

OMB Information Collection 0704-0246
DFARS part 245, Government Property
Including DFARS 211.274
SUPPORTING STATEMENT
Revised 12/6/2012

A. JUSTIFICATION

1. This is a request for extension of OMB Clearance Number 0704-0246, which will expire on November 30, 2012. This request covers the requirements in 1(a) through (c) below for the collection of information relating to Defense Federal Acquisition Regulation Supplement (DFARS) part 245, Government Property, section 211.274, Item identification and valuation requirements, and related clauses and forms (See <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>). Because the section on DFARS 211.274 initially concerned Government property, it has been included in this information collection. However, when the information collections for 0704-0248 and 0704-0398 are renewed, the section on DFARS 211.274 will be moved from 0704-0246 to those information collections so that all the information on a given DFARS part is consolidated.

(a) Information collection requirements in DFARS text:

(1) DFARS 211.274, Item identification and valuation requirements, requires contractors to provide reliable accountability of property and asset visibility throughout the property life cycle by recording the property in the DoD Item Unique Identification (IUID) Registry. (This DoD IUID recording replaced the annual report for contracts involving Government property on DD Form 1662 in the 2009 information collection update.) The hours included here (see Item 12) represent those required under the DFARS clause at 252-211.7007 (see (b)below).

(2) DFARS 245.302(1)(i) requires contractors to request and obtain contracting officer approval before using Government property on work for foreign governments and international organizations.

(3) DFARS 245.604-3(b) and (d): DFARS 245.604-3 concerns the sale of surplus Government property. Under paragraph (b), a contractor may be directed by the plant clearance officer to issue informal invitations for bid.

Under paragraph (d), a contractor may be authorized by the plant clearance officer to purchase or retain Government property at less than cost if the plant clearance officer determines this method is essential for expeditious plant clearance. When using the latter method, the contractor must submit to the plant clearance officer the informal bids received and sufficient information to ensure that the Government's interests will be adequately protected.

(b) Information collection requirements in DFARS clauses:

DFARS 252.211-7007, Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry (NOV 2008): This clause requires contractors to manage Government-furnished property in their possession at the item level by using a Unit Item Identification (UII) number, with certain exceptions, e.g., contractor-acquired property. In addition, it provides requirements for DoD contractors to update the IUID Registry for changes in status of UII items.

(c) Information collection requirements in DFARS forms:

DoD forms associated with DFARS part 245 are prescribed in a single subpart of the DFARS, subpart 245.70, Plant Clearance Forms.

(1) DD Form 1149, Requisition and Invoice/Shipping Document (JUL 2006): Prescribed at DFARS 245.7001-2, the form is completed by the contractor for transfer and donation of excess contractor inventory.

(2) DD Form 1348-1A, DoD Single Line Item Release/Receipt Document: Prescribed at DFARS 245.7001-3, the form is used when authorized by the plant clearance officer.

(3) DD Form 1640, Request for Plant Clearance (JUN 2003): Prescribed at DFARS 245.7001-4, the contractor completes this form to request plant clearance assistance or transfer plant clearance responsibilities.

(d) The following associated DFARS text, clauses, and forms do not include any information collection requirements or are approved under another information collection control number:

(1) DFARS 245.102(5) requires the contractor to report loss of Government property using the Defense Contract Management Agency's (DCMA) eTools software application. This information collection has been approved by OMB separately under OMB Control Number 9000-0075.

(2) DFARS 252.245-7000, Government-Furnished Mapping, Charting, and Geodesy Property (FEB 2011): There are no information collection requirements associated with this clause.

(3) DFARS 252.245-7001, Tagging, labeling, and Marking of Government-Furnished Property (FEB 2011): There is no information collection burden associated with this clause.

(4) DFARS 252.245-7002, Reporting Loss of Government Property (FEB 2011): Contractors are directed to report the loss of Government property using the Defense Contract Management Agency's (DCMA) eTools software application. This information collection has been approved by OMB separately under OMB Control Number 9000-0075.

(5) DFARS 252.245-7003, Contractor Property Management System (MAY 2011): The information collection associated with the contractor's property management system is covered under the information collection for FAR part 45, Government Property (see OMB Control Number 9000-0075). There is no additional reporting required under 0704-0246 or 0704-0248.

