

Supporting Statement
DFARS Subpart 204 - Administrative Matters

A. Justification

1. Requirement. This is a request for extension of the expiration date of the information collection requirement currently approved under OMB Control Number 0704-0225 for Defense FAR Supplement Part 204, Administrative Matters, and related clauses at 252.204. The approval for 0704-0225 expires on January 31, 2014. We have updated the estimates for the number of respondents and the number of actions to reflect the most current data available from Federal Procurement Data System (FPDS). As a result of using the latest available fiscal year 2012 data, the estimated public burden has increased by 2,241 hours and the estimated annual cost to the public has increased by \$80,636 from the 2010 estimate.¹

2. Purpose. This information collection requirement pertains to two types of information that an offeror must submit to the Department of Defense (DoD).

a. DFARS 204.404-70(a) (see TAB B) prescribes the use of the clause at DFARS 252.204-7000, Disclosure of Information, (see TAB C) when the contractor will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public. This clause requires contractors to obtain contracting officer approval to release unclassified information outside of the contractor's organization unless the information is already in the public domain. In requesting such approval, the contractor must identify the specific information that will be released, the medium that will be used, and the purpose of the release. The Government reviews the information provided by the contractor to determine if it is sensitive or otherwise inappropriate for release for the stated purpose. We normally receive these requests only on research and development contracts or large dollar systems or operations contracts.

b. DFARS 204.7207 (see TAB D) prescribes the use of the solicitation provision at 252.204-7001, Commercial and Government Entity (CAGE) Code Reporting, (see TAB E) when CAGE codes for prospective offerors are not available to contracting officers. The provision requires offerors to submit as part of their offer either a previously assigned CAGE code, or ask the contracting officer to request a code from the Defense Logistics Information

¹ The 2010 estimate was based on fiscal year (FY) 2009 data generated from the Federal Procurement Data System (FPDS).

Service. In the latter case, the Government will obtain a CAGE code for the offeror, if it is selected for award, using the procedures at DFARS 204.7204. The Government uses the CAGE codes provided by contractors in automated acquisition systems to identify discrete entities that have been awarded contracts. The codes support efficient data exchange among automated systems for contract award, contract administration, and contract payment.

3. Information technology. Information technology will be used to the maximum extent practicable to reduce burden. Where both the Government agency and contractors are capable of electronic interchange, contractors may submit this information collection requirement electronically. We estimate the burden to be the same whether submissions are made electronically or using a paper format because offerors or bidders will most likely use word processing templates to prepare paper submissions. In either case, an identical underlying analysis must be performed. Thus, the difference between the two methods (transmitting information to the Government electronically or using a paper format) would be in the transmission time (mailroom, postage, and other related costs). This information collection complies with the Government Paperwork Elimination Act, Pub. L. 105-277, Title XVII.

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 already available to the Government.

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 noncollection. DoD specialists who are most knowledgeable of the requirements and the need for the information reviewed the information collection frequency. The consequence of not collecting this data or collecting less frequently is that it would impede the effective and efficient management of DoD public affairs and automated systems operations.

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). Under the

procedures established for development of the DFARS, agency and public comments were solicited for 60 days by publication of a notice in the Federal Register at 78 FR 70294 on November 25, 2013. No comments were received. Public comments were solicited for 30 days by publication of a notice in the Federal Register at 79 FR 4676 on January 29, 2014. The Department did not directly receive any comments.

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. We used information generated from FPDS (using fiscal year 2012 data, the latest full year of data available) and estimates of processing times from contracting professionals familiar with processing requests for release of unclassified information and obtaining CAGE codes from offerors to estimate costs. Fiscal year 2012 data shows a decrease in the number of prime contract awards and thus, respondents. However, there is an overall increase in the estimate of annual public burden. We estimate the total burden as follows:

a. <u>DFARS 252.204-7000:</u>			
Number of responses ¹	3,707		
Average hours per response	3.00		
Estimated hours	<u>11,121</u>		
Cost per hour ²	\$30.75		
Total annual public burden			<u>\$341,971</u>
b. <u>DFARS 252.204-7001:</u>			
Number of responses ³	9,188		
Average hours per response	0.25		
Estimated hours	<u>2,297</u>		
Cost per hour ⁴	\$37.21		
Total annual public burden			<u>\$85,471</u>
c. <u>Totals:</u>			
Total number of responses	12,895		
Total estimated hours	13,418		

Average burden per response 1.04

Total estimated cost to the public: \$427,442

Notes:

1. We estimate that about 10 percent of the 37,074 contracts awarded each year (assuming a flat trend from the fiscal year 2012 data) will involve a request to release unclassified information. These contracts fall mainly in the R&D and major weapons system categories.

2. Based on 2013 GS-9, step 5, salary of \$22.57) times an overhead of 36.25 percent from OMB Circular A-76, attachment C, rounded to the nearest cent (\$30.75 per hour).

3. We estimate that about 9,188 contracts issued each year will require issuance of a new CAGE code. The cost associated with submitting a previously assigned code is negligible.

4. Based on 2013 GS-11, step 5, salary of \$27.31 per hour, times a 36.25 percent burden from OMB Circular A-76, attachment C, rounded to the nearest cent (\$37.21 per hour).

