

OMB Information Collection 0704-0246
Defense Federal Acquisition Regulation Supplement
(DFARS) Part 245, Government Property - SUPPORTING STATEMENT

A. JUSTIFICATION

1. **Requirement.** This justification supports a request for renewal of OMB Control Number 0704-0246. This supporting statement also incorporates the following changes for this renewal cycle in order to consolidate under OMB Control Number 0704-0246 all of the information collections that pertain to DFARS part 245:

- Incorporates the burden previously approved under OMB Control Number 0704-0480, DFARS Business Systems-Definition and Administration; 245, Contractors Property Management System, and the related clause 252.245-7003, Contractor Property Management System. The OMB 0704-0480 clearance is effective through June 30, 2015, and will not be renewed.
- Removes the burden for DFARS 211.274 and the related clause at 252.211-7007, Reporting of Government-Furnished Equipment, and adds it to 0704-0398, DFARS part 211, Describing Agency Needs. OMB 0704-0398 is effective through March 31, 2017. An 83C justification has been processed by OIRA concurrent with this supporting statement to transfer 22,000 hours from 0704-0246 to 0704-0398.

Paragraphs 1(a) and (b) below summarize the information collection requirements pertaining to DFARS part 245, Government Property, related clauses, and forms. Paragraph (c) is provided, for clarification purposes, to enumerate the remaining DFARS part 245 requirements that are not covered by OMB 0704-0246.

(a) Information collection requirements in DFARS text and clauses:

(1) DFARS 245.302(1)(i) requires contractors to request and obtain contracting officer approval before using Government property on work for foreign governments and international organizations.

(2) DFARS 245.604-3(b) and (d): DFARS 245.604-3 concerns the sale of surplus Government property. Under paragraph (b), a contractor may be directed by the plant clearance officer to issue informal invitations for bids. Under paragraph (d), a contractor may be authorized by the plant clearance officer to

purchase or retain Government property at less than cost if the plant clearance officer determines this method is essential for expeditious plant clearance.

(3) DFARS 245.105, Contractor's Property Management System Compliance and the clause at 252.245-7003, Contractor Property Management System Administration, address the requirement for certain contractors to respond in writing to an initial or final determination from the administrative contracting officer that identifies deficiencies in the contractor's property management system. As discussed in the introductory paragraph above, the burden for this reporting requirement was previously approved under OMB Control Number 0704-0480.

(b) Information collection requirements in DFARS forms:

(1) DD Form 1348-1A, DoD Single Line Item Release/Receipt Document: Prescribed at DFARS 245.7001-3, the form is used when authorized by the plant clearance officer. The form is widely used outside the continental United States for turn-ins to DLA Disposal Activities.

(2) DD Form 1639, Scrap Warranty: Prescribed at DFARS 252.245-7004, Reporting, Reutilization, and Disposal, the form is completed by individuals or firms that purchase Government property for its material content from a Government contractor and is used for the sole purpose of having the purchasers warrant that the property they have purchased will be used only as scrap.

(c) DFARS part 245 requirements not covered by OMB 0704-0246. As clarification, the following associated DFARS part 245 references, clauses, and forms do not impose any information collection requirements under OMB Control Number 0704-0246 or are approved under another information collection control number:

(1) DFARS 245.102(5) requires the contractor to report loss of Government property using the Defense Contract Management Agency's (DCMA) eTools software application. This information collection has been approved by OMB separately under OMB Control Number 9000-0075.

(2) DFARS 245.7001-4 and -5; DD Forms 1640 and 1641. These two forms are for Government-use only: DD Form 1640, Request for Plant Clearance, and DD Form 1641, Disposal Determination/Approval. The burden previously incorrectly associated with the DD Form 1640 is being removed from this supporting statement since there is no burden on the public.

(3) DFARS 252.245-7000, Government-Furnished Mapping, Charting, and Geodesy Property. There is no information collection requirement associated with this clause.

(4) DFARS 252.245-7001, Tagging, labeling, and Marking of Government-Furnished Property. There is no information collection requirement associated with this clause.

