

**OMB CASE 0704-0245  
SUPPORTING STATEMENT**

**A. JUSTIFICATION**

**1. Requirement.** This is a request for reinstatement of the information collection requirement previously approved under OMB Control Number 0704-0245, for Defense Federal Acquisition Regulation Supplement (DFARS) Part 247, Transportation, and the related provisions and clauses at Part 252.247. Included in this submission is the requirement under related OMB 0704-0445, DFARS 247.5, Carriage Vessel Overhaul, Repair, and Maintenance. The approval for 0704-0445 expires on December 31, 2011.

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.

**a. Stevedoring Contracts (DFARS 247.270).**

(i) DFARS 252.247-7000, Hardship Conditions, is prescribed at 247.270-4(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 247.270-4(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 247.270-4(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 247.270-4(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 247.574 (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 247.574(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 247.574(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.

- (iv) DFARS 252.247-7026, Evaluation Preference for Use of Domestic Shipyards – Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise or Noncontiguous Trade, is prescribed for use at 247.574(e) in solicitations that require a covered vessel for carriage of cargo for DoD. DFARS 247.573-3 provides guidance on reporting of the information received from offerors in response to this provision.

- Paragraph (c) requires the offeror to provide the following information with its offer, addressing all covered vessels for which overhaul, repair, and maintenance work has been performed during the period covering the current calendar year, up to the date of proposal submission, and the preceding four calendar years:

- (1) Name of vessel.

- (2) Description and cost of qualifying shipyard work performed in U.S. shipyards.

(3) Description and cost of qualifying shipyard work performed in foreign shipyards and whether—

(i) Such work was performed as emergency repairs in foreign shipyards due to accident, emergency, Act of God, or an infirmity to the vessel, and safety considerations warranted taking the vessel to a foreign shipyard; or

(ii) Such work was paid for or reimbursed by the U.S. Government.

(4) Names of shipyards that performed the work.

(5) Inclusive dates of work performed.

**2. Purpose.** 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. Information Technology.** 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. Duplication.** 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. Small Business.** The burden applied to small businesses is the minimum consistent with applicable laws, Executive Orders, regulations, and prudent business practices.

**6. Consequences for Non-collection.** 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 contactors.

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

**8. Public Comments and Consultation.** Public comments were solicited in the Federal Register (75 FR 68331) dated November 5, 2010. No comments were received regarding the proposed burden hours.

**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 and current regulations and statutory requirements.

**11. Sensitive Questions.** No sensitive questions are involved.

**12. Estimate of Public Burden and Associated Annualized Cost.**

I. Number of respondents	60,415
II. Responses per respondent	7.71
III. Total annual responses	465,857
IV. Hours per response	.32
V. Total hours	150,136
VI. Rate per hour	\$37
VII. Total annual cost to public	\$5,555,032

See attached matrix for details. The annual cost to the public reflects higher wage rates as a result of inflation. Also, the total hours are slightly higher as a result of including a new requirement under DFARS case 2007-D0001. Average cost per hour is the approximate equivalent of GS-09, step 5 salary (\$28/hour, 2007 Wash. DC table) plus 32.85 percent fringe benefit rate resulting in a burdened rate of \$37.20 that is rounded to \$37.

**13. Estimated Nonrecurring Costs.** We do not estimate any nonrecurring annual cost burdens.

**14. Estimated Annual Cost to the Government.** The time required for Government review of the requirements of Part 247 and related clauses is estimated to be approximately 93,388 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	465,857
II.	Average hours per response	.2
III.	Total hours	93,388
IV.	Average cost per hour	\$37
V.	Total annual cost to Government	\$3,455,356

Average cost per hour is the approximate equivalent of GS-09, step 5 salary (\$28/hour, 2007 Wash. DC table) plus 32.85 percent fringe benefit rate resulting in a burdened rate of \$37.20 that is rounded to \$37.

**15. Program Changes.** This is an reinstatement of a previously approved collection under 0704-0245. The related approved collection requirement under 0704-0445 which expires December 31, 2011 is being included under this submission for 0704-0245.

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

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

**18. Certifications.** 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.