(6) SF 1428 and DD Form 1637, DFARS 252.245-7004, Reporting, Reutilization, and Disposal (AUG 2011): This clause requires the use of (i) SF Form 1428, Inventory Schedule B (SF 1428 is now automated as part of the DCMA tool, Plant Clearance Automated Reutilization Screening System), and (ii) DD Form 1637, Notice of Acceptance of Inventory Schedules. The SF 1428 must be completed by the contractor; it is a standard form, and it is addressed in the supporting statement for FAR part 45. The DD Form 1637 is optional and, when used, is completed by the Government plant clearance officer. It does not impose an information collection burden on the contractor.

(7) DD Form 1641, Disposal Determination/Approval (APR 2000): Prescribed at DFARS 245.7001-5, this form is for Government use only; it is used to record rationale for the following disposal determinations:

- (A) Downgrade useable property to scrap.
- (B) Abandonment or destruction.
- (C) Noncompetitive sale of surplus property.
- (D) Other disposal actions.

(8) DLA Form 1822, End Use Certificate: This form is covered by a DLA submission and is therefore removed from this information collection.

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 ensure 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. On November 28, 2011, DoD published a notice (60-

day) soliciting public comments in the Federal Register (76 FR 72914. No comments were received regarding this information collection renewal. On September 19, 2012 DoD published a second notice (30-day) in the Federal Register (77 FR 58109) to solicit public comments, and one comment letter was received. The respondent stated that DoD substantially understated the following: (a) The number of respondents that are subject to the burden; (b) The number of annual responses per respondent; and (c) The hours per response. DoD estimates of burden are primarily based on feedback from the public and input from the Defense Contract Management Agency (DCMA). DoD coordinated with the subject matter experts at DCMA to review the assertions contained in the comment letter. DoD has concluded that the reporting estimates cited for this collection are reasonable.

Most of the information covered by this collection are a part of the contract property disposition/disposal (typically referred to as "plant clearance") actions that have been in-place for many years. The requirement to obtain Contracting Officer approval for using Government-owned property on foreign work/international organizations (cited in DFARS 245.302) is reasonable given that use of U.S. taxpayer-owned Federal property is contemplated. Moreover, such requests typically involve no more than normal business correspondence. It should be noted that misuse of Government property can result in criminal penalties under title 18.

The various plant clearance forms are largely used by the Government, not contractors. For example, the DD forms 1640 and DD form 1641 are Government, not contractor, requirements. The DD form 1639 is required of contractors only for selected scrap sales; the number of such sales has largely diminished in favor of other scrap disposition methods. Contractors use the DD 1149 based on industry preference. Plant clearance requirements placed upon contractors are largely automated within DoD through use of its Plant Clearance Automated Reutilization and Screening System.

Contractor "property"-related reporting requirements have largely decreased in the past several years. For example, in 2007 FAR clauses 52.245-17 (Special Tooling) and 52.245-18 (Special Test Equipment), each with their own specialized reporting requirements, were deleted from the FAR. In September 2007, DD Form 1662 reporting requirements were eliminated from the DFARS (reference: DFARS case 2005-D015). In addition, the recently published Federal Acquisition Circular 2005-56 (FAR case 2010-009) eliminated

the need for reporting on plant clearance cases most forms of scrap. Also, within this case (as well as DFARS case 252.245-7002), Government property "loss" requirements have been redefined, resulting in more reasonable property loss reporting.

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 and 211.274 with property management specialists at the Defense Supply Center Richmond (DSCR), the Defense Logistics Agency (DLA), and 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 property on work for foreign governments and international organizations. They estimate that approximately 120 contractors are affected and that each contractor submits about two 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	<u>x 2</u>
C.	Total annual responses	240
D.	Hours per response	<u>x 1.5</u>
E.	Total hours	360
F.	Cost per hour	<u>\$36.00*</u>
G.	Total annual cost to respondents	\$12,960

* Based on the OPM GS salary table for Calendar Year 2012, using a GS-11 step 5 salary (\$27.31 an hour) plus

32.45 percent burden, rounded to the nearest dollar. The burden rate used is that mandated by OMB Memorandum M-08-13 for use in public-private competitions, as updated by OMB for 2012.

(b) DFARS 245.604(b): 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. DCMA property management specialists estimate that approximately 200 contractors use informal bid procedures each year and that they use this procedure approximately four 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	<u>x 4</u>
C.	Total annual responses	800
D.	Hours per response	<u>x 3.5</u>
E.	Total hours	2,800
F.	Cost per hour	<u>x \$36.00*</u>
G.	Total annual cost to respondents	\$100,800

* Based on GS-11 step 5 salary (\$27.31 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(c) DFARS 245.604(d): There is no centralized database system that maintains statistics on the number of contractors that use noncompetitive sales procedures for surplus contractor inventory. DCMA property management specialists estimate that approximately 850 contractors use noncompetitive sales each year and that they use this procedure approximately five times a year. They estimate that it takes approximately 2.5 hours for each contractor to store, retrieve, prepare, and submit the necessary information.