All cost estimates are rounded to the nearest cent. Wage rates reflect the Fiscal Year 2013 general schedule ranges published by the Office of Personnel Management on its Web site and do not include locality pay adjustments.

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. We used information generated from FPDS (using fiscal year 2012 data, the latest full year of data available) and estimates of processing times from previous estimates generated contracting professionals familiar with processing requests for release of unclassified information and obtaining CAGE codes from offerors to estimate costs. Fiscal year 2012 data shows an increase in the number of prime contract awards and thus, respondents. Accordingly, there is an overall increase in the estimated cost to the Government. We estimate the total cost as follows--

a. **DFARS 252.204-7000:**

Number of responses ¹	3,707	
Average hours per response	2.00	
Estimated hours	<u>7,414</u>	
Cost per hour ²	<u>\$30.75</u>	
Total annual Government burden		\$227,981
b. <u>DFARS 252.204-7001:</u>		
Number of responses ³	9,188	
Average hours per response	1.00	
Estimated hours	<u>9,188</u>	
Cost per hour ⁴	<u>\$37.21</u>	
Total annual Government burden		<u>\$341,885</u>
c. <u>Totals:</u>		
Total number of responses	12,895	
Total estimated hours	16,602	
Average burden per response	1.29	
Total estimated cost to the Government:		<u><u>\$569,866</u></u>

Notes:

1. We estimate that about 10 percent of the 37,074 contracts awarded each year (assuming a flat trend from the fiscal year 2012 data) will involve a request to release unclassified information. These contracts fall mainly in the R&D and major weapons system categories.

2. Based on 2013 GS-9, step 5, salary of \$22.57) times an overhead of 36.25 percent from OMB Circular A-76, attachment C, rounded to the nearest cent (\$30.75 per hour).

3. We estimate that about 9,188 contracts issued each year will require issuance of a new CAGE code. The cost associated with submitting a previously assigned code is negligible.

4. Based on 2013 GS-11, step 5, salary of \$27.31 per hour, times a 36.25 percent burden from OMB Circular A-76, attachment C, rounded to the nearest cent (\$37.21 per hour).

All cost estimates are rounded to the nearest cent. Wage rates reflect the Fiscal Year 2013 general schedule ranges published by the Office of Personnel Management on its Web site and do not include locality pay adjustments.

15. Program changes. The total estimated public burden of 13,418 hours is an increase of 2,241 hours. The increase in the estimated public burden is due to an increase in the number of responses to DFARS clause 252.204-7000 and DFARS clause 252.204-7001 and does not reflect any program changes.

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.

**SUBPART 204.4--SAFEGUARDING CLASSIFIED INFORMATION WITHIN
INDUSTRY**

(Revised December 7, 2011)

204.402 General.

DoD employees or members of the Armed Forces who are assigned to or visiting a contractor facility and are engaged in oversight of an acquisition program will retain control of their work products, both classified and unclassified (see [PGI 204.402](#)).

204.403 Responsibilities of contracting officers.

Contracting officers shall ensure that solicitations comply with [PGI 204.403](#).

204.404 Contract clause.

204.404-70 Additional contract clauses.

(a) Use the clause at [252.204-7000](#), Disclosure of Information, in solicitations and contracts when the contractor will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.

(b) Use the clause at [252.204-7003](#), Control of Government Personnel Work Product, in all solicitations and contracts.

(c) Use the clause at [252.204-7005](#), Oral Attestation of Security Responsibilities, in solicitations and contracts that include the clause at FAR 52.204-2, Security Requirements.

252.204-7000 Disclosure of Information.

As prescribed in [204.404-70](#)(a), use the following clause:

DISCLOSURE OF INFORMATION (DEC 1991)

(a) The Contractor shall not release to anyone outside the Contractor's organization any unclassified information, regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract, unless—

(1) The Contracting Officer has given prior written approval; or

(2) The information is otherwise in the public domain before the date of release.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Contractor shall submit its request to the Contracting Officer at least 45 days before the proposed date for release.

(c) The Contractor agrees to include a similar requirement in each subcontract under this contract. Subcontractors shall submit requests for authorization to release through the prime contractor to the Contracting Officer.

(End of clause)

204.7207 Solicitation provision.

Use the provision at [252.204-7001](#), Commercial and Government Entity (CAGE) Code Reporting, in solicitations when—

(a) The solicitation does not include the clause at FAR 52.204-7, System for Award Management; and

(b) The CAGE codes for the potential offerors are not available to the contracting office.

252.204-7001 Commercial and Government Entity (CAGE) Code Reporting.

As prescribed in [204.7207](#), use the following provision:

COMMERCIAL AND GOVERNMENT ENTITY (CAGE) CODE REPORTING

(AUG 1999)

(a) The offeror is requested to enter its CAGE code on its offer in the block with its name and address. The CAGE code entered must be for that name and address. Enter "CAGE" before the number.

(b) If the offeror does not have a CAGE code, it may ask the Contracting Officer to request one from the Defense Logistics Information Service (DLIS). The Contracting Officer will—

(1) Ask the Contractor to complete section B of a DD Form 2051, Request for Assignment of a Commercial and Government Entity (CAGE) Code;

(2) Complete section A and forward the form to DLIS;
and

(3) Notify the Contractor of its assigned CAGE code.

(c) Do not delay submission of the offer pending receipt of a CAGE code.

(End of provision)