

**OMB CASE 0704-0245
SUPPORTING STATEMENT**

A. JUSTIFICATION

1. Requirement. This information collection requirement is approved under OMB Control Number 0704-0245, for Defense Federal Acquisition Regulation Supplement (DFARS) part 247, Transportation, and the related provisions and clauses at part 252.247.

This submission is expanded to incorporate the information collection requirements of the DFARS part 247 clause 252.247-7028, Application for U.S. Government Shipping Documentation/Instructions, which was previously included under OMB Control Number 0704-0250, and the clause was previously designated as DFARS 252.242-7003, Application for U.S. Government Shipping Documentation/Instructions. The DFARS final rule, published on June 29, 2012, at [77 FR 39140](#) (DFARS Case 2011-D052), removed and reserved clause 252.242-7003 and replaced it with 252.247-7028 to align with FAR changes. The OMB clearance for 0704-0250, which expires on April 30, 2016, continues in effect to address the collection requirements of DFARS subpart 242.11 and related DFARS clause at 242.242-7004.

This information collection justification, which consolidates DFARS part 247 requirements, pertains to information that an offeror/contractor must submit to the Department of Defense in response to the requirements of the provisions and clauses prescribed at DFARS subpart 247.2, Contracts for Transportation or for Transportation-Related Services, and DFARS subpart 247.5, Ocean Transportation by U.S.-Flag Vessels.

(a) Contracts for Transportation or for Transportation-Related Services (DFARS subpart 247.2).

(i) DFARS 252.247-7000, Hardship Conditions, is prescribed at 247.270-4(a) for use in all solicitations and contracts for acquisition of stevedoring services. Paragraph (a) of the clause requires the contractor to notify the contracting officer of unusual conditions associated with loading or unloading a particular cargo, for potential adjustment of contract labor rates, and submit any associated request for price adjustment to the contracting officer within 10 working days of the vessel sailing time.

(ii) DFARS 252.247-7001, Price Adjustment, is prescribed at 247.270-4(b) for use in solicitations and contracts when using sealed bidding to acquire stevedoring services. Paragraphs (b) and (c) of the clause require the contractor to notify the contracting officer of certain changes in the wage rates or benefits that apply to its direct-labor employees. Paragraph (g) requires the contractor to state in the final invoice that there have been no decreases in rates of pay for labor or that the contractor has provided notices of all such decreases.

(iii) DFARS 252.247-7002, Revision of Prices, is prescribed at 247.270-4(c) for use in solicitations and contracts when using negotiation to acquire stevedoring services. Paragraph (d) of the clause requires that, if either the contractor or the contracting officer delivers a written demand that the parties negotiate to revise the prices under the contract, the contractor must submit relevant data upon which to base negotiations.

(iv) DFARS 252.247-7007, Liability and Insurance, is prescribed at 247.270-4(g) for use in all solicitations and contracts for acquisitions of stevedoring services. Paragraph (f) of the clause requires the contractor to furnish the contracting officer with satisfactory evidence of insurance.

(v) DFARS 252.247-7028, Application for U.S. Government Shipping Documentation/Instructions, is prescribed at DFARS 247.207(2) for inclusion in all solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, when shipping under Bills of Lading and Domestic Route Order under FOB origin contract, Export Traffic Release regardless of FOB terms, or foreign military sales shipments. Paragraph (a) of the clause requires contractors to complete DD Form 1659 to request shipping documentation/instructions, unless an automated system is available (paragraph (b) of the clause).

(b) Ocean Transportation by U.S.-Flag Vessels (DFARS subpart 247.5). This subpart implements the Cargo Preference Act of 1904 (10 U.S.C. 2631).

(i) DFARS 252.247-7022, Representation of Extent of Transportation by Sea, is prescribed at 247.574(a) for use in all solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial items, except those for direct purchase of ocean transportation services or those with an anticipated value at or below the simplified acquisition threshold. Paragraph (b) of the clause requires the offeror to

represent whether it anticipates that supplies will be transported by sea in the performance of any contract or subcontract resulting from the solicitation.

(ii) DFARS 252.247-7023, Transportation of Supplies by Sea, is prescribed at 247.574(b) for use in all solicitations, including solicitations and contacts using FAR part 12 procedures for the acquisition of commercial items, except those for direct purchase of ocean transportation services. There is a basic clause with Alternates I and II. All three versions of the clause contain the information collection requirements as discussed follows.