(5) DFARS 252.245-7002, Reporting Loss of Government Property. Contractors are directed to report the loss of Government property using the Defense Contract Management Agency's (DCMA) eTools software application. This information collection has been approved by OMB separately under OMB Control Number 9000-0075.

(6) DD Form 1149, Requisition and Invoice/Shipping Document: Use of the DD Form 1149 is prescribed at DFARS 245.7001-2. Contractors sometimes voluntarily cite the use of the DD Form 1149 for shipment or movement of property, however there is no requirement for contractors to use the form. As a matter of policy, electronic transactions (via Wide Area WorkFlow) are the required means of documenting the shipment or movement of Government property to and from contractors. Since it is DoD policy to use electronic means for transfers of property and not the DD Form 1149, the burden associated with this form is being removed. (See DoDI 4161.02, Accountability and Management of Government Contract Property.)

(7) SF 1428, DD Form 1637, and clause DFARS 252.245-7004, Reporting, Reutilization, and Disposal. The clause requires the use of (i) SF Form 1428, Inventory Schedule B (SF 1428 is now automated as part of the DCMA tool, Plant Clearance Automated Reutilization Screening System), and (ii) DD Form 1637, Notice of Acceptance of Inventory Schedules. The SF Form 1428 must be completed by the contractor; however since it is a standard form it is addressed in the supporting statement for FAR part 45. The DD Form 1637 is optional and, when used, is completed by the Government plant clearance officer. The DD Form 1637 does not impose an information collection burden on the contractor. The clause also addresses use of the DD Form 1639, which does impose a burden and is addressed in paragraph (b)(2) above.

(8) DD Form 1641, Disposal Determination/Approval. Prescribed at DFARS 245.7001-5, this form is for Government use only; it is used to record rationale for the following disposal determinations:

- (A) Downgrade useable property to scrap.
- (B) Abandonment or destruction.
- (C) Noncompetitive sale of surplus property.
- (D) Other disposal actions.

(9) DLA Form 1822, End Use Certificate. Prescribed at 245.7001-6, this form is covered by a DLA submission (0704-0382) and is therefore not included in this information collection.

2. **Purpose.** DFARS part 245 prescribes policies and procedures for providing Government property to contractors; contractors' use and management of Government property; and reporting, redistributing, and disposing of property. The information generated by the requirements of DFARS part 245 is used by contractors, property administrators, and contracting officers.

3. **Information Technology.** Improved information technology is used to the maximum extent practicable.

4. **Duplication.** As a matter of policy, DoD reviews the FAR to determine if adequate language already exists. The language in DFARS part 245 applies solely to DoD and is not considered duplicative of the language in FAR part 45. Similar information is not readily available.

5. **Small Business.** The burden applied to small business is the minimum consistent with applicable laws, regulations, executive orders, and prudent business practices.

6. **Consequences of 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 ensure that contractors are performing their contractual requirements. Collecting this information less frequently would impede contracting officers and property administrators from performing their administrative functions in an effective and efficient manner.

7. **Special circumstances.** Collection of this information does not require any of the characteristics of collection cited at 5 CFR 1320.5(d)(2).

8. **Public comments and consultation.** Collection is consistent with the guidelines in 5 CFR 1320.6. Public comments were

solicited in the Federal Register, at [80 FR 13524](#) on March 16, 2015 as required by 5 CFR 1320.8(d). 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 statutory requirements, current regulations and prudent business practices.

11. **Sensitive questions.** No sensitive questions are involved.

12. **Estimate of public burden.** The burden requirements of DFARS part 245 were discussed with property management specialists at the Defense Contract Management Agency Headquarters (DCMA) Property Branch. Where definitive information was available, it was used. In those instances where definitive information was not available, we relied on the judgment and expertise of the property management specialists.

