

**OMB Control No. 0704-0187**  
**Supporting Statement**

**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 0704-0187 for Information Collection in Support of the DoD Acquisition Process (Various Miscellaneous Requirements), Defense Federal Acquisition Regulation Supplement (DFARS) Parts 208, 209, 235, and associated clauses in Part 252 (formerly titled Information Collection in Support of the DoD Acquisition Process (Solicitation Phase)). This information collection requirement was approved in June 2012 for a total of 1,628 hours. DoD has estimated no substantive changes from the previously used data, based on the estimates of DoD acquisition professionals, except for a decrease in the level of R&D contracting since FY 2011. Therefore, DoD is requesting a total of 1,464 hours, a decrease of 164 hours (see TAB A).

This information collection requirement implements 10 U.S.C. 2327, 10 U.S.C. 2354, and 10 U.S.C. 2536. With regard to administrative requirements that necessitate the collection, this implements 48 CFR Chapter 2 (DFARS Parts 208, 209, 235, and associated clauses in DFARS Part 252). Specifically identified Defense Federal Acquisition Regulation Supplement (DFARS) requirements are at <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>.

The provision at 252.209-7001, Disclosure of Ownership or Control by the Government of a Terrorist Country, has been relocated to 252.225-7050, and retitled "Disclosure of Ownership or Control by the Government of a Country that is a State Sponsor of Terrorism," but the burden of one hour remains unchanged, and will be transferred to the OMB clearance 0704-0229 (Part 225) the next time that clearance is renewed.

**2. Purpose.** This information is used by Government contracting officers to—

- Determine whether to provide precious metals as Government-furnished material;
- Determine ineligibility for award due to ownership or control of the firm by a foreign government, particularly the government of a country that is a state sponsor of terrorism;
- Determine whether there is a compelling reason for a contractor to enter into a subcontract in excess of \$30,000 with a firm,

or subsidiary of a firm, that is identified in the List of Parties Excluded from Federal Procurement and Nonprocurement as being ineligible for award of defense subcontracts because it is owned or controlled by the government of a country that is a state sponsor of terrorism;

- Evaluate claims of indemnification for losses or damages occurring under a research and development contract; and
- Keep track of radio frequencies on electronic equipment under research and development contracts so that the user does not override or interfere with the use of that frequency by another user.

**3. Information Technology.** Improved information technology is used to the maximum extent practicable. Where both the DoD and prospective offerors/bidders are capable of electronic interchange, this information collection requirement may be submitted electronically. However, DOD anticipates that the burden will be virtually the same whether submissions are made electronically or using a paper format, because identical underlying analysis must be performed in either case. Thus, the difference between the two methods (transmitting information to the Government electronically or using a paper format) would be in transmission time (mailroom, postage, and other related costs). DoD considers this difference to be negligible.

**4. Duplication.** The information collection requirements placed on contractors are specified in individual solicitations issued by DoD acquisition activities for the acquisition of supplies and services and are not considered duplicative of other reporting requirements.

**5. Small Business.** The collections associated with small businesses are the minimum consistent with applicable laws, 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 offerors are submitting adequate responses to requests for proposals. This information is collected in response to individual solicitations or contracts. Collecting this information less frequently would impede contracting officers from making informed contract-award decisions.

**7. Special Circumstances.** The information will not be collected in a manner that requires an explanation of special circumstances.

**8. Public Comments and Consultation.** As required by 5 CFR 1320.8(d), public comments were solicited in the **Federal Register** on January 30, 2015. See 80 FR 5096. No comments were received.

**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 and Associated Annualized Cost.** The estimated hour burden of the collection of information and the estimated annualized cost to respondents were based on estimates of processing times from contracting professionals familiar with these requirements. DoD does not estimate any substantive change in the prior estimates for specifically identified burdens.

a. **252.208-7000, Intent to Furnish Precious Metals as Government-Furnished Material, paragraphs (b) and (c).** This clause is prescribed at 208.7305(a) for use in all solicitations and contracts exceeding the simplified acquisition threshold except when the contracting officer has determined that the required precious metals are not available from the Defense Supply Center, Philadelphia (DSCP), or when the contracting officer knows that the items being acquired do not require precious metals in their manufacture. The clause has a flow-down requirement to subcontracts for items containing precious metals.