Paragraph (d) of the clause requires the contractor to submit requests for use of foreign-flag vessels in writing to the contracting officer.

Paragraph (e) requires the contractor to submit one copy of the rated on-board vessel-operating carrier's ocean bill of lading.

Paragraph (f), if the contract exceeds the simplified acquisition threshold, requires the contractor to provide a representation with its final invoice.

Contractors must flow down these requirements to noncommercial subcontracts and certain types of commercial subcontracts. Subcontracts at or below the simplified acquisition threshold are excluded from the requirements of paragraph (f) as stated above.

(iii) DFARS 252.247-7024, Notification of Transportation of Supplies by Sea, is prescribed for use at 247.574(c) in all contracts, including time charter solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, for which the offeror made a negative response to the inquiry in the provision at 252.247-7022. Paragraph (a) of the clause requires the contractor, after award, to notify the contracting officer if the contractor learns that supplies are to be transported by sea and the contractor indicated, in the solicitation, that the contractor did not anticipate transporting any supplies by sea.

(iv) DFARS 252.247-7026, Evaluation Preference for Use of Domestic Shipyards—Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise or Noncontiguous Trade, is

prescribed for use at 247.574(e) in solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial items, that require a covered vessel for carriage of cargo for DoD. DFARS 247.573-3 provides guidance on department and agency annual reporting of the information received from offerors in response to this provision. Paragraph (c) of the clause requires the offeror to provide information with its offer addressing all covered vessels for which overhaul, repair, and maintenance work has been performed during the period covering the current calendar year, up to the date of proposal submission, and the preceding four calendar years.

2. Purpose. The information generated by these requirements is used by contracting officers to verify adequate insurance prior to award of stevedoring contracts and to provide appropriate price adjustments to such contracts; to assist the Maritime Administration in monitoring compliance with the Cargo Preference Act of 1904; and to provide appropriate and timely shipping documentation and instructions to contractors.

3. Information Technology. Improved information technology is used to the maximum extent practicable. Contractors are permitted to submit required notification information electronically, and DoD may process the data collected electronically via Electronic Data Interchange. This means of collection was adopted to reduce errors and increase efficiency. Additionally, DD Form 1659, Application for U.S. Government Shipping Documentation/Instructions, requires the contractor's signature, and the Government will accept an electronic signature. Alternatively, if an automated system is available for shipment, those services/agency systems may be used in lieu of the DD Form 1659 in accordance with DFARS clause 252.247-7028.

4. Duplication. As a matter of policy, DoD reviews the Federal Acquisition Regulation to determine if adequate language already exists. The language in DFARS part 247 and in the related clauses at 252.247 applies solely to DoD and is not duplicative of the language in FAR parts 47 and 52. Similar information is not otherwise available to the DoD.

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 or Less Frequent 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 meeting their contractual requirements. Less frequent reporting of unusual or hazardous conditions and less frequent collection of this information would impede contracting officers and transportation officers from performing their administrative functions. Rates that should be adjusted would remain unchanged and cause financial harm to contractors.

7. 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. This information collection is consistent with the guidelines in 5 CFR 1320.5(d). Public comments were solicited in the Federal Register ([79 FR 41540](#)) on July 16, 2014 as required by 5 CFR 1320.8(d). No comments were received.

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 and current regulations and statutory requirements.

11. Sensitive Questions. No sensitive questions are involved.

12. Estimate of Public Burden and Associated Annualized Cost. Paragraph 1 above entitled "Requirements" provides a detailed discussion of when respondents must provide a response and for what purpose under each of the listed clauses. The number of responses per respondent are based on Government subject matter experts' best estimates. The matrix below provides details relating to each of the 11 information collection requirements (one per clause, except there are three separate information collection requirements in the clause at DFARS 252.247-7023) covered by this supporting statement.

