

**SUPPORTING STATEMENT
FOR INFORMATION COLLECTION SUBMISSION
9000-0061, TRANSPORTATION REQUIREMENTS**

A. Justification.

1. **Administrative requirements.** FAR Part 47 and related clauses contain policies and procedures for applying transportation and traffic management considerations in the acquisition of supplies and acquiring transportation or transportation-related services. Generally, contracts involving transportation require information regarding the nature of the supplies, method of shipment, place and time of shipment, applicable charges, marking of shipments, shipping documents, and other related items.

In part, these regulations implement statutory requirements relating to transportation such as—

- The Merchant Marine Act of 1936 (46 U.S.C. 1101);
- The Cargo Preference Act of 1954 (46 U.S.C. 1241); and
- The Cargo Preference Act of 1904 (10 U.S.C. 2631).

This clearance covers the following requirements in 48 CFR Chapter 1 (FAR):

a. *Financial statement.* FAR 52.247-6, Financial Statement, as prescribed at 47.207-1(e), requires the offeror responding to solicitations for transportation or transportation-related services, to provide to the Government, upon request, a current certified statement of the offeror's financial condition.

b. *F.o.b. Origin.*

<u>FAR Clauses</u>	<u>Prescribed at</u>
• 52.247-29, F.o.b. Origin	47.303-1(c)
• 52.247-30, F.o.b. Origin, Contractor's Facility	47.303-2(c)
• 52.247-31, F.o.b. Origin, Freight Allowed	47.303-3(c)
• 52.247-32, F.o.b. Origin, Freight Prepaid	47.303-4(c)
• 52.247-33, F.o.b. Origin, with Differentials	47.303-5(c)

The clauses listed above require that the contractor mark the shipment, complete the Government bill of lading or prepare a

commercial bill of lading, and distribute copies of the bill of lading. The agency may provide special instructions or request annotations for commercial bills of lading.

c. F.o.b. Destination; F.o.b. Destination, within Consignee's Premises; F.a.s. Vessel, Port of Shipment; F.o.b. Vessel, Port of Shipment; F.o.b. Inland Carrier, Port of Exportation; F.o.b. Inland Point, Country of Importation; Ex Dock, Pier, or Warehouse, port of Importation; C. & f. Destination; C.i.f. Destination; F.o.b. Designated Air carrier's Terminal, Point of Exportation; F.o.b. Designated Air Carrier's Terminal, Point of Importation; F.o.b. Destination-Evidence of Shipment. —

<u>FAR clauses</u>	<u>Prescribed at</u>
• 52.247-34, F.o.b. Destination	47.303-6(c)
• 52.247-35, F.o.b. Destination, Within Consignee's Premises	47.303-7(c)
• 52.247-36 F.a.s. Vessel, Port of Shipment	47.303-8(c)
• 52.247-37, F.o.b. Vessel, Port of Shipment	47.303-9(c)
• 52.247-38, F.o.b. Inland Carrier, Point of Exportation	47.303-10(c)
• 52.247-39, F.o.b. Inland Point, Country of Importation	47.303-11(c)
• 52.247-40, Ex Dock, Pier, or Warehouse, Port of Importation	47.303-12(c)
• 52.24741, C. & f. Destination	47.303-13(c)
• 52.247-42, C.i.f. Destination	47.303-14(c)
• 52.247-43, F.o.b. Designated Air Carrier's Terminal, Point of Exportation	47.303-15(c)
• 52.247-44, F.o.b. Designated Air Carrier's Terminal, Point of Importation	47.303-16(c)
• 52.247-48, F.o.b. Destination-Evidence of Shipment	47.305-4(c)

The clauses listed above impose varying requirements on the Contractor, such as—

- Prepare and distribute commercial bills of lading;
- Provide a clean dock or ship's receipt;
- Provide an on-board ocean bill of lading; or
- Provide a clean Government bill of lading and/or air waybill.

For all f.o.b. destination contracts, the Contractor is also required to retain evidence of shipment for three years after final payment under the contract, and make such evidence available to the Government for review as necessary.

d. *Shipments to DoD Air or Water Terminal Transshipment Points.* FAR clause 52.247-52, as prescribed at 47.305-6(f)(2), requires the contractor to advise the Government transportation office of the date on which the cargo will be ready for shipment, and provide certain information to the Government transportation office at least five days before shipping cargo to either a water port or an airport.

e. *Transportation Transit Privilege Credits.* FAR clause 52.247-57, as prescribed at 47.305-13(b)(4), applies if the offeror has established transit privileges with regulated common carriers. The offeror must insert rate per CWT in cents, and the destination.

f. *Cargo Preference.* FAR clause 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels, as prescribed at 47.507(a), is used in solicitations and contracts that may involve ocean transportation of supplies subject to the Cargo Preference Act of 1954. The contractor must submit one legible copy of a rated on-board bill of lading for each shipment to both the contracting officer and the Maritime Administration. The contractor must flow this requirement down to all subcontracts and purchase orders under the contract, except subcontracts for commercial items (see 52.212-5(e)(4) and 52.244-6(c)(4)).

The proposed rule under FAR Case 1999-024 proposes to require flow down to certain commercial subcontracts, if ocean cargoes are clearly destined for eventual military or Government use.

2. Uses of information. The information is used by the contracting officer, the Government transportation office, or the Maritime Administration to ensure proper and timely shipment of Government supplies, and to ensure compliance with cargo preference statutes.

3. **Consideration of information technology.** We use improved information technology to the maximum extent practicable. Where both the Government agency and contractors are capable of electronic interchange, the contractors may submit this information collection requirement electronically.

