

Supporting Statement
OMB No. 0704-0231
DFARS Subpart 237 - Service Contracting

A. Justification

1. Requirement. This justification statement for OMB Clearance Number 0704-0231 is expanded to transfer and include information collection requirements previously approved under OMB Clearance Number 0704-0465. OMB Clearance Number 0704-0465 was initially approved in conjunction with publication of the interim rule and final rule for DFARS Case 2009-D017, which were published in the Federal Register at [75 FR 10191](#) on March 5, 2010, and at [75 FR 66680](#) on October 10, 2010, respectively.

Both clearances addressed DFARS Part 237, Service Contracting. Clearance number 0704-0231 covered 252.237-7000, Notice of Special Standards of Responsibility; 252.237-7011, Preparation History; and DD Form 2063, Record of Preparation and Disposition of Remains (Within CONUS). OMB Clearance Number 0704-0465 covered 252.237-7023, Continuation of Essential Contractor Services and 252.237-7024, Notice of Continuation of Essential Contractor Services. OMB Clearance number 0704-0231 now covers all four of the preceding DFARS part 237 clauses.

DFARS part 237 addresses a wide variety of types of services contracts, including the following areas that are addressed by this justification for renewal of 0704-0231, including the requirements previously covered under 0704-0465-

- Audit and other advisory and assistance services;
- Mortuary services; and
- Continuation of essential contractor services.

2. Purpose. Contracting officers use the information collected under this clearance to:

(a) Verify that the apparently successful offeror for audit services is properly licensed in the state or other political jurisdiction where the offeror operates its professional practice;

(b) Verify the mortuary contractor has properly prepared a body for shipment. The mortuary contractor to whom the body has been shipped may use the information regarding the initial preparation of the body when additional preparation is required subsequent to shipment; or

(c) Ensure the contractor submits a written plan that demonstrates its ability to continue providing contractually required mission critical functions in an emergency.

3. Information technology. Improved technology is used to the maximum extent possible. Contractors are able to obtain and complete DD Form 2063 electronically. Block 13c of DD Form 2063 requires a signature by the contractor. The Government can accept electronic signatures from contractors. Contractors may submit their contingency plan in electronic format.

4. Duplication. As a matter of policy, DoD reviews the DFARS to eliminate unnecessary duplication. This request for information applies solely to DoD and does not duplicate any other requirement in the FAR. Similar information is not readily available from any other source.

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. Failure to collect this information may result in the following:

(a) Awarding a contract to an offeror that is not licensed to operate by the cognizant state or other licensing authority.

(b) Inability to timely verify preparation history, incurring unnecessary expense or risk of improper preparation of the body when additional preparation is required subsequent to shipment.

(c) Inability to ensure contractors have adequate continuity plans increases the risk that Government operations may be severely impaired during crisis situations.

7. Special circumstances. Collection of the information does not require any of the special circumstances cited at 5 CFR 1320.5(d)(2).

8. Public comments and consultation. This information collection is consistent with the guidelines in 5 CFR 1320.5(d). Public comments were solicited in the Federal Register on November 15, 2013 ([78 FR 68830](#)) as required by 5 CFR 1320.8(d). No comments were received. On January 22, 2014, DARS published a notice in the Federal register at [79 FR 3575](#) stating that the

proposed information collection had been submitted to OMB for approval and any public comments should be provided to OMB by February 21, 2014.

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, current regulations, and statutory requirements.