(a) DFARS 245.302(1)(i). There is no centralized database system that maintains statistics on the number of contractors that request approval to use Government property on work for foreign governments and international organizations. Accordingly, our estimate is based on the judgment and experience of subject matter experts in the DCMA Headquarters Property Branch. The estimated annual cost to the public is:

Number of respondents (1)	120
Responses per respondent (2)	1
Number of responses	120
Hours per response (3)	1.5
Estimated hours	180
Cost per hour (4)	\$38
Total annual public burden	\$6,840

Notes:

(1) DCMA property representatives stated that there have been very few contractor requests for contracting officer approval to use Government property on work for foreign governments and international organizations. The 120 respondents represents

about 5 percent of the contractors who had contracts on work funded by foreign governments and international organizations in fiscal year (FY) 2014 (according to statistics obtained from the Federal Procurement Data System (FPDS)).

(2) Based on judgment, DCMA estimates that contractors who have work with foreign governments and international organizations may submit an average of one request a year.

(3) Based on the nature of the task, DCMA subject matter experts determined that it takes about 1.5 hours for each contractor to store, retrieve, prepare, and submit the information for each request.

(4) Based on our assessment, the complexity of the work is equivalent to that of a GS-11. Accordingly, we calculated the hourly rate by adding an overhead factor of 36.25% (taken from OMB Memo M-08-13, which provides standard cost factors for agency use) to the calendar year (CY) 2015 Office of Personnel Management rate for a GS-11, step 5 as follows:

<u>Cost per Hour</u>	
GS-11, step 5	\$27.86
OMB burden @ 36.25%	\$10.10
	<u>\$37.96</u>
Rounded to the nearest dollar:	\$38.00

(b) DFARS 245.604-3(b): Statistics on the number of contractors that use informal bid procedures for sale of surplus contractor inventory were obtained from the Plant Clearance Automated Reutilization Screening System (PCARSS). The information used to develop this estimate was provided by the DCMA Headquarters Property Branch. The estimated annual cost to the public is as follows:

Number of respondents (1)	120
Responses per respondent (2)	2.6
Number of responses (2)	312
Hours per response (3)	3.5
Estimated hours	1,092
Cost per hour (4)	\$38
Total annual public burden	\$41,496

Notes:

(1) Based on a PCARSS query of data from FY 2011 through FY 2014, an average of 120 contractors use informal sales procedures each year.

(2) Based on a PCARSS query of data from FY 2011 through FY 2014, an average of 312 sales are made each year using informal sales procedures. This equates to an average of 2.6 sales per contractor (312 divided by 120 equals 2.6).

(3) Based on input from DCMA subject matter experts, approximately 3.5 hours are required to store, retrieve, prepare, and submit the information required when informal bid procedures are used.

(4) Based on our assessment, the complexity of the work is equivalent to that of a GS-11, step 5. An hourly rate of \$38 was computed as discussed in paragraph (a)(4) above.

(c) DFARS 245.604-3(d): Statistics on the number of contractors that use non-competitive sales procedures were obtained from the Plant Clearance Automated Reutilization Screening System (PCARSS). The information used to develop this estimate was provided by the DCMA Headquarters Property Branch. The estimated annual cost to the public is as follows:

Number of respondents (1)	130
Responses per respondent (2)	2.3
Number of responses (2)	299
Hours per response (3)	2.5
Estimated hours	748
Cost per hour (4)	\$38
Total annual public burden	\$28,405

Notes:

(1) Based on a PCARSS query of data from FY 2011 through FY 2014, an average of 130 contractors use non-competitive sales procedures each year.

(2) Based on a PCARSS query of data from FY 2011 through FY 2014, an average of 299 sales are made each year using noncompetitive procedures. This equates to an average of 2.3 sales per contractor (299 divided by 130 equals 2.3).

(3) Based on input from DCMA subject matter experts, approximately 2.5 hours are required to store, retrieve, prepare,

and submit the information required when informal bid procedures are used.

(4) Based on our assessment, the complexity of the work is equivalent to that of a GS-11, step 5. An hourly rate of \$38 was computed as discussed in paragraph (a)(4) above.

