

**OMB CASE 0704-0248  
SUPPORTING STATEMENT**

**A. JUSTIFICATION**

- 1. Requirement.** This is a request for reinstatement of the information collection requirement previously approved under OMB Control Number 0704-0248, for Defense Federal Acquisition Regulations Supplement (DFARS) Appendix F, Material Inspection and Receiving Report and related forms.
- 2. Purpose.** This information is used to process reports of inspection and receipt of materials, and contractor payment requests.
- 3. Information Technology.** Contractors primarily submit the reports electronically through an application called Wide Area Workflow. The contractor must sign the forms and electronic signatures are accepted.
- 4. Duplication.** As a matter of policy, DoD reviews the Federal Acquisition Regulation to determine whether adequate language already exists. This information collection does not duplicate any other requirement.
- 5. Small Business.** The information collections associated with small businesses are 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 performing their contractual requirements. Collecting this information less frequently would impede Government personnel from performing their administrative functions in an effective and efficient manner and delay payments to contractors.
- 7. Special Circumstances.** Collection is consistent with the guidelines in 5 CFR 1320.5(d). The information will not be collected in a manner that requires an explanation of special circumstances.
- 8. Public Comments and Consultation.** Public comments were solicited in the Federal Register on November 5, 2010 (75 FR 68333), as required by 5 CFR 1320.8(d). No comments were received in response to the request for comments.
- 9. Payment to Respondents.** No payment or gift will be provided to respondents, other than remuneration of contractors consistent with the terms and conditions of their contracts.

**10. Confidentiality.** The information collected will be disclosed only to the extent consistent with prudent business practice, current regulations, and statutory requirements. No assurance of confidentiality is provided to respondents.

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

**12. Estimate of Public Burden Hours and Associated Annualized Cost.** The estimated hour burden of the collection of information and the estimated annualized cost to respondents were based on discussions with quality assurance and contract administration specialists from the Defense Contract Management Agency (DCMA). Definitive information was not available; therefore, we relied on the judgment and expertise of those technical specialists.

DD 250 series forms are prepared in two media, as a computer-generated form and in hard copy. Contractors of various sizes, however, predominately use the computer generated Wide Area Workflow Receiving Report in lieu of the DD 250 paper forms. Current DoD policy requires electronic submission of contractor payment requests unless the contracting officer determines otherwise. For DoD, Wide Area Workflow is the application designated for contractors to use to submit payment requests.

DCMA estimates that there will be approximately 807,000 shipments per year where inspection is at source. DCMA quality assurance specialists estimate that there are approximately one and a half times as many deliveries where inspection is at destination. This adds an additional 1,211,000 deliveries to our estimate bringing the total to approximately 2,018,000 responses. Based on DCMA estimates, approximately 91 percent of the responses will be generated from a fully automated system. There are approximately 21,220 contractors that submit DD 250s or provide the equivalent information through Wide Area Workflow receipt and acceptance. We estimate that 80 percent of respondents use a fully automated system. Contractors that use Wide Area Workflow, such as, Westinghouse and United Technologies, have indicated that it takes no more than one minute to prepare the forms. For those contractors that manually prepare the forms, we estimate that it takes approximately 30 minutes to prepare each form.

DCMA contract administration specialists indicate that each form submitted as a shipping document will also be prepared and submitted as an invoice. According to DCMA specialists, many forms, when they are prepared as a shipping document, already contain the invoice information. In these situations, all the contractor needs to do is annotate the document as an invoice and submit it. In those cases where the invoice information is not provided on the shipping document, the contractor must add it to the forms. Where the contractor uses the automated system, we estimate that it will take approximately one minute to prepare the forms. Where the contractor manually prepares these forms, we estimate that it will take approximately five minutes to prepare and submit the forms.

**I. As a shipping document:**

	<u>Fully Automated</u>	<u>Not Automated</u>	<u>Total</u>
a. Number of respondents	16,976 <b>(80%)</b>	4,244 <b>(20%)</b>	21,220
b. Responses per respondent	108	43	95*
c. Total responses	1,836,380	181,620	2,018,000
d. Hours per response	1 min	30 min	4 min**
e. Total hours	30,606	90,810	121,416**

**II. As an invoice:**

a. Number of respondents	16,976 <b>(80%)</b>	4,244 <b>(20%)</b>	21,220
b. Responses per respondent	108	43	95*
c. Total responses	1,836,380	181,620	2,018,000
d. Hours per response	1 min	5 min	1.5min**
e. Total hours	30,606	15,135	45,741

**III. Sum Total**

a. Number of respondents			21,220
b. Responses per respondent			190*
c. Total responses	3,672,760 <b>(91%)</b>	363,240 <b>(9%)</b>	4,036,000
d. Hours per response	1 min	17.5 min	2.5 min**
e. Total hours	61,213	105,315	166,528

\* Calculated by dividing c by a and rounding off.

\*\* Calculated by dividing e by c and rounding off.

<b>I. Total annual hours</b>	<b>166,528</b>
<b>II. Cost per hour</b>	<b>\$30***</b>
<b>III. Total annual cost to Public</b>	<b>\$4,995,840</b>

\*\*\* Based on a 2010 GS-09, step 5 salary (\$22.57/hour, 2010 base schedule) plus 32.85 percent burden.

**13. Estimated Nonrecurring Costs.** We do not estimate any annual cost burden apart from the hour burdens in items 12 and 14.

**14. Estimated Annual Cost to the Government.** We estimate the annualized cost to the Government as follows: We estimate it will take the Government 30 minutes to review and analyze the information in each response.

Total Annual Responses	4,036,000
Hours per response	<u>X .5</u>
Total Burden hours	2,018,000
Average wages	<u>X \$30</u>
	\$60,540,000

Wages are based on a 2010 GS-09, step 5 salary (\$22.57/hour, 2010 base schedule) plus 32.85 percent burden.

**15. Program Changes.** There has been one program change since the last submission. DoD issued a final rule amending the DFARS to require use of the Wide Area Workflow electronic system for submitting and processing payment requests and receiving reports under DoD contracts. This rule became effective March 3, 2008. A proposed DFARS rule (2009-D023) was published on September 17, 2010 to update DFARS Appendix F to include instructions for using WAWF as an electronic invoice and receiving report. The increase in the estimated number of burden hours from 153,800 hours to 166,528 hours is based on current DCMA estimates of the number of shipments per year. The increase in the number of respondents by approximately 24 percent (from 17,120 to 21,220) is likely due to the fact that respondents are required to submit electronic invoices and contracting officers are making fewer exceptions. The adjustment in costs is the result of using current 2010 wage rates.

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

**17. Expiration Date.** We do not seek approval to not 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. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

Statistical methods will not be employed.