4. **Efforts to identify duplication.** This requirement is issued under the Federal Acquisition Regulation (FAR), which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

6. **Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Collection of information on a less frequent basis is not practical. Information is required with the offer, on a per shipment basis, or upon request of the contracting officer, as appropriate.

7. **Special circumstances for collection.** Collection is consistent with guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency.** A notice was published in the *Federal Register* at 77 FR 24713 on April 25, 2012. One comment was received.

One respondent submitted public comments on the extension of the previously approved information collection. The analysis of the public comments is summarized as follows:

Comment: The respondent commented that the extension of the information collection would violate the fundamental purposes of the Paperwork Reduction Act because of the burden it puts on the entity submitting the information and the agency collecting the information.

Response: In accordance with the Paperwork Required Act (PRA), agencies can request an OMB approval of an existing information collection. The PRA requires that agencies use the Federal Register notice and comment process, to extend the OMB's approval, at least every three years. This extension, to a

previously approved information collection, pertains to FAR Part 47, and the clauses 52.247-29 through 52.247-44, 52.247-48, 52.247-52, and 52.247-64. The purpose of this part is to (1) apply transportation and traffic management considerations in the acquisition of supplies, and (2) to acquire transportation or transportation-related services by contract methods other than bills of lading, transportation requests, transportation warrants, and similar transportation forms. The Government must ensure that instructions to contractors result in the most efficient and economical use of transportation services and equipment. These clauses are mandatory depending on the method of transportation used, and they provide the Government the assurance that it will receive the supplies in the agreed condition, and at the proper destination. Not granting this extension would consequently eliminate the Government's ability to receive supplies in good order and condition, as well as receive the supplies in a timely manner.

Comment: The respondent commented that the agency did not accurately estimate the public burden challenging that the agency's methodology for calculating it is insufficient and inadequate and does not reflect the total burden. For this reason, the respondent provided that the agency should reassess the estimated total burden hours and revise the estimate upwards to be more accurate, as was done in FAR Case 2007-006. The same respondent also provided that the burden of compliance with the information collection requirement greatly exceeds the agency's estimate and outweighs any potential utility of the extension.

Response: Serious consideration is given, during the open comment period, to all comments received and adjustments are made to the paperwork burden estimate based on reasonable considerations provided by the public. This is evidenced, as the respondent notes, in FAR Case 2007-006 where an adjustment was made from the total preparation hours from three to 60. This change was made considering particularly the hours that would be required for review within the company, prior to release to the Government.

The burden is prepared taking into consideration the necessary criteria in OMB guidance for estimating the paperwork burden put on the entity submitting the information. For example, consideration is given to an entity reviewing instructions; using technology to collect, process, and disclose information; adjusting existing practices to comply with requirements; searching data sources; completing and reviewing the response; and transmitting or disclosing information. The

estimated burden hours for a collection are based on an average between the hours that a simple disclosure by a very small business might require and the much higher numbers that might be required for a very complex disclosure by a major corporation. Also, the estimated burden hours should only include projected hours for those actions which a company would not undertake in the normal course of business. Careful consideration went into assessing the estimated burden hours for this collection, and it was determined that an upward adjustment was warranted. At any point, members of the public may submit comments for further consideration, and are encouraged to provide data to support their request for an adjustment.

9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or guarantees. There will be no payment or gift to respondents, other than remuneration of contractors.

10. Describe assurance of confidentiality provided to respondents. This information is disclosed only to the extent consistent with prudent business practices and current regulations.

11. Additional justification for questions of a sensitive nature. No sensitive questions are involved.

12. Estimated annual reporting burden and cost to the public. Transportation management specialists indicate that there is no centralized database system that maintains statistics on the information regarding the nature of the supplies, method of shipment, place and time of shipment, applicable charges, marking of shipments, shipping documents, and other related items. We estimate that it takes approximately 3 minutes for each contractor to read and prepare the information needed for the description. We estimate 65,000 respondents per year. We also estimate 22 responses per respondent per year, which is an increase from 21.32 responses in the past. The time for number of responses per respondent is changed due to transportation office review.

Number of respondents	65,000
Number of responses per respondent per year	x <u>22</u>

Total annual responses	1,430,000
Average hours per response	<u>x .05</u>
Total response burden hours	71,500
Average wages + overhead	<u>x \$49*</u>
Total cost to the public	\$3,503,500

*\$28/hr + 75%OH

*** OPM 2012 salary table for GS-9, step 5, equivalent.**

13. We estimate no annual cost burden other than the burdens shown in Items 12 and 14.

14. **Estimated annual cost to the Government.** Time required for Governmentwide review is estimated at 7 minutes per response. Transportation and traffic management factors are important in awarding and administering of contracts to ensure that (1) acquisitions are made on the basis most advantageous to the Government and (2) supplies arrive in good order and condition and on time at the required place.

Total responses to Govt.	1,430,000
Govt. hours/response	<u>x .12</u>
Total burden hours	171,600
Average wages + overhead (\$28/hr + 100% OH)	<u>x \$56</u>
Total Government cost	\$9,609,600

*** OPM 2012 salary table for GS-9, step 5, equivalent.**

15. **Explain reasons for program changes or adjustments reported in Item 13 or 14.** The information regarding the average wage is changed to reflect the salary of a GS-9, step 5 equivalent. The information collection increased slightly due to the number of responses per respondent being increased by three percent to better reflect the actual number of responses to the Government per year, as well as the average hours per response being increased by ten percent to better reflect the actual amount of time needed to address the transportation requirements.

16. **Outline plans for published results of information collections.** Results of this information collection will not be published.

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

18. **Explanation of exception to certification statement.** Not applicable.

B. Collections of Information Employing Statistical Methods. Statistical methods are not used in this information collection.