11. Sensitive questions. No sensitive questions are involved.

12. Estimate of public burden.

(a) 252.237-7000, Notice of Special Standards of Responsibility. This provision is prescribed at 237.270(d)(1) for use in solicitations for audit services. Paragraph (c) of the clause requires the apparently successful offeror to provide the contracting officer with evidence that it is properly licensed to operate by the state or other cognizant jurisdiction where the offeror operates its professional practice. Based on an FPDS query of FY 2012 contracts for audit support, we estimate not more than 10 respondents, 1 response per respondent, 0.5 hours per response, and an estimated cost of \$37.21 per hour (the equivalent of a 2013 GS-11 step 5 salary of \$27.31 an hour plus 36.25 percent burden from OMB Circular A-76, rounded to the nearest cent):

a. DFARS 252.237-7000:

Number of respondents		10
Responses per respondent	x	1
Number of responses		10
Average hours per response	x	0.50
Estimated hours		5
Cost per hour	x	\$37.21
Total annual Public cost		\$186

(b) DFARS 252.237-7011, Preparation History, and DD Form 2063, Record of Preparation and Disposition of Remains (Within CONUS). Use of this clause is prescribed at 237.7003(b)(8). The clause requires the contractor to complete a form furnished by the contracting officer (generally DD Form 2063). There are no changes from the 2010 estimates with regard to mortuary services, which were based on discussions with mortuary services personnel

in the Department of Defense. The total cost to the public is estimated to be as follows:

b. **DFARS 252.237-7011:**

Number of respondents		800
Responses per respondent	x	<u>1</u>
Number of responses		800
Average hours per response	x	<u>0.50</u>
Estimated hours		400
Cost per hour	x	<u>\$30.75</u>
Total annual Public cost		\$12,300

According to the most recent data available from the DMDC Defense Casualty Analysis System, the CONUS death rate has remained stable for a number of years with the actual number of deaths ranging from 1,029 to 1,113 from CY2006 through CY2010. Given to the historical statistics, the previous estimate of 800 respondents remains reasonable. The estimated cost per hour of \$30.75 is based on the 2013 GS-09 step 5 salary of \$22.57 an hour plus 36.25 percent burden from OMB Circular A-76, rounded to the nearest cent.

(c) **DFARS 252.237-7023, Continuation of Essential Contractor Services (TAB G) and 252.237-7024, Notice of Continuation of Essential Contractor Services (TAB H).** The use of the provision at 252.237-7024 and clause 252.237-7023 is prescribed at 237.7603. DFARS 252.237-7024 requires offerors to submit with its offer a written plan describing how it will continue to perform essential contractor services during periods of crisis. The associated clause at 252.237-7023 requires the contractor to maintain and update its plan as necessary.

c. **DFARS 252.237-7023 and 252.237-7024:**

Number of respondents		7,000
Responses per respondent	x	<u>1.25</u>
Number of responses		8,750
Average hours per response	x	<u>2.00</u>
Estimated hours		17,500
Cost per hour	x	<u>\$30.75</u>
Total annual Public cost		\$538,125

According to an FPDS query of FY 2012 data, which is the most recent full year of data available, there were 6,891 potential service contracts containing the clause at 252.237-7023. The FPDS query was constructed using the same product service codes (PSCs) identified in the previous estimate. The revised estimate

of 7,000 respondents is consistent with FY 2012 data and accounts for annual fluctuations in the number of contracts awarded.

(d) Total Public Burden:

Number of respondents		7,810
Average responses per respondent	x	1.22
Number of responses		<u>9,560</u>
Average hours per response	x	1.87
Estimated hours		<u>17,905</u>
Average cost per hour	x	\$30.75
Total annual Public cost		<u><u>\$550,611</u></u>

13. Estimated nonrecurring costs. Nonrecurring costs, i.e., capital and start-up, or operation and maintenance costs are not anticipated. All estimated cost burdens are described in items 12 and 14.

14. Estimated cost to Government.

(a) 252.237-7000, Notice of Special Standards of Responsibility. This provision is prescribed at 237.270(d)(1) for use in solicitations for audit services. Paragraph (c) of the provision requires the apparently successful offeror to provide the contracting officer with evidence that it is properly licensed to operate by the state or other cognizant jurisdiction where the offeror operates its professional practice.