A.	Number of respondents	850
B.	Responses per respondents	<u>x 5</u>
C.	Total annual responses	4,250
D.	Hours per response	<u>x 2.5</u>
E.	Total hours	10,625
F.	Cost per hour	<u>x \$36.00*</u>
G.	Total annual cost to respondents	\$382,500

* Based on GS-11 step 5 salary (\$27.31 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(d) DFARS 245.7001-2, DD Form 1149. 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 three per year. Moreover, many contractors use the form independent of any Government requirement. These forms are electronic and, therefore, DCMA estimates that it takes approximately 30 minutes 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	<u>x 3</u>
C.	Total annual responses	7,500
D.	Hours per response	<u>x 0.5</u>
E.	Total hours	3,750
F.	Cost per hour	<u>x \$36.00*</u>
G.	Total annual cost to respondents	\$125,000

* Based on GS-11 step 5 salary (\$27.31 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(e) DFARS 245.7001-3, DD Form 1348-1A. 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 1348-1. They estimate that, of the 5,000 contractors that maintain Government property, approximately 50 percent of the contractors submit DD Forms 1348 and that each contractor submits approximately three per year. They estimate that it takes approximately one 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	<u>x 3</u>
C.	Total annual responses	7,500
D.	Hours per response	<u>x 1</u>
E.	Total hours	7,500
F.	Cost per hour	<u>x \$36.00*</u>
G.	Total annual cost to respondents	\$270,000

* Based on GS-11 step 5 salary (\$27.31 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(f) DFARS 245.7001-4, DD Form 1640. DCMA property management specialists estimate that these requirements apply to five contractors. They estimate that each contractor would request assistance no more than five times each year. They estimate that it takes approximately 30 minutes for each contractor to store, retrieve, prepare, and submit the information electronically for each request.

A.	Number of respondents	5
B.	Responses per respondent	<u>X 5</u>
C.	Total annual responses	25
D.	Hours per response	<u>X 0.5</u>
E.	Total hours	13
F.	Cost per hour	<u>\$36.00*</u>
G.	Total annual cost to respondents	\$468

* Based on GS-11 step 5 salary (\$27.31 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(g) DFARS 252.245-7004, DD Form 1639. This form is completed by individuals or firms that purchase scrap from a Government contractor. The form is used for the sole purpose of having the 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 purchaser of scrap approximately 15 minutes to complete and submit the form.

A.	Number of respondents	5,500
B.	Responses per respondent	<u>X 1</u>
C.	Total annual responses	5,500
D.	Hours per response	<u>X .25</u>
E.	Total hours	1,375
F.	Cost per hour	<u>X \$36.00*</u>
G.	Total annual cost to respondents	\$49,500

* Based on GS-11 step 5 salary (\$27.31 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(h) DFARS 211.274 and IUID Registry. DCMA property management specialists indicate that approximately 4,400 contractors submit such reports annually and that each contractor submits, on the average, five such reports each

year. DCMA estimates that it takes approximately one 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	<u>x 5</u>
C.	Total annual responses	22,000
D.	Hours per response	<u>x 1</u>
E.	Total hours	22,000
F.	Cost per hour	<u>x \$36.00*</u>
G.	Total annual cost to respondents	\$792,000

* Based on GS-11 step 5 salary (\$27.31 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

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

A.	Number of respondents	16,075
B.	Responses per respondent	2.97*
C.	Total annual responses	47,815
D.	Hours per response	1.01**
E.	Total hours	48,423
F.	Cost per hour	\$36.00
G.	Total annual cost to public	1,743,228***

* Based on dividing C by A.

** Based on dividing E by C.

*** Based on multiplying E by F.

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 \$30.00 is based on a GS-9, step 5 salary (\$22.57 per hour) plus 32.45 percent overhead, rounded to the nearest dollar (\$29.89 rounded to \$30) (OMB Circular A-76).

(a) DFARS 211.274 and IUID Registry. Section 12(h) above estimated that contractors submit a total of 22,000 reports annually (4,400 contractors submit 5 reports each). It takes the Government approximately 1 hour to receive, review, and analyze each report.

