for Bid submission.

A.	Number of respondents	200
B.	Responses per respondents	4
C.	Total annual responses	800
D.	Hours per response	1
E.	Total hours	800

F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$23,566

h. 245.7304. Approximately 850 contractors use informal bid procedures and they each use this procedure approximately 5 times each year. It takes the Government approximately 1 hour to receive, review, and analyze each submission.

A.	Number of respondents	850
B.	Responses per respondent	5
C.	Total annual responses	4,250
D.	Hours per response	1
E.	Total hours	4,250
F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$125,192

i. DFARS 245.7308(a). Approximately 2 contractors submit information to DoD in support of DoD antitrust notifications to the DoJ each year. It takes the Government approximately 10 hours to receive, review, and analyze each submission.

A.	Number of respondents	2
B.	Responses per respondent	1
C.	Total annual responses	2
D.	Hours per response	10
E.	Total hours	20
F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$589

j. DFARS 245.7310-7. Each year, approximately 5,500 purchasers of scrap submit DD Forms 1639 to DoD representing and warranting that scrap they purchase will be used only as scrap. It takes the Government approximately .5 hour to receive, review, and analyze each submission.

A.	Number of respondents	5,500
B.	Responses per respondent	1
C.	Total annual responses	5,500
D.	Hours per response	.5
E.	Total hours	2,750
F.	Cost per hour	\$29.46
G.	Total annual cost to the Government	\$81,006

k. DFARS 211.274. Annually, approximately 4,400 contractors submit a report for contracts with Government property and each contractor submits, on the average, 5 such reports each year. It takes the Government approximately 1 hour to receive, review and analyze each report.

A.	Number of respondents	4,400
B.	Responses per respondent	5
C.	Total annual responses	22,000
D.	Hours per response	1
E.	Total hours	22,000
F.	Cost per hour	\$29.46*
G.	Total annual cost to respondents	\$648,120

l. Estimated total annual cost to the Government (See TAB B).

A.	Total annual responses	41,917
B.	Total Government hours	36,915
C.	Cost per hour	\$29.46
D.	Total annual cost to Government	\$1,087,470

15. This is a request for extension of a currently approved collection with changes. While there are no new information collection requirements in DFARS Part 245, the information collection requirements in the following DFARS subsections have been deleted:

DFARS 245.302-1(b)(1)(A)(1)  
DFARS 245.302-1(b)(1)(B)  
DFARS 245.407(a)(iv)

There are no changes in the method of collection.

16. Results of this collection will not be published.

17. We seek approval 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.

## **B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Statistical methods will not be employed.

## Public Burden

Reference	# of respondents	Responses per respondent	Total annual responses	Hours per response	Total hours	Cost per hour	Total annual cost to respondents
DFARS 245.405(1)	120	2	240	1.5	360	\$35.63	\$12,826
DFARS 245.505-5, 245.505-6, 245.606-70	600	1	600	2.5	1,500	\$29.46	\$44,190
DFARS 245.603-70(c)	5	100	500	1.0	500	\$35.63	\$17,815
DFARS 245.607-1(a)(i)	100	5	500	3.0	1,500	\$35.63	\$53,444
DFARS 245.7101-2	2,500	3	7,500	1.0	7,500	\$35.63	\$267,218
DFARS 245.7101-4	5	5	25	1.0	25	\$35.63	\$891
DFARS 245.7303	200	4	800	3.5	2,800	\$35.63	\$99,761
DFARS 245.7304	850	5	4,250	2.5	10,625	\$35.63	\$378,559
DFARS 245.7308(a)	2	1	2	10.0	20	\$42.72	\$854
DFARS 245.7310-7	5,500	1	5,500	0.5	2,750	\$35.63	\$97,980
DFARS 252.245-7001	4,400	5	22,000	1	22,000	\$35.63	\$783,839
<b>Totals</b>	<b>14,282</b>		<b>41,917</b>		<b>49,580</b>		<b>\$1,757,377</b>
<b>Averages</b>		<b>2.9</b>		<b>1.2</b>		<b>\$35.45</b>	

## Government Burden

Reference	# of respondents	Responses per respondent	Total annual responses	Hours per response	Total hours	Cost per hour	Total annual cost to respondents
DFARS 245.405(1)	120	2	240	3.0	720	\$29.46	\$21,209
DFARS 245.505-5, 245.505-6, 245.606-70	600	1	600	1.0	600	\$29.46	\$17,676
DFARS 245.603-70(c)	5	100	500	1.0	500	\$29.46	\$14,728
DFARS 245.607-1(a)(i)	100	5	500	3.0	1,500	\$29.46	\$44,185
DFARS 245.7101-2	2,500	3	7,500	0.5	3,750	\$29.46	\$110,463
DFARS 245.7101-4	5	5	25	1.0	25	\$29.46	\$736
DFARS 245.7303	200	4	800	1.0	800	\$29.46	\$23,566
DFARS 245.7304	850	5	4,250	1.0	4,250	\$29.46	\$125,192
DFARS 245.7308(a)	2	1	2	10.0	20	\$29.46	\$589
DFARS 245.7310-7	5,500	1	5,500	0.5	2,750	\$29.46	\$81,006
DFARS 252.245-7001	4,400	5	22,000	1	22,000	\$29.46	\$648,120
<b>Totals</b>	<b>14,282</b>		<b>41,917</b>		<b>36,915</b>		<b>\$1,087,470</b>
<b>Averages</b>		<b>2.9</b>		<b>0.9</b>		<b>\$29.46</b>	

TAB B