

OMB No. 0704-0272
Supporting Statement

A. Justification

1. Requirement. This supporting statement is for an information collection requirement under OMB Control Number 0704-0272. The information collection requirement currently covers the Defense Federal Acquisition Regulation Supplement (DFARS) part 223 for occupational safety and drug-free workforce and related clauses at 252.223. There have been no changes to this information collection requirement since the last submission.

This information collection requirement pertains to recordkeeping and the reporting of information that an offeror or contractor must submit to the Department of Defense (DoD) in response to the following solicitation provisions and contract clauses in DFARS 252.223, as required by 48 CFR Chapter 2, Part 223 (available at <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>):

- a. DFARS 252.223-7001, Hazard Warning Labels;
- b. DFARS 252.223-7002, Safety Precautions for Ammunition and Explosives;
- c. DFARS 252.223-7003, Change in Place of Performance—Ammunition and Explosives;
- d. DFARS 252.223-7007, Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives; and,
- e. DFARS 252.223-7004, Drug-Free Work Force, which requires that some contractors maintain records necessary to demonstrate reasonable efforts to eliminate the unlawful use by contractor employees of controlled substances. DoD does not regularly collect any information with regard to drug-free workplace. This information collection requirement—
 - i. Applies to contracts that involve contractor access to classified information;
 - ii. Applies to any other contract if the contracting officer determines that it is necessary for reasons of national security, or to protect the health or safety of those using the product, or those that may be affected by the performance of the contract; and,

iii. Does not apply to contracts for commercial items or to contracts performed outside of the United States.

2. Purpose. The information collected under clauses 252.223-7001, -7002, -7003, and -7007 is used by DoD contracting officers to:

a. Verify compliance with requirements for labeling of hazardous material;

b. Ensure compliance of contractors with the DoD 4145.26-M, DoD Contractor's Safety Manual for Ammunition and Explosives, and the schedule provisions, so that contractors take reasonable precaution in handling ammunition and explosives; minimize risk of future mishaps;

c. Monitor subcontract compliance with DoD 4145.26-M; and,

d. Monitor subcontract compliance with DoD 5100.76-M, "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives."

The records kept by the contractor with regard to programs for achieving the objective of a drug-free workplace will be used to document compliance with the requirements of the clause.

3. Information Technology. Improved information technology is used to the maximum extent practicable. In compliance with the Government Paperwork Elimination Act (Pub. L. 105-277), DoD provides the option for the electronic submission of information, when practicable, as a substitute for paper. In addition, FAR 2.101 defines the terms "in writing" and "written" to include "electronically transmitted and stored information. Standardized or repetitive data is not involved. Contractors may, however, submit any required information in formats that are compatible with their automated systems. With regard to the requirements relating to drug-free workforce programs, the contractor is not normally required to submit any information to DoD.

4. Duplication. As a matter of policy, DoD reviews the Federal Acquisition Regulation to determine if adequate language already exists. DFARS part 223 and related clauses at 252.223 apply only to DoD and do not duplicate any other regulations. Similar information is not readily available from any other source.

5. Small Business. The collection associated with small businesses is the minimum consistent with applicable laws, regulations, and prudent business practices.

6. Consequences for non-collection. 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 assure that contractors are performing the contractual requirements. Collecting this information less frequently would impede contracting officers from making informed contract award decisions and from performing their administrative functions in an effective and efficient manner.

a. DFARS 252.223-7001. FAR 52.223-3 requires all offerors responding to a solicitation to provide a list of deliverable hazardous materials subject to the latest version of Federal Standard No. 313, Material Safety Data. For all other deliverable hazardous materials, paragraph (c) of DFARS 252.223-7001 requires offerors to provide a list of which of these hazardous materials will be labeled in accordance with one of the five statutes identified in the clause instead of the Standard.