Paragraph (b) requires the offeror to cite the type and quantity of precious metals required in performance of the contracts. Paragraph (c) requires offerors to submit two prices for each deliverable item which contains precious metals – one based on the Government furnishing precious metals, the other based on the contractor furnishing the precious metals.

Based on prior data from DSCP, DoD continues to estimate that 29 contractors will receive precious metals under this clause in 131 different shipments in a year. DoD estimates the following, based on an estimate of twice as many respondents as contractors

receiving shipments (29 x 2 = 58); an estimate that the number of solicitations equals shipments plus 25 percent (131 + 33 = 164); an estimate of four responses per solicitation; one hour per response; and an estimated cost of \$38 per hour (the equivalent of a GS-11, step 5 salary plus 36.25 percent burden):

Respondents	58
Responses/respondent	<u>x 11.31</u>
Responses	656
Hours per response	<u>x 1</u>
Total hours	656
Cost per hour	x <u>\$38</u>
Total annual cost to public	\$24,928

**b. 252.209-7002, Disclosure of Ownership or Control by a Foreign Government, paragraph (c); 252.209-7004, paragraph (b), Subcontracting with Firms That Are Owned or Controlled by the Government of Country that is a State Sponsor of Terrorism; and 252.225-7050, Disclosure of Ownership or Control by the Government of Country that is a State Sponsor of Terrorism, paragraph (c).**

i. Use of the provision at DFARS 252.209-7002 is prescribed at 209.104-70, for use in all solicitations when access to proscribed information is necessary for contract performance. Paragraph (c) requires disclosure if a foreign government has a controlling interest in the offeror, or in a parent company of which the offeror is a subsidiary.

DoD estimates that such disclosure rarely occurs, because 10 U.S.C. 2536(a) prohibits award to a firm or a subsidiary of a firm controlled by a foreign government under such circumstances, unless the Secretary of Defense grants a waiver. DoD has estimated not more than 10 respondents, .1 responses per respondent per year, 1 hour per response, and an estimated cost of \$38 per hour (the equivalent of a GS-11, step 5 salary plus 36.25 percent burden):

Respondents	10
Responses/respondent	<u>x .1</u>
Responses	1
Hours per response	<u>x 1</u>
Total hours	1
Cost per hour	x <u>\$38</u>
Total annual cost to public	\$38

ii. Use of the clause at 252.209-7004 is prescribed at 209.409, for use in all solicitations and contracts with a value

of \$150,000 or more. Paragraph (b) requires the Contractor to notify the contracting officer in writing before entering into a subcontract in excess of \$30,000 with a party that is identified on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs as being ineligible for award of Defense contracts or subcontracts because it is owned or controlled by the government of a country that is a state sponsor of terrorism. The contractor must provide the name of the proposed subcontractor and the compelling reasons for doing business with the subcontractor.

DoD estimates that such notification rarely occurs, because 10 U.S.C. 2327 prohibits award of subcontracts exceeding \$30,000 to a firm owned or controlled by the government of a country that is a state sponsor of terrorism, unless the Government determines that there is a compelling reason to do so. DoD has estimated not more than 10 respondents, .1 responses per respondent, 1 hour per response, and an estimated cost of \$38 per hour (the equivalent of a GS-11, step 5 salary plus 36.25 percent burden):

Respondents	10
Responses/respondent	x .1
Responses	1
Hours per response	x 1
Total hours	1
Cost per hour	x \$38
Total annual cost to public	\$38

iii. Use of the provision at 252.225-7050 is prescribed at 225.771-5), for use in all solicitations expected to result in contracts of \$150,000 or more. Paragraph (c) requires disclosure if the government of a country that is a state sponsor of terrorism has a significant interest in the offeror, a subsidiary of the offeror, or in a parent company of which the offeror is a subsidiary.