(d) DFARS 245.105, Contractor's Property Management System Compliance, and the clause at 252.245-7003, Contractor Property Management System Administration. This DFARS clause requires contractors to respond in writing to written determinations from the administrative contracting officer that identify one or more deficiencies in a contractor's property system. This estimate revises and incorporates an information collection requirement that is currently approved in OMB Clearance Number 0704-0480. Information regarding the number of written determinations related to contractor property management systems was obtained from subject matter experts in the DCMA Headquarters Property Branch. The estimated annual cost to the public is as follows:

Number of respondents (1)	20
Responses per respondent (2)	1.0
Number of responses (2)	20
Hours per response (3)	80
Estimated hours	1,600
Cost per hour (4)	\$54
Total annual public burden	\$86,400

Notes:

(1) According to the DCMA Headquarters Property Branch, DCMA is responsible for overseeing approximately 2,100 contractor property management systems. Compliance reviews are conducted on about one third, or roughly 700, of those systems annually. In FY 2014, 18 of those systems were disapproved. For the past three years, the number of deficient systems has declined each year. For example, in FY 2013, there were 32 deficiency notices and in FY 2012, there were 57. For estimating purposes, the number of respondents is rounded to 20.

(2) Contractors submit one written response for each determination of system disapproval received.

(3) Based on input from DCMA subject matter experts, approximately 20 hours are required for contractors to respond to the initial determination and 60 hours total are required in

response to final notices. These hours include time to store, retrieve, prepare, and submit the information required to respond to ACO determinations of significant deficiencies.

(4) Based on our assessment, the complexity of the work is equivalent to that of a GS-13. Accordingly, we calculated the hourly rate by adding the current OMB burden of 36.25% to the CY 2015 base rate for a GS-13, step 5 as follows:

<u>Cost per Hour</u>	
GS-13, step 5	\$39.70
OMB burden @ 36.25%	\$14.39
	<u>\$54.09</u>
Rounded to nearest dollar:	\$54.00

(e) DFARS 245.7001-3, DD Form 1348-1A. There is no centralized database system that maintains statistics on the number of contractors that use the DD Form 1348-1. As a result, the projected public burden was estimated using a bottoms-up approach. The information used to develop this estimate was provided by the DCMA Headquarters Property Branch. The estimated annual cost to the public is as follows:

Number of respondents (1)	1,050
Responses per respondent (2)	22.9
Number of responses (2)	24,000
Hours per response (3)	1.0
Estimated hours	24,000
Cost per hour (4)	\$38
Total annual public burden	\$912,000

Notes:

(1) We estimate that about 50 percent of the 2,100 contractors that maintain government property submit a DD Form 1348-1A each year. This equates to 1,050 contractors.

(2) Use of the DD Form 1348-1A is required by DLM 4000.25-1, Military Standard Requisitioning and Issues Procedures (MILSTRIP) manual, for a multitude of logistics purposes. This form has limited application in contract property management in CONUS. However, it is widely used OCONUS where use of Defense Logistics Agency (DLA), Disposition Services is needed. In such cases, each line item of contractor inventory requires a DD Form 1348-1A. In FY 2014, more than 24,000 line items were turned in to

DLA. This equates to an average of 22.9 forms per contractor (24,000 line items divided by 1,050 contractors = 22.9 forms).

(3) Based on input from DCMA subject matter experts, approximately one hour is required to store, retrieve, prepare, and submit the DD Form 1348-1A.

(4) Based on our assessment, the complexity of the work is equivalent to that of a GS-11, step 5. An hourly rate of \$38 was computed as discussed in paragraph (a)(4) above.

(g) DFARS 252.245-7004, DD Form 1639. This form is completed by both Government prime contractors and individuals or firms that purchase scrap from the prime contractor. It is used for the sole purpose of having the purchasers warrant that the property they have purchased will be used only as scrap. DCMA provided the information used to develop this estimate. The estimated annual cost to the public is as follows:

Number of respondents (1)	400
Responses per respondent (2)	6.6
Number of responses (2)	2,653
Hours per response (3)	0.25
Estimated hours	663
Cost per hour (4)	\$38
Total annual public burden	\$25,204

Notes:

(1) Subject matter experts at DCMA estimate that approximately 400 contractors submit a DD Form 1639 each year.

(2) In FY 2014 there were 10,613 inventory schedules that were coded for scrap disposal in PCARSS. DCMA subject matter experts estimate that 25 percent of the actions required a scrap warranty. This equates to 2,650 forms (10,613 multiplied by .25 = 2,653). Accordingly, each respondent completes an average of 6.6 forms annually.