Paragraph (d) of the DFARS clause applies only to the apparently successful offeror. It requires the apparently successful offeror to provide a copy of the hazard warning labels for all hazardous materials that are covered by Federal Standard No. 313 (materials that were not identified in paragraph (c) of this clause).

b. DFARS 252.223-7002. The information required by this clause is collected upon occasion, if the contractor is noncompliant with the manual, if there is a mishap, or before issuing a subcontract that involves ammunition or explosives.

c. DFARS 252.223-7003. Information relating to place of performance of ammunition and explosives work is collected in response to individual solicitations, and if there is any subsequent change in the place of performance.

d. DFARS 252.223-7007. The information collection is required within 10 days after award of a subcontract involving sensitive conventional arms, ammunition, and explosives.

e. With regard to the requirements of DFARS 252.223-7004 relating to drug-free workforce programs and record keeping, the contractor is not normally required to submit any information to DoD. If contractors fail to maintain records documenting an adequate drug-free workforce program, the result may be an inadequate program, leading to increased costs, delays, and

equipment failures resulting from the use of illegal drugs by contractor employees.

7. Special Circumstances. The information will not be collected in a manner that requires an explanation of special circumstances. The collection of this information is consistent with the general information collection guidelines in 5 CFR 1320.5(d)(2).

8. Public comments and consultation. Public comments were solicited in the **Federal Register** on May 30, 2014, at [79 FR 31110](#) as required by 5 CFR 1320.8(d)). No public comments were received. On August 20, 2014, DARS published a notice in the **Federal Register** at [79 FR 49289](#) stating that the proposed information collection had been submitted to OMB for approval.

9. Payment to respondents. No payment or gift will be provided to respondents to this information collection requirement.

10. Confidentiality. The information collected will be disclosed only to the extent consistent with prudent business practices, current regulations, and in accordance with the requirements of the Freedom of Information Act. No assurance of confidentiality is provided to respondents.

11. Sensitive questions. No sensitive questions are involved.

12. Estimate of public burden. The estimated hour burden of the collection of information and the estimated annualized cost to respondents were based on estimates from contracting or subject matter professionals (see total burden summary). DoD does not estimate any change in the burden hours from the previously approved information collection requirements, except FPDS for FY 2013 has been used to estimate the recordkeeping hours.

We estimate the total burden as follows:

a. <u>DFARS 252.223-7001:</u>		
Number of responses ¹	6,964	
Average hours per response	.91	
Estimated hours	<hr/> 6352	
Cost per hour ²	\$36.00	
Total annual public burden	<hr/>	\$227,680
b. <u>DFARS 252.223-7002:</u>		
Number of responses ³	2,394	
Average hours per response	<hr/> 0.52	

Estimated hours	1,245	
Cost per hour ⁴	\$37.00	
Total annual public burden		<u>\$46,065</u>
c. <u>DFARS 252.223-7003:</u>		
Number of responses ³	3,919	
Average hours per response	0.44	
Estimated hours	<u>1,736</u>	
Cost per hour ⁴	\$31.00	
Total annual public burden		<u>\$53,816</u>
d. <u>DFARS 252.223-7007:</u>		
Number of responses ³	230	
Average hours per response	0.50	
Estimated hours	<u>115</u>	
Cost per hour ⁴	\$37.00	
Total annual public burden		<u>\$4,255</u>
c. <u>Subtotal:</u>		
Total number of responses	13,507	
Total estimated hours	9,448	
Average burden per response	0.70	
Total estimated cost to the public:		<u><u>\$331,816</u></u>
d. <u>DFARS 252.223-7004:</u>		
Number of recordkeepers ³	12,255	
Total annual burden hours for recordkeeping	665,631	
Total estimated cost of recordkeeping		<u><u>\$23,442,665</u></u>

a. **252.223-7001, Hazard Warning Labels, paragraphs (c) and (d).** This clause is prescribed at DFARS 223.303, for use in solicitations and contracts which require submission of hazardous material data sheets. FAR 23.302(c) requires submission of material safety data sheets as specified in the latest version of Federal Standard No. 313 and for any other material designated by a Government technical representative as potentially hazardous and requiring safety controls. We estimate that a total of 1530 contracts are awarded annually for the procurement of hazardous materials.