DoD estimates that such disclosure rarely occurs, because 10 U.S.C. 2327 prohibits award to a firm or a subsidiary of a firm if the government of a country that is a state sponsor of terrorism has a significant interest in the firm or subsidiary, unless a waiver is granted by the Secretary of Defense. DoD has estimated not more than 10 respondents, .1 responses per respondent per year, 1 hour per response, and an estimated cost of \$38 per hour (the equivalent of a GS-11, step 5 salary plus 36.25 percent burden):

Respondents	10
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Responses/respondent	x <u>1</u>
Responses	1
Hours per response	<u>x 1</u>
Total hours	1
Cost per hour	x <u>\$38</u>
Total annual cost to public	\$38

c. **252.235-7000, Indemnification under 10 U.S.C. 2354--Fixed Price, paragraph (f); 252.235-7001, Indemnification Under 10 U.S.C. 2354--Cost-Reimbursement, paragraph (e); and DFARS 252.235-7003, Frequency Authorization, paragraph (b).**

i. Use of the clauses at 252.235-7000/7001 is prescribed at 235.070-3, for use in solicitations and contracts when the contractor is to be indemnified in accordance with DFARS 235.070-1. Paragraphs (f) and (e), respectively, require contractors to notify the contracting officer of any claim and provide (i) proof or evidence of a claim, and (ii) copies of all pertinent papers when the contractor is to be indemnified.

Based on information provided by specialists responsible for reviewing and processing claims under the requirements of these clauses, DoD estimates that there is not more than one claim per year. The contractor should already have the information available, as the same information is necessary to answer suits filed against them by a third party. Therefore, DOD has estimated 1 hour to prepare and submit the information, at an estimated cost of \$38 per hour (the equivalent of a GS-11, step 5 salary plus 36.25 percent burden):

Respondents	1
Responses/respondent	x <u>1</u>
Responses	1
Hours per response	<u>x 1</u>
Total hours	1
Cost per hour	x <u>\$38</u>
Total annual cost to public	\$38

ii. Use of the clause at DFARS 252.235-7003 is prescribed at 235.072(b), for use in solicitations and contracts for developing, producing, constructing, testing, or operating a device requiring frequency authorization. Paragraph (b) requires that the contractor or subcontractor provide to the contracting officer the technical operating characteristics for any experimental, developmental, or operational equipment for which the appropriate frequency allocation has not been made.

According to the Federal Procurement Data System (FPDS) database, DoD R&D contracts have decreased by approximately 17% over the past 2 years. Therefore, we estimate the number of contracts that would require approval to use a radio frequency to decrease from 484 to 402. We estimate that it will take the contractor approximately 2 hours to prepare and submit the required information, at an estimated cost of \$38 per hour (the equivalent of a GS-11, step 5 salary plus 36.25 percent burden):

Respondents	402
Responses/respondent	x <u>1</u>
Responses	402
Hours per response	x <u>2</u>
Total hours	804
Cost per hour	x <u>\$38</u>
Total annual cost to public	\$30,552

**13. Estimated Nonrecurring Costs.** This information collection requirement imposes no recordkeeping requirement.

**14. Estimated Annual Cost to the Government.** The time required for Government review of offeror responses to requests for proposals and invitations for bids and the associated annual cost to the Government is estimated to be 1,301 hours and \$49,438 based on \$38 per hour (the equivalent of a GS-11, step 5 salary plus 36.25 percent burden). This estimate is based on receiving, reviewing, and analyzing the information submitted by each offeror.

a. **252.208-7000, Intent to Furnish Precious Metals as Government-Furnished Material, paragraphs (b) and (c).** We estimate the annual cost to the Government to review and analyze the responses to this information collection requirement to be .5 hours per response, at \$38 per hour, based on GS-11, step 5 salary plus 36.25 percent burden.