(3) Based on input from DCMA subject matter experts, approximately 0.25 hours are required to prepare and submit the DD Form 1639.

(4) Based on our assessment, the complexity of the work is equivalent to that of a GS-11, step 5. An hourly rate of \$38 per hour was computed as discussed in paragraph (a)(4) above.

(h) Estimated annual total burden to the public

Total number of respondents	1,840
Responses per respondent (1)	14.9
Total annual responses	27,404
Hours per response (2)	1.03
Total estimated hours	28,283
Cost per hour (3)	\$39
Total annual public burden (4)	\$1,100,345

Notes:

(1) Calculated by dividing Total annual responses by Total number of respondents.

(2) Calculated by dividing Total estimated hours by Total annual responses.

(3) Calculated by dividing Total annual public burden by Total estimated hours and rounding the average cost per hour of \$38.91 to \$39.

(4) Calculated by multiplying the average cost per hour of \$39 by the total number of estimated hours.

13. **Estimated nonrecurring costs.** DoD does not estimate any annual cost burden apart from the hour burden in Item 12.

14. **Estimated annual cost to the Government.** The following labor estimates are based on receiving, reviewing, analyzing, and approving the information submitted by the contractor. The estimated hours were reviewed by subject matter experts from the DCMA Headquarters Property Center.

(a) DFARS 245.302(1)(i)

Number of responses (1)	120
Hours per response (2)	3.0
Estimated hours	360
Cost per hour (3)	\$38
Total annual public burden	\$13,680

Notes:

(1) Per paragraph 12(a), we estimate that the Government receives approximately 120 contractor requests each year seeking Government approval to use Government property on work for foreign governments and international organizations.

(2) According to subject matter experts, it takes roughly three hours for the Government to receive, review, and analyze the information in each request.

(3) Based on our assessment, the complexity of the work is equivalent to that of a GS-11. Accordingly, we calculated the hourly rate by adding the current OMB burden of 36.25% to the CY 2015 base rate for a GS-11, step 5 as follows:

<u>Cost per Hour</u>	
GS-11, step 5	\$27.86
OMB burden @ 36.25%	\$10.10
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	\$37.96
Rounded to the nearest dollar:	\$38.00

(b) DFARS 245.604-3(b): Approximately 200 contractors use informal bid procedures approximately four times a year. It takes the Government about one hour to receive, review, and analyze each submission.

Number of responses (1)	312
Hours per response (2)	1.0
Estimated hours	312
Cost per hour (3)	\$38
Total annual public burden	\$11,856

Notes:

(1) Per paragraph 12(b), we estimate that contractors use informal bid procedures approximately 312 times a year.

(2) According to subject matter experts, it takes the Government about one hour to receive, review, and analyze each submission.

(3) See note (3) under paragraph 14(a) above.

(c) DFARS 245.604-3(d)

Number of responses (1)	299
Hours per response (2)	2.5
Estimated hours	748
Cost per hour (3)	\$38
Total annual public burden	\$28,405

Notes:

(1) Per paragraph 12(c), we estimate that non-competitive sales procedures are used approximately 299 times each year.

(2) According to subject matter experts, it takes the Government approximately 2.5 hours to receive, review, and analyze each submission.

(3) See note (3) under paragraph 14(a) above.

(d) DFARS 245.105, Contractor's Property Management System Compliance, and the clause at 252.245-7003, Contractor Property Management System Administration

Number of responses (1)	20
Hours per response (2)	80
Estimated hours	1,600
Cost per hour (3)	\$54
Total annual public burden	\$86,400

Notes:

(1) Per paragraph 12(d), we estimate that each year contractors submit approximately 20 responses to ACO initial and final determinations identifying deficiencies in the contractor's property management system.

(2) According to subject matter experts, it takes the Government approximately 80 hours to receive, review, and analyze each submission.