ii. Paragraph (c) requires all offerors to provide a list of hazardous materials that will be labeled in accordance with one of the statutes delineated in paragraphs (b)(1) through (5), instead of the Hazard Communication Standard. We estimate that 1,148 (75% of the total 1,530 contracts) will require the list in accordance with paragraph (c). We estimate 5 responses per solicitation (1148 x 5 = 5740 responses), 6 responses per respondent (5740 / 6 = 956 respondents), and an average of 1 hour per response. We have estimated a cost of \$37 per hour (equivalent of a GS-11, step 5 salary of \$27.58, plus 36.25 percent burden, rounded to \$37):

Number of Respondents	956
Responses per Respondent	x6
Annual Responses	5740
Hours per Response	x1
Total Hours	5740
Cost per Hour	x\$37
Total Annual Cost to Public	\$212,380

ii. Paragraph (d) requires only the successful offeror to submit, before award, a copy of the hazard warning label for all hazardous materials not listed in paragraph (c) of the clause. Based on an estimate that 80 percent of the contracts awarded will involve hazardous material not listed in paragraph (c), we estimate 1,224 responses (1,530 x .8 = 1,224), 1.5 responses per respondent, .5 hours per response, and an estimated cost of \$25 per hour (the equivalent of a GS-7, step 5 salary of \$18.64, plus 36.25 percent burden rounded to \$25):

Number of Respondents	816
Responses per Respondent	x1.5
Annual Responses	1224
Hours per Response	x.5
Total Hours	612
Cost per Hour	x\$25
Total Annual Cost to Public	\$15,300

iii. Combination of i and ii above (respondents in ii are a subset of respondents in (i), and are therefore not additive) results in the following:

Number of Respondents	956
Responses per Respondent	x7.28
Annual Responses	6964
Hours per Response	x.91
Total Hours	6352

Cost per Hour	x\$36
Total Annual Cost to Public	\$227,680

b. 252.223-7002, Safety Precautions for Ammunition and Explosives, paragraphs (c), (d), and (g). This clause is prescribed in 223.370-5, for use in solicitations and contracts for acquisitions involving the use of ammunition and explosives.

i. Paragraph (c)(2) requires the Contractor, within 30 days of notification of noncompliance, to notify the Contracting Officer of actions taken. Based on the estimates of the Defense Logistics Agency (DLA) explosives/safety experts, we estimate 332 contractors handling explosives, and we estimate that 80 percent of these contractors (258) will have 1 or more non-compliances and require corrective action (average of 1.5). Those contractors will be notified of some sort of noncompliance requiring corrective action, for a total of 387 corrective actions per year (258 x 1.5). Some of these actions are minor, while other corrective actions are more extensive. We estimate that, on the average, it takes the contractor 1 hour to report the corrective action taken. We estimate a cost per hour of \$45 (equivalent of a GS-12, step 5 salary of \$33.06, plus 36.25 percent burden rounded to \$45):

Number of Respondents	258
Responses per Respondent	x1.5
Annual Responses	387
Hours per Response	x1
Total Hours	387
Cost per Hour	x\$45
Total Annual Cost to Public	\$17,415

ii. Paragraph (d)(1) requires contractors to notify the contracting officer immediately of any mishaps involving ammunition or explosives. Paragraph (d)(3) requires the contractor to submit a written report of the investigation to the contracting officer. Based on DLA safety data, we estimate an average of 15 mishaps per year, 1 response per respondent, 24 hours per response, at a cost of \$45 per hour (equivalent of a GS-12, step 5 salary of \$33.06, plus 36.25 percent burden rounded to \$45):

Number of Respondents	15
Responses per Respondent	x1
Annual Responses	15
Hours per Response	x24
Total Hours	360

