

**OMB No. 0704-0483**  
**Supporting Statement**

**DFARS Part 231-Contract Cost Principles and Procedures**

**A. Justification**

**1. Requirement.** This statement supports a request to extend the Department of Defense (DoD) information collection requirement currently approved under OMB Clearance Number 0704-0483 for Defense Acquisition Regulation Supplement (DFARS) subpart 231.205-18, Independent Research and Development and Bid and Proposal Costs.

DFARS subpart 231.205-18 requires contractors to report Independent Research and Development (IR&D) projects to the Defense Technical Information Center (DTIC) using the DTIC's on-line IR&D database. The inputs must be updated at least annually and when the project is completed.

**2. Purpose.** The data provides in-process information on IR&D projects for which DoD reimburses the contractor as an allowable indirect expense. In addition to improving the Department's ability to determine whether contractor IR&D costs are allowable, the data provides visibility into the technical content of industry IR&D activities to meet DoD needs.

**3. Information Technology.** Improved information technology is used to the maximum extent practicable. 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 Federal Acquisition Regulation (FAR) to determine if adequate language already exists. This request for information applies solely to DoD and does not duplicate any other requirement. Similar information is not already available to the Government.

**5. Small business.** The burden applied to small business is the minimum consistent with applicable laws, Executive orders, regulations and prudent business practices. Although the information collection requirement does not reduce the burden on small entities, the information is the minimum needed to effectively monitor DoD-sponsored IR&D projects.

**6. Consequences for non-collection.** Without this information, DoD is unable to maximize the value of the IR&D funds the Department disburses without infringing on the independence of a contractor

to choose which technologies to pursue in its independent research and development program.

**7. Special circumstances.** There are no special circumstances for collection. Collection is consistent with the 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 57895](#)) on September 26, 2014. No public 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, current regulations, statutory and Freedom of Information Act requirements.

**11. Sensitive questions.** There are no questions of a sensitive nature.

**12. Estimate of public burden.** This estimate is based on information provided by DTIC. The basic data used to construct the estimate was downloaded from the IR&D database at <http://www.dtic.mil/ird/dticdb/index.html>.

|                             |          |           |
|-----------------------------|----------|-----------|
| Number of respondents       | Note (1) | 700       |
| Responses per respondent    | (1)      | 38.5      |
| Total annual responses      |          | 26,950    |
| Hours per response          | (3)      | 0.5       |
| Total hours                 |          | 13,475    |
| Cost per hour               | Note (4) | \$61.15   |
| Total annual cost to public |          | \$823,996 |

Notes:

(1) The projected number of respondents remains unchanged from the 2011 estimate. Although DTIC's IR&D database became operational in 2013, the Director of DPAP delayed the deadline for entering contractor fiscal year 2012 and 2013 data until the end of calendar year 2014. The actual data provided by DTIC indicates that roughly 12 percent of the projected numbers of major contractors have entered data thus far. Accordingly, the

summary data obtained from DTIC are incomplete and, therefore, unreliable as a basis for estimating future activity. Reliable historical data should be available for evaluation during the next renewal cycle, since the deadline for entering contractor fiscal year 2012 and 2013 data is the end of calendar year 2014.

(2) The projected number of hours per response is a judgmental estimate and reflects the average amount of time required to gather, organize, and input the required data into the DTIC IR&D database. The actual response time for an individual contractor may vary depending on a number of factors such as accessibility of the data. The current estimate remains unchanged from the 2011 estimate of .5 hours per response.

(4) Based on the complexity of the information collection requirements, it is estimated that subject matter expertise equivalent that of a GS-13, step 5 is required. The cost per hour is based on the 2014 rate (rest of US without locality pay) of \$44.88 plus a burden of \$16.27 which was computed using the current OMB rate 36.25 percent. Calculations are as follows:

|                      |                |
|----------------------|----------------|
| <u>Cost per Hour</u> |                |
| GS-13, step 5        | \$44.88        |
| OMB burden @ 36.25%  | \$16.27        |
|                      | <u>\$61.15</u> |

**13. Estimated nonrecurring costs.** We estimate that there are no nonrecurring costs, i.e., capital and start-up, or operation and maintenance costs.

**14. Estimated cost to the Government.** The estimated burden is based on the same raw data used to estimate the public burden.

|                             |           |
|-----------------------------|-----------|
| Total annual responses (1)  | 26,950    |
| Hours per response (2)      | 0.25      |
| Total hours                 | 6,738     |
| Cost per hour (3)           | \$61.15   |
| Total annual cost to public | \$411,998 |

Notes:

(1) See Item 12, above.

(2) The estimated 15 minutes per response is based on the time required for the Government to receive, review, and analyze the information submitted by the contractor. This is unchanged from the previous estimate.

(3) See Item 12, above.

**15. Reason for changes in burden.** As described in paragraph 12, the estimated public burden remains unchanged from the 2011 estimate. That estimate was based on information provided by the Office of the Under Secretary of Defense for Acquisition, Technology & Logistics (AT&L), Office of the Director Defense Research & Engineering (DDR&E) Research Directorate. Until the database is fully populated, the DDR&E data remains the most reliable data for estimating the projected public burden.

Although the estimated labors hours remain unchanged, the projected cost decreased. Locality pay, which was included in the 2011 estimate, was excluded from this estimate. This resulted in a net reduction in the overall cost despite an increase in the base hourly labor rate for a GS-13, step 5.

Public burden:

|         | <u>2014</u> | <u>2011</u> | <u>Change</u> |
|---------|-------------|-------------|---------------|
| Hours   | 13,475      | 13,475      | 0             |
| Dollars | \$823,996   | \$862,939   | (\$38,943)    |

**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 this information collection.

**18. Certification.** 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.