

SUPPORTING STATEMENT FOR INFORMATION COLLECTION SUBMISSION, 9000-0075 GOVERNMENT PROPERTY

A. Justification.

1. Administrative requirements. Property, as used in FAR Part 45, means all property owned or leased by the Government. Government property includes both Government-furnished property and contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. Government property does not include intellectual property and software.

This part prescribes policies and procedures for providing Government property to contractors; contractors' management and use of Government property; and reporting, redistributing, and disposing of contractor inventory.

This clearance covers the following requirements:

- (a) FAR 45.606 requires a contractor to submit inventory schedules.
- (b) FAR 45.602-1(a) requires a contractor to correct and resubmit inventory schedules as necessary.
- (c) FAR 52.245-1(f)(1)(ii) requires contractors to receive, record, identify and manage Government property.
- (d) FAR 52.245-1(f)(1)(iii) requires contractors to create and maintain records of all Government property accountable to the contract.
- (e) FAR 52.245-1(f)(1)(iv) requires contractors to periodically perform, record, and report physical inventories during contract performance.
- (f) FAR 52.245-1(f)(1)(vi) requires contractors to have a process to create and provide reports.
- (g) FAR 52.245-1(f)(1)(viii) requires contractors to promptly disclose and report Government property in its possession that is excess to contract performance.

- (h) FAR 52.245-1(f)(1)(ix) requires contractors to disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.
- (i) FAR 52.245-1(f)(1)(x) requires contractors to perform and report to the Property Administrator contract property closeout.
- (j) FAR 52.245-1(f)(2) requires contractors to establish and maintain source data, particularly in the areas of recognition of acquisitions and dispositions of material and equipment.
- (k) FAR 52.245-1(j)(2) requires contractors to submit inventory disposal schedules to the Plant Clearance Officer.
- (l) FAR 52.245-9(d) requires a contractor to identify the property for which rental is requested.

2. Uses of information. This information is used to facilitate the management of Government property in the possession of the contractor.

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. Nothing in the FAR precludes the use of electronic interchange. In addition, the forms are available online, screen fillable, and digital signature capable.

4. Efforts to identify duplication. This requirement is being 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. Similar information is not already available to the contracting officer or buyer.

7. Special circumstances for collection. Collection of information on a basis other than solicitation-by-solicitation is not practical. 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 51026, on August 23, 2012. One commenter submitted comments. These ranged from issues already addressed in FAR Case 2010-009, Government Property, to comments on existing FAR text, as well as general comments on the language in the Federal Register Notice.

Two of the commenter's comments questioned the Government's estimates for this information collection. One comment stated that the estimated number of total burden hours appeared to be grossly underestimated, and that a better estimate would be two hours per item of tagged property per year. However, the commenter did not provide any estimate for the number of items of tagged property. Without additional information, we are unable to respond to this comment or revise our estimate. The other comment stated that the estimated number of respondents appeared to be grossly underestimated in the same proportion as the burden hours. The commenter did not provide any estimate for the number of respondents, or a methodology to show why the Government's estimate was incorrect. Without additional information, we are unable to respond to this comment or revise our estimate. Careful consideration went into assessing the estimated burden hours and respondents for this collection, and it is determined that an upward adjustment is not appropriate or justified at this time.

9. Explanation of any decision to provide any payment or gift to respondents, other than reenumeration of contractors or guarantees. Not applicable.

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 & 13. Estimated total annual public hour and cost_burden. We estimate 5000 contractors have Government property.

(a) FAR 45.602, FAR 52.245-1(f)(1)(x), FAR 52.245-1(j)(2) and SF 1428. We estimate that 4,500 contractors generate excess/surplus Government property each year. We estimate that contractors on the average submit and correct 8 inventory schedules each year and that it will take approximately 2 hours to store, retrieve, prepare or correct, and submit the information.

A. Number of respondents	4,500
B. Responses per respondent	<u>x 8</u>
C. Total annual response	36,000
D. Hours per response	<u>x 2</u>
E. Total hours	72,000

(b) FAR 52.245-1(f)(1)(ii). We estimate that 3,750 contractors on the average prepare 2,000 receiving reports each per year. We also estimate that it takes 15 minutes to prepare each receiving report.

A. Number of respondents	3,750
B. Responses per respondent	<u>x 2,000</u>
C. Total annual response	7,500,000
D. Hours per response	<u>x .25</u>
E. Total hours	1,875,000

(c) FAR 52.245-1(f)(1)(ii)(A). We estimate that there are approximately 600 contractors on the average that prepare 2 discrepancy reports each per year.