A.	Number of respondents	4,400
B.	Responses per respondent	<u>x 5</u>

C.	Total annual responses	22,000
D.	Hours per response	<u>x 1</u>
E.	Total hours	22,000
F.	Cost per hour	<u>x \$30.00*</u>
G.	Total annual cost to the Government	\$660,000

* Based on GS-9 step 5 salary (\$22.57 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

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

A.	Number of respondents	120
B.	Responses per respondent	<u>x 2</u>
C.	Total annual responses	240
D.	Hours per response	<u>x 3</u>
E.	Total hours	720
F.	Cost per hour	<u>x \$30.00*</u>
G.	Total annual cost to the Government	\$21,600

* Based on GS-9 step 5 salary (\$22.57 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(c) DFARS 245.604-3(b): Approximately 200 contractors use informal bid procedures approximately four times a year. It takes the Government about one hour to receive, review, and analyze each submission.

A.	Number of respondents	200
B.	Responses per respondents	<u>x 4</u>
C.	Total annual responses	800
D.	Hours per response	<u>x 1</u>
E.	Total hours	800
F.	Cost per hour	<u>x \$30.00</u>
G.	Total annual cost to the Government	\$24,000

(d) DFARS 245.604-4(d): Approximately 850 contractors use informal bid procedures, and they each use noncompetitive sales approximately five times each year. It takes the Government approximately one hour to receive, review, and analyze each submission.

A.	Number of respondents	850
B.	Responses per respondent	<u>x 5</u>
C.	Total annual responses	4,250
D.	Hours per response	<u>x 1</u>
E.	Total hours	4,250
F.	Cost per hour	<u>x \$30.00</u>
G.	Total annual cost to the Government	\$127,500

(e) DFARS 245.7001-2, DD Form 1149. Contractors make approximately 7,500 submissions annually. It takes approximately 30 minutes for the Government to receive, review, and analyze the information submitted electronically by the contractor.

	A.	Number of respondents	2,500
	B.	Responses per respondent	<u>x</u>
<u>3</u>	C.	Total annual responses	7,500
	D.	Hours per response	<u>x</u>
<u>0.5</u>	E.	Total hours	
<u>3,750</u>	F.	Cost per hour	<u>x</u>
<u>30.00*</u>	G.	Total annual cost to the Government	\$115,500

* Based on GS-9 step 5 salary (\$22.57 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(f) DFARS 245.7001-3, DD Form 1348-1A. Contractors make approximately 7,500 submissions annually. It takes approximately one hour for the Government to receive, review, and analyze the information submitted by the contractor.

	A.	Number of respondents	2,500
	B.	Responses per respondent	<u>x</u>
<u>3</u>	C.	Total annual responses	7,500
	D.	Hours per response	<u>x</u>
<u>1</u>	E.	Total hours	
<u>7,500</u>	F.	Cost per hour	<u>x</u>
<u>30.00*</u>	G.	Total annual cost to the Government	\$225,000

* Based on GS-9 step 5 salary (\$22.57 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(g) DFARS 245.7001-4, DD Form 1640. Approximately five contractors request assistance annually, with an average of five requests per year. This form is now submitted and reviewed electronically, enabling Government review and response time to be halved to 30 minutes.

A.	Number of respondents	5
B.	Responses per respondent	<u>x 5</u>
C.	Total annual responses	25
D.	Hours per response	<u>x 0.5</u>
E.	Total hours	13
F.	Cost per hour	<u>x \$30.00*</u>
G.	Total annual cost to the Government	\$390

* Based on GS-9 step 5 salary (\$22.57 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

(h) DFARS 245.7004, DD Form 1639. Each year, approximately 5,500 purchasers of scrap submit completed DD Form 1639 annually. It is estimated that there are approximately 5,500 scrap buyers, and they each use this procedure approximately 5 times each year. It should take the Government approximately 15 minutes to receive and review each electronic submission.

A.	Number of respondents	5,500
B.	Responses per respondent	<u>x 1</u>
C.	Total annual responses	5,500
D.	Hours per response	<u>x 0.25</u>
E.	Total hours	1,375
F.	Cost per hour	<u>x \$30.00*</u>
G.	Total annual cost to the Government	\$ 41,250

* Based on GS-9 step 5 salary (\$22.57 an hour) plus 32.45 percent burden, rounded to the nearest dollar.

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

A.	Total annual responses	47,815
B.	Total Government hours	46,783
C.	Cost per hour	\$30.00
D.	Total annual cost to Government	\$1,403,490

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, this

part of the regulation has been substantially revised and clarified since the last information collection supporting statement was submitted in 2009, and certain information collection requirements have been deleted or transferred to other parts of the DFARS and included in the information collection burden updates for those parts, as appropriate. As a result, the total information collection burden associated with DFARS part 245 has been reduced. The entire reduction is due to program changes.

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.