Cost per Hour	x\$45
Total Annual Cost to Public	\$16,200

iii. Paragraph (g)(4) requires contractors to notify the contracting officer when placing a subcontract for ammunition or explosives. There is no information available to indicate how often contractors place subcontracts for ammunition and explosives. However, DLA safety experts estimate an average of 6 responses per respondent. We estimate .25 hours per response, at a cost of \$24 per hour (equivalent of a GS-7, step 5 salary of \$18.64, plus 36.25 percent burden rounded to \$25):

Number of Respondents	332
Responses per Respondent	x6
Annual Responses	1992
Hours per Response	x.25
Total Hours	498
Cost per Hour	x\$25
Total Annual Cost to Public	\$12,450

iv. Combination of (i), (ii), and (iii) above (respondents in (i) and (ii) are a subset of respondents in (iii), and are therefore not additive) results in the following:

Number of Respondents	332
Responses per Respondent	x7.2
Annual Responses	2394
Hours per Response	x.52
Total Hours	1245
Cost per Hour	X\$37
Total Annual Cost to Public	\$46,065

c. 252.223-7003, Changes in Place of Performance—Ammunition and Explosives, paragraphs (a), (b), and (c). This clause is prescribed in 223.370-5, for use in solicitations and contracts for acquisitions involving the use of ammunition and explosives.

i. Paragraph (a) requires the offeror to identify, in the "Place of Performance" provision of the solicitation, the place of performance of all ammunition and explosives work covered by the Safety Precautions for Ammunition and Explosives clause of the solicitation. We estimate 2,425 responses (485 solicitations x 5 responses per solicitation). Using the estimate of 332 respondents established in paragraph b, we calculate an average of 7.3 responses per respondent ($2423/332 = 7.3$). We further estimate .1 hours per response, at a cost of \$31 per hour (equivalent of a GS-

9, step 5 salary of \$22.80, plus 36.25 percent burden rounded to \$31):

Number of Respondents	332
Responses per Respondent	x7.3
Annual Responses	2425
Hours per Response	x.1
Total Hours	242
Cost per Hour	x\$31
Total Annual Cost to Public	\$7,502

ii. Paragraphs (b) and (c) require the contractor to obtain written permission from the contracting officer before changing the place of performance after the date set for receipt of offers or after contract award. DLA safety experts estimate that offerors/contractors change the place of subcontract performance about 75 percent of the time. We estimate 1,494 responses, based on 1,992 subcontracts (see b(iii) above), 5 responses per respondent (6 x .8), 1 hour per response, and a cost of \$31 per hour (equivalent of a GS-9, step 5 salary of \$22.80, plus 36.25 percent burden rounded to \$31):

Number of Respondents	299
Responses per Respondent	x5
Annual Responses	1494
Hours per Response	x1
Total Hours	1494
Cost per Hour	x\$31
Total Annual Cost to Public	\$46,314

iii. Combination of (i) and (ii) above (respondents in (ii) are a subset of respondents in (i), and are therefore not additive) results in the following:

Number of Respondents	332
Responses per Respondent	x11.8
Annual Responses	3919
Hours per Response	x.44
Total Hours	1736
Cost per Hour	x\$31
Total Annual Cost to Public	\$53,816

d. 252.223-7007, Safeguardng Sensitive Conventional Arms, Ammunition, and Explosives, paragraph (e). This clause is prescribed in 223.7203, for use in solicitations and contracts for

acquisitions involving items within the scope (Chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunitions, and Explosives (AA&E). Paragraph (e) requires the contractor to notify the cognizant Defense Security Service (DSS) field office within 10 days of any subcontract involving AA&E. We have made no change to the prior estimate of 230 respondents, 1 response per respondent, .5 hours per response. We have estimated a cost of \$37 per hour (equivalent of a GS-11, step 5 salary of \$27.58, plus 36.25 percent burden, rounded to \$37).