(3) Based on our assessment, the complexity of the work is equivalent to that of a GS-13. Accordingly, we calculated the hourly rate by adding the current OMB burden of 36.25% to the CY 2015 base rate for a GS-13, step 5 as follows:

<u>Cost per Hour</u>	
GS-13, step 5	\$39.70

OMB burden @ 36.25%	<u>\$14.39</u>
	\$54.09
Rounded to nearest dollar:	\$54.00

(e) DFARS 245.7001-3, DD Form 1348-1A

Number of responses (1)	24,000
Hours per response (2)	1.0
Estimated hours	24,000
Cost per hour (3)	\$38
Total annual public burden	\$912,000

Notes:

(1) Per paragraph 12(f), we estimate that contractors submit approximately 24,000 DD Forms 1348-1A annually.

(2) DCMA Subject matter experts estimate that it takes approximately one hour for the Government to receive, review, and analyze each form.

(3) See note (3) under paragraph 14(a) above.

(f) DFARS 245.7004, DD Form 1639

Number of responses (1)	2,653
Hours per response (2)	0.25
Estimated hours	663
Cost per hour (3)	\$38
Total annual public burden	\$25,204

Notes:

(1) Per paragraph 12(g), we estimate that approximately 2,653 DD Forms 1639 are submitted to the Government each year.

(2) Subject matter experts estimate that it takes the Government approximately 15 minutes to receive and review each electronic submission.

(3) See note (3) under paragraph 14(a) above.

(g) Estimated total annual cost to the Government.

Total annual responses	27,404
Hours per response (1)	1.01
Total estimated hours	27,683
Cost per hour (2)	\$39
Total annual Government burden	\$1,079,637

Notes:

(1) The Hours per response was calculated by dividing the Total estimated hours by Total annual responses.

(2) The Cost per hour (\$38.65) was calculated by dividing the Total Annual Government burden by the Total estimated hours and rounding to the nearest dollar (\$39).

15. **Reason for changes in burden.** The estimated public burden has been substantially revised and certain information collection requirements have been added, deleted or transferred to/from other parts of the DFARS and included in the information collection burden updates for those parts, as appropriate. As a result, the total information collection public burden associated with DFARS part 245 has been changed as follows:

	<u>2015</u>	<u>2011</u>	<u>Change</u>
Hours	28,283	48,423	-20,140
Dollars	\$1,100,345	\$1,743,228	-\$642,883

The following table shows how the 2015 estimates differ from the 2011 estimates:

2011 Inventory	48,423	83i Current Inventory	48,423
(1) Deletion	- 13	Hours Requested	28,283
(2) Deletion	- 2,500	Difference	20,140
(3) Addition	+ 1,600	Program Change	-22,913
(4) Transfer	-22,000	Adjustment	+2,773
(5) Adjustments	+ 2,773		
2015 Estimate	28,283		

Notes:

(1) Changes in the 2015 estimate are the result of removing the associated hours and dollars for DD Form 1640. According to DCMA subject matter experts, this form is no longer used by contractors. DD Form 1640 is used by DoD/DCMA Plant Clearance Officers when delegating work to a geographically cognizant Plant Clearance Officer. This form is generally system generated within PCARSS and requires minimal time to complete.

(2) The burden associated with the DD Form 1149 is removed. DoD policy is that electronic means should be employed for property transfers pursuant to DoDI 4161.02, Accountability and Management of Government Contract Property. Wide Area WorkFlow (WAWF) is the required method for making such transfers and the burden for WAWF is covered under OMB Control Number 0704-0248 for DFARS Appendix F. This action recognizes a change in the method of collection.

(3) This clearance incorporates and revises a collection requirement that was formerly included in OMB clearance number 0704-0480. The transferred requirements are related to DFARS 245.105, Contractor's Property Management System Compliance, and the clause at 252.245-7003, Contractor Property Management System Administration.

(4) Information collection requirements related to DFARS 211.174 and clause 252.211-7007 for reporting to the IUID Registry have been moved to OMB Control Number 0704-0398.

(5) We have revised the remaining information collection requirements based on input obtained from the DCMA Property Branch.

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

17. **Expiration date.** DoD does not seek approval to not 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. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS
Statistical methods will not be employed.