

**OMB CASE 0704-0253
SUPPORTING STATEMENT**

A. JUSTIFICATION

1. Requirement. This supporting statement addresses Contractor Purchasing System Reviews (CPSRs) information collections, currently approved under OMB Control Number 0704-0253. Federal Acquisition Regulation (FAR) 44.3 requires CPSRs under certain circumstances. Defense FAR Supplement (DFARS) 244.305-71, Contractor Purchasing System, prescribes the use of DFARS clause 252.244-7001, Contractor Purchasing System Administration, which includes the required criteria for the Contractor Purchasing System. The clause provides for the following information collection requirements as necessary:

a. Paragraph (d) requires the contractor to respond within 30 days to the contracting officer's written initial determination that identifies significant deficiencies in the contractor's purchasing system.

b. Paragraph (e) requires the contractor to respond within 45 days to the contracting officer's final determination of significant deficiencies, and either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the deficiencies.

2. Purpose. The administrative contracting officer considers the contractor's responses before making a decision on granting, withholding, or withdrawing purchasing system approval at the conclusion of a CPSR.

3. Information Technology. The contractor may submit its plan electronically. The contractor must sign the plan and electronic signature is accepted.

4. Duplication. As a matter of policy, DoD reviews the DFARS to determine whether adequate language already exists. This information collection does not duplicate any other requirement.

5. Small Business. This collection is not expected to have a significant impact on small entities because CPSRs generally are only considered for contractors whose sales to the Government (excluding sales under sealed bid procedures and sales of commercial items pursuant to Part 12) are expected to exceed \$25 million annually.

6. Consequences for Non-collection. The collection of this information is necessary to allow the administrative contracting officer to decide whether to grant, withhold, or withdraw purchasing system approval at the conclusion of a CPSR. Review and approval of the contractor's purchasing system in accordance with FAR 44.3 allows the consent to subcontract requirements at FAR 44.2 to be waived, thereby eliminating the requirement for the contracting officer's written consent for prime contractors to enter into particular subcontracts.

7. Special Circumstances. There are no special circumstances that require the collection to be conducted in any manner listed in 5 CFR 1320.5(d)(2).

8. Public Comments and Consultation. Collection is consistent with the guidelines in 5 CFR 1320.5. Under the procedures established for development of the DFARS, agency and public comments were solicited by publication of a notice in the Federal Register at [78 FR 70025](#) on November 22, 2013. No comments were received. On January 27, 2014, DARS published a notice in the Federal register at [79 FR 4342](#) stating that the proposed information collection had been submitted to OMB for approval and any public comments should be provided to OMB by February 26, 2014.

9. Payment to Respondents. No payment or gift will be provided to respondents, other than remuneration of contractors under their contracts.

10. Confidentiality. The information collected will be discussed 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. Since the previous information collection renewal (2010), two DFARS cases have modified, or proposed modification to DFARS 244.

The case entitled Business Systems—Definition and Administration (DFARS Case 2009-D038) modified the contractor information-submission requirements for four of the six business systems addressed in the rule. One of these was the contractor's purchasing system. DFARS 244.305 was modified to include a requirement for contractors to respond to initial and final

determinations of deficiencies. Previously, only one contractor submission had been required. This change, however, did not impact the total estimated burden hours previously approved under OMB Clearance Number 0704-0253. The proposed rule for DFARS Case 2009-D038 was published as a proposed rule at [75 FR 2457](#) on January 15, 2010, an interim rule was published at [76 FR 28856](#) on May 18, 2011, and the final rule was published at [77 FR 11355](#) on February 24, 2012.

DFARS Case 2012-D055, Detection and Avoidance of Counterfeit Electronic Parts, published as a proposed rule on May 16, 2013, proposed adding an information collection requirement to three of the twenty-four areas to be reviewed in a contractor's purchasing system review. The case estimated that this would add a total of 1 hour to the information collections and an additional five contractors that would be impacted. The information collection burden for this case is still under review and will be addressed in the development of the final rule. Therefore, burden under DFARS Case 2012-D055 is not addressed in this supporting statement for renewal of 0704-0253, which currently expires January 31, 2014. The proposed rule for DFARS Case 2012-D055 was published in the Federal Register at [78 FR 28780](#) on May 16, 2013. The final rule is still in process and is expected to be published in the spring of 2014.

DCMA specialists involved in the management of CPSRs developed the estimates below based on CPSR activity. The total information collection requirement is shown below. All reports are submitted electronically, by email.

Estimated Public Burden	DFARS 252.244-7001
Number of Respondents	90
Responses per Respondent	1
Annual Responses	90
Hours Per Response	16
Total Hours	1,440
Cost Per Hour	\$37
Total Annual Cost to Public	\$53,280

Note (1): The cost per hour is based on the General Schedule GS-11 Step 5 hourly rate of \$27.31 for 2013, plus 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13 (\$27.31 X 136.25% = \$37.2098, rounded to \$37).

13. Estimated Nonrecurring Costs. None

14. Estimated Annual Cost to the Government. It is estimated that it will take the Government one hour to review and verify the information in each response. The estimate was developed by the DCMA specialists involved in the management of CPSRs, and was based on current CPSR activity. The cost per hour was estimated assuming the review is conducted by a GS11 Step 5, as in Note 1 above.

Estimated Annual Cost to the Government	
Number of Respondents	90
Responses per Respondent	1
Annual Responses	90
Average hours per response	1
Estimated Hours	90
Cost Per Hour	\$37
Total Annual Cost to Government	\$3,330

15. Program Changes. The estimate of burden hours is not revised as there are no new program changes to date. Impact of any estimated burden from the addition of non-CAS covered contractors impacted by the requirement in DFARS 252.246-7007, Contractor Counterfeit Electronic Part Avoidance and Detection System (DFARS Case 2012-D055) will be addressed in that final rule.

16. Publication. Results of this information 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.