Based on an FPDS query of FY 2012 contracts for audit support, we estimate not more than 10 respondents, 1 response per respondent, 0.25 hours per response, and an estimated cost of \$37.21 per hour (the equivalent of a 2013 GS-11 step 5 salary of \$27.31 an hour plus 36.25 percent burden from OMB Circular A-76, rounded to the nearest cent):

a. **DFARS 252.237-7000:**

Number of respondents		10
Responses per respondent	x	<u>1</u>
Number of responses		10
Average hours per response	x	<u>0.25</u>
Estimated hours		3
Cost per hour	x	<u>\$37.21</u>
Total annual Government burden		\$93

(b) DFARS 252.237-7011, Preparation History, and DD Form 2063, Record of Preparation and Disposition of Remains (Within CONUS). The use of this clause is prescribed at 237.7003(b)(8). The clause requires the contractor to complete a form furnished by the contracting officer. We do not estimate any change from the 2010 estimates with regard to mortuary services, which were based on discussions with mortuary services personnel in the Department of Defense. We estimate the total cost to the Government to be as follows:

b. DFARS 252.237-7011:

Number of respondents		800
Responses per respondent	x	<u>1</u>
Number of responses		800
Average hours per response	x	<u>0.25</u>
Estimated hours		200
Cost per hour	x	<u>\$30.75</u>
Total annual Government burden		\$6,150

According to the most recent data available from the DMDC Defense Casualty Analysis System, the CONUS death rate has remained stable for a number of years with the actual number of deaths ranging from 1,029 to 1,113 from CY2006 through CY2010. Given to the historical statistics, the previous estimate of 800 respondents remains reasonable. The estimated cost per hour of \$30.75 is based on the 2013 GS-09 step 5 salary of \$22.57 an hour plus 36.25 percent burden from OMB Circular A-76, rounded to the nearest cent.

(c) DFARS 252.237-7023, Continuation of Essential Contractor Services and 252.237-7024, Notice of Continuation of Essential Contractor Services. The use of the provision at 252.237-7024 and clause 252.237-7023 is prescribed at 237.7603. DFARS 252.237-7024 requires offerors to submit with its offer a written plan describing how it will continue to perform essential contractor services during periods of crisis. The associated clause at 252.237-7023 requires the contractor to maintain and update its plan as necessary.

c. DFARS 252.237-7023 and 252.237-7024:

Number of respondents		7,000
Responses per respondent	x	<u>1.25</u>
Number of responses		8,750
Average hours per response	x	<u>1.00</u>
Estimated hours		8,750

Cost per hour	x	\$30.75
Total annual Government burden		<u>\$269,063</u>

According to an FPDS query of FY 2012 data, there were 6,891 potential service contracts containing the clause at 252.237-7023. The FPDS query was constructed using the same product service codes (PSCs) identified in the previous estimate. The revised estimate of 7,000 respondents is consistent with FY 2012 data and accounts for annual fluctuations in the number of contracts awarded.

(d) Total Part 237 Government burden:

d. **Totals:**

Number of responses		9,560
Average hours per response	x	<u>0.94</u>
Estimated hours		8,953
Average cost per hour	x	<u>\$30.75</u>
Total annual Government burden		<u><u>\$275,306</u></u>

15. Program changes. There is no program change; however 17,500 hours have been transferred from OMB Clearance 0704-0465, in order to consolidate Part 237 information collection requirements. The transferred hours are 1,500 hours lower than the 19,000 hours previously approved under 0704-0465. The reduced public burden is the result of an estimated reduction in the total number of contracts requiring offerors to submit a continuity of operations plan.

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

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

18. Certification. There are no exceptions to the certification accompanying this Paperwork Reduction Act submission. Although the information collection requirement does not reduce the burden on small entities, the information is the minimum needed by contracting officers in order to reward contractors when establishing the price of certain negotiated defense contracts by recognizing their capital investment in facilities.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in this information collection.