Number of Respondents	230
Responses per Respondent	x1
Annual Responses	230
Hours per Response	x.5
Total Hours	115
Cost per Hour	x\$37
Total Annual Cost to Public	\$4,255

e. 252.223-7004, Drug-Free Work Place. This clause is prescribed at 223.570-2, for use in contracts that involve access to classified information or when the contracting officer determines that the clause is necessary for reasons of national security or for the purpose of protecting the health or safety of those using or affected by the product of, or performance of, the contract.

i. Recordkeeping burden hours:

Businesses	Small Businesses	Large Businesses	Total
Noncommercial items contractors (FY 2013 FPDS)	14,697	6,520	21,217
% performing work in the US:	x96.5%	x 88%	
Noncommercial items contractors performing work in US:	14,183	5,738	19,920
% performing sensitive contracts:	x50%	x90%	
Total number of recordkeepers:	7091	5164	12,255
Recordkeeping hours per year per contractor			x48
Total recordkeeping burden hours:			588247
Cost per hour * :			\$31
Total annual cost burden:			\$18,235,652

* Cost per hour. Based on GS-09, step 5 salary of \$22.80, FY2014, plus 36.25 percent fringe benefit rate rounded to \$31.

ii. Start-up recordkeeping:

Businesses	Small Businesses	Large Businesses	Total
Total number of recordkeepers:	7091	5164	12,255
% establishing programs per year	x 10%	x 5%	
Total number of new programs per year * :	709	258	967
Start-up hours per new program:			80
Total start-up burden hours:			77,384
Cost per hour ** :			\$63
Total annual start-up cost burden:			\$4,875,192

* Percentage of contractors establishing new programs per year are estimates by technical experts.

** Cost per hour. Based on GS-14, step 5 salary of \$46.45, FY2014, plus 36.25 percent fringe benefit rate rounded to \$63.

iii. Summary of recordkeeping:

Total number of recordkeepers	12,255
Total annual burden hours for recordkeeping	665,631

13. Estimated nonrecurring costs. There are no capital start-up or operational and maintenance costs associated with this information collection.

14. Estimated cost to Government. The time required for Government review and analysis of the information submitted by offerors and contractors is 9,448 hours and the associated annual cost to the Government is estimated to be approximately \$331,816. This estimate is based on the assumption that it will take the Government approximately the same amount of time and the same level of personnel to review and analyze the information as it takes the offeror/contractor to prepare it. For details, see the matrix below.

<u>Requirement</u>	COST TO GOVERNMENT				
	<u>Response</u>	<u>Hrs/ Res</u>	<u>Govt Hrs</u>	<u>\$/Hr</u>	<u>GOVT \$</u>
0704-0272					

252.223-					
7001(c)	5,740	1	5740	\$37	\$212,380
7001(d)	1,224	0.5	612	\$25	\$15,300
7001	6,964	0.9	6352	\$36	\$227,680
7002(c)	387	1	387	\$45	\$17,415
7002(d)	15	24	360	\$45	\$16,200
7002(g)	1,992	0.25	498	\$25	\$12,450
7002	2,394	0.5	1245		\$46,065
7003(a)	2,425	0.1	242	\$31	\$7,502
7003(b) & (c)	1,494	1	1494	\$31	\$46,314
*7003	3,919	0.4	1736	\$31	\$53,816
7007	230	0.5	115	\$37	\$4,255
SUBTOTAL	13,507	0.7	9448	\$37	\$331,816

15. Reasons for Change in Burden. There is an adjustment in the estimated number of recordkeepers resulting in a decrease to the total annual burden for recordkeeping. Based on FY 2013 Federal Procurement Data System (FPDS) data, we estimate that the clause 252.223-7004 recordkeeping requirement is applicable to approximately 12,255 non-commercial item contractors performing on sensitive contracts, compared to 18,012 estimated recordkeepers for the prior period. This reduction of 5,757 recordkeepers results in corresponding decreases for: (1) the total number of annual responses from 31,519 estimated using the 2011 FPDS data to 25,762 responses for the 2014 renewal; and (2) a further reduction in the 2014 estimated annual burden hours of 314,465 (989,544 - 675,079). There is no program change.

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

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

18. Certification. There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. Collections of Information Employing Statistical Methods.

Results will not be tabulated. Statistical methods will not be employed.