<u>Clause</u>	<u>Respondents</u>	<u>Responses per Respondent</u>	<u>Total Responses</u>	<u>Hours per Response</u>	<u>Est. Hours</u>
252.247- 7000(a)*	10	1	10	80	800

7001*	10	0.1	1	20	20
7002*	10	1	10	4	40
7007(f)*	40	1	40	0.1	4
7022**	250,000	1	250,000	0.4	100,000
7023(d)*	250	1	250	15	3,750
7023(e)*	250	1	250	1	250
7023(f)*	16,975	4.5	76,760	0.2	15,352
7024(a)*	10	1	10	0.4	4
7026(c)*	10	1	10	120	1,200
7028*	15,000	6	90,000	0.50	45,000
TOTAL	250,000	1.67	417,341	0.40	166,420

* These are not additional respondents

** This representation is in SAM; all active registrants seeking DoD contracts have to complete once per year.

The estimated cost to the public is for the 11 information collection requirements (one per clause, except there are three separate information collection requirements in the clause at DFARS 252.247-7023) addressed by this supporting statement. The matrix applies to each information collection the mid-point (step 5) of the General Schedule (GS)-equivalent hourly salary (OPM's January 2014 rates) plus overhead/burden at the 36.25% Civilian Position Full Fringe Benefit Cost Factor for 2013 per OMB Memo M-08-13 dated March 11, 2008 (e.g., GS 11, Step 5 \$27.58/hour x 1.3625 = \$37.57 burdened hourly rate, rounded down to the nearest whole dollar, or \$37). The following is a summary of the estimated annual total burden to the public:

Number of respondents	250,000
Responses per respondent	1.67
Total annual responses	417,341
Hours per response	0.40
Total hours	166,420
Rate per hour (average)	\$37
Total annual cost to public	\$6,261,436

New data was sought from subject matter experts, the Federal Procurement Data System (FPDS), and System for Award Management (SAM) to estimate the number of respondents, responses per respondent, and hours per response. The rates to calculate annual cost have also been adjusted as discussed above using more current rate information. In addition, the total hours are

higher for this information collection (0704-0245) as a result of obtaining new data from subject matter experts, including data newly available from FPDS and SAM, and from including the requirement now at DFARS 252.247-7028 (formerly included in ICR 0704-0250).

13. Estimated Nonrecurring Costs. We do not estimate any nonrecurring annual cost burdens.

14. Estimated Annual Cost to the Government.

See the matrix below for details relating to each of the 11 information collection requirements (one per clause, except there are three separate information collection requirements in the clause at DFARS 252.247-7023) covered by this supporting statement. This estimate is based on receiving, reviewing, and analyzing the information submitted by the contractor, and was developed as a result of discussions with personnel at the Military Traffic Command, Military Sealift Command, the Maritime Administration, and DCMA.

The matrix applies to each information collection the mid-point (step 5) of the 2014 General Schedule (GS)-equivalent hourly salary plus overhead/burden at the 36.25% Civilian Position Full Fringe Benefit Cost Factor for 2013 per OMB Memo M-08-13 dated March 11, 2008 (e.g., GS 11, Step 5 \$27.58/hour x 1.3625 = \$37.57 burdened hourly rate, rounded down to the nearest whole dollar, or \$37).

COST TO THE GOVERNMENT

<u>Clause</u>	<u>Responses</u>	<u>Hours/ Resp</u>	<u>Govt Hours</u>	<u>\$/Hr</u>	<u>Govt \$</u>
252.247-					
7000(a)	10	80.0	800	\$ 37	\$29,600
7001	1	2.0	2	\$ 31	\$62
7002	10	16.0	160	\$ 37	\$5,920
7007(f)	40	0.2	8	\$ 25	\$200
7022	250,000	0.2	50,000	\$ 31	\$1,550,000
7023(d)*	250	2.0	500	\$ 53	\$26,500
7023(e)*	250	0.2	50	\$ 25	\$1,250
7023(f)*	76,760	0.2	15,352	\$ 31	\$475,912
7024(a)*	10	0.2	2	\$ 31	\$62

7026(c)*	10	43.0	430	\$ 53	\$22,790
7028	90,000	2	180,000	\$ 53	\$9,540,000
TOTAL	417,341	0.59	247,304	\$ 47	\$11,652,296

15. Reasons for Changes in Burden. This is an extension of OMB Control Number 0704-0245. The related approved collection requirement under 0704-0250 for DFARS 252.247-7028, which expires April 30, 2016, is being included under this submission for 0704-0245 as discussed in more detail in Paragraph 1 above. The information collection requirements associated with DFARS part 242 will remain in OMB Control No. 0704-0250.

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

17. Expiration Date. DoD does not seek approval not to 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. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.

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