A. Number of respondents	600
B. Responses per respondent	<u>x 2</u>
C. Total annual response	1,200
D. Hours per response	<u>x .5</u>
E. Total hours	600

(d) FAR 52.245-1(f)(1)(iii) and FAR 52.245-1(f)(2). All 5,000 contractors are required to keep property records. We estimate that each contractor maintains, on the average, approximately 1200 items of property. Since the recordkeeping requirement varies per category of property, we estimate that on the average, it will take 24 minutes to prepare each record.

A. Number of respondents	5,000
B. Responses per respondent	<u>x 1,200</u>
C. Total annual response	6,000,000
D. Hours per response	<u>x .4</u>
E. Total hours	2,400,000

(e) FAR 52.245-1(f)(1)(vi)(A). We estimate that 10 percent of contractors report lost or damaged property each year. On the average, each contractor losing property would make two reports per year. We estimate that on the average, it takes 1 hour for contractors to retrieve, prepare and submit the information.

A. Number of respondents	500
B. Responses per respondent	<u>x 2</u>
C. Total annual response	1,000
D. Hours per response	<u>x 1</u>
	1,000

(f) FAR 52.245-1(f)(1)(viii). Information contained in Paragraph (a) above.

(g) FAR 52.245-1(f)(1)(ix). We estimate that 25 contractors submit an annual report identifying the need for major repair, replacement, and other capital rehabilitation work. These reports are extensive in nature and we estimate that it would take approximately 2 hours to store, retrieve, prepare, and submit the information.

A. Number of respondents	25
B. Responses per respondent	<u>x 1</u>
C. Total annual response	25
D. Hours per response	<u>x 2</u>
E. Total hours	50

(i) FAR 52.245-9. The Government property is provided to contractors on a rent-free use basis. However, we estimate that 10 percent of all contractors use property that requires rental payments. We estimate that 500 contractors submit 4 quarterly reports, and that it takes 1 hour to store, retrieve, prepare and submit the report.

A. Number of respondents	500
B. Responses per respondent	<u>x 4</u>
C. Total annual response	2,000
D. Hours per response	<u>x 1</u>
E. Total hours	2,000

Sum Total:

A. Number of respondents	14,875
B. Responses per respondent	910.267 ¹

¹Based on dividing C by A.

C. Total annual responses	13,540,225	
D. Hours per response	.3213	²
E. Total hours	4,350,650	

Cost to Public.

A. Total annual hours	4,350,650
B. Average wage + overhead (\$24/hr + 75% overhead)	\$42
C. Total annual cost to Public	\$182,727,300

14. Estimated annual cost to the Federal Government.

The time required for Government review of the requirements of Part 45 is estimated to be approximately 1 (one) hour. This estimate is based on receiving, reviewing and analyzing the information submitted by the contractor.

I. Number of responses:	13,540,225
II. Average hours per response:	<u>x 1</u>
III. Total burden hours:	13,540,225
IV. Average wages + overhead (\$21/hr + 100% OH)	<u>x \$42</u>
V. Total annual cost to Government:	\$568,689,450

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. This submission request represents a total rewrite of FAR Part 45 and its associated clauses in Part 52. Significant proposed changes include: combining selected FAR property clauses into a single clause; deleting outdated clauses and other language; establishing a life-cycle approach to property management; and sanctioning the use of consensus standards and/or industry-leading standards and practices for property management. The burden hours to the public are reduced based on the removal of the requirement for Government approval of contractor scrap procedures and the removal of contractor submission of inventory schedules and scrap lists. Requiring a contractor to submit a scrap list had no real utility to the government and added costs to contractor operations. The type of scrap generated can differ depending on the circumstances. Scrap may contain mixed metals, textile and metal clippings, borings, and faulty castings and forgings, and discarded materials that have been rendered useless beyond repair, rehabilitation, or restoration. Developing the list, given the nature of scrap, was

²Based on dividing E by C.

a tedious process and was essentially an inventory schedule without the label. The government removed the requirement for a scrap list from the Government Property rule, which resulted in a significant burden reduction on contractors.

16. **Outline plans for published results of information collections.** Results of this collection will not be tabulated or published.
17. **Approval not to display expiration date.** Not applicable.
18. **Explanation of exception to certification statement.** Not applicable.

B. Collection of Information Employing Statistical Methods.

Statistical methods will not be employed.