Number of responses	656
Avg. hours per response	x <u>.5</u>
Total hours	328
Cost per hour	x <u>\$38</u>
Total annual cost to Government	\$12,464

b. **252.209-7001, Disclosure of Ownership or Control by the Government of a Country that is a State Sponsor of Terrorism,**

paragraph (c); 252.209-7002, Disclosure of Ownership or Control by a Foreign Government, paragraph (c); and 252.209-7004, paragraph (b), Subcontracting with Firms That Are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism.

DoD estimates the annual cost to the Government to review and analyze the responses to this information collection requirement to be 1 hour per response, at \$38 per hour, based on GS-11, step 5 salary plus 36.25 percent burden.

Total Number of responses	3
Avg. hours per response	<u>x 1</u>
Total hours	3
Cost per hour	<u>x \$38</u>
Total annual cost to Government	\$114

c. 252.235-7000, Indemnification under 10 U.S.C. 2354--Fixed Price, paragraph (f); 252.235-7001, Indemnification Under 10 U.S.C. 2354--Cost-Reimbursement, paragraph (e); and DFARS 252.235-7003, Frequency Authorization, paragraph (b).

DoD estimates the annual cost to the Government to review and analyze the responses to this information collection requirement to be 2 hours per response, at \$38 per hour, based on a GS-11, step 5 salary plus 36.25 percent burden.

i. 252.235-7000 and 252.235-7001

Number of responses	1
Avg. hours per response	<u>x 2</u>
Total hours	2
Cost per hour	<u>x \$38</u>
Total annual cost to Government	\$76

ii. 252.235-7003

Number of responses	402
Avg. hours per response	<u>x 2</u>
Total hours	804
Cost per hour	<u>x \$38</u>
Total annual cost to Government	\$30,552

**15. Reasons for Changes in Burden.** There is an estimated decrease of 164 hours due to an adjustment based on a 17 percent decrease in the unique vendors received new R&D contract awards.

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



**17. Expiration Date.** DoD does not seek approval not to display the expiration date for OMB approval of the information collection.

**18. Certifications.** There are no exceptions to the certification accompanying this Paperwork Reduction Act submission. The information to respondents required by 50 CFR 1320.8(b)(3) will be provided in a separate **Federal Register** notice announcing the OMB approval of this collection of information.

**B. Collections of Information Employing Statistical Methods.**

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

TAB A

Req.	Respond	ANNUAL REPORTING BURDEN				COST TO PUBLIC		COST TO GOVERNMENT				
		Res/Resp	TOT RES	Hrs/Res	RES Hrs	\$/Hr	PUBL \$	Hrs/Res	Govt Hrs	\$/hr	Govt \$	
252.-----												
208-7000	58	11.31	656	1	656	\$ 38.00	\$ 24,928	0.5	328	\$ 38.00	\$12,464	
209-7002	10	0.1	1	1	1	\$ 38.00	\$ 38	1	1	\$ 38.00	\$38	
209-7004	10	0.1	1	1	1	\$ 38.00	\$ 38	1	1	\$ 38.00	\$38	
225-7050	10	0.1	1	1	1	\$ 38.00	\$ 38	1	1	\$ 38.00	\$38	
235-7000/7001	1	1	1	1	1	\$ 38.00	\$ 38	2	2	\$ 38.00	\$76	
235-7003	402	1	402	2	804	\$ 38.00	\$ 30,552	2	804	\$ 38.00	\$30,552	
<b>Total</b>	<b>491</b>	<b>2.16</b>	<b>1,062</b>	<b>1.38</b>	<b>1,464</b>	<b>\$ 38.00</b>	<b>\$ 55,632</b>	<b>1.07</b>	<b>1,137</b>	<b>\$ 38.00</b>	<b>\$43,206</b>	
				PRIOR	1,628			PRIOR	1,301			
				DECREASE	164			DECREASE	164			