

**SUPPORTING STATEMENT FOR
INFORMATION COLLECTION 9000-0075
GOVERNMENT PROPERTY**

A. Justification.

1. **Administrative requirements.** Government property, as used in FAR Part 45, means all property owned or leased by the Government. Government property includes both Government-furnished property and contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. Government property does not include intellectual property and software.

This part prescribes policies and procedures for providing Government property to contractors; contractors' management and use of Government property; and reporting, redistributing, and disposing of contractor inventory.

This clearance covers the following requirements:

- (a) FAR 52.245-1(f)(1)(ii) requires contractors to document the receipt of Government property via the Standard Form 1423, Inventory Verification Survey.
- (b) FAR 52.245-1(f)(1)(ii)(A) requires contractors to submit report if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.
- (c) FAR 52.245-1(f)(1)(iii) requires contractors to create and maintain records of all Government property accountable to the contract.
- (d) FAR 52.245-1(f)(1)(iv) requires contractors to periodically perform, record, and report physical inventories during contract performance, including upon completion or termination of the contract.
- (e) FAR 52.245-1(f)(1)(vii)(B) requires contractors to investigate and report all incidents of Government property loss as soon as the facts become known.
- (f) FAR 52.245-1(f)(1)(viii) requires contractors to promptly disclose and report Government property in its possession that is excess to contract performance.
- (g) FAR 52.245-1(f)(1)(ix) requires contractors to disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.
- (h) FAR 52.245-1(f)(1)(x) requires contractors to perform and report to the Property Administrator contract property closeout via the Standard Form 1424, Inventory Disposal Report.

- (i) FAR 52.245-1(f)(2) requires contractors to establish and maintain source data, particularly in the areas of recognition of acquisitions and dispositions of material and equipment.
- (j) FAR 52.245-1(j)(2) requires contractors to submit inventory disposal schedules to the Plant Clearance Officer via the Standard Form 1428 (and Standard Form 1429, Continuation Sheet), Inventory Disposal Schedule.
- (k) FAR 52.245-9(d) requires a contractor to identify the property for which rental is requested.

2. **Uses of information.** This information is used to facilitate the management of Government property in the possession of the contractor.

3. **Consideration of information technology.** We use improved information technology to the maximum extent practicable. Where both the Government agency and contractors are capable of electronic interchange, the contractors may submit this information collection requirement electronically. Nothing in the FAR precludes the use of electronic interchange. In addition, the forms are available online, screen fillable, and digital signature capable.

4. **Efforts to identify duplication.** This requirement is being issued under the Federal Acquisition Regulation (FAR) which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

6. **Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Similar information is not already available to the contracting officer or buyer.

7. **Special circumstances for collection.** Collection of information on a basis other than contract-by-contract is not practical. Collection is consistent with guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency.** A 60-day notice was published in the *Federal Register* at 80 FR 34433 on June 16, 2015. No comments were received. A 30-day notice was published in the *Federal Register* at 80 FR 60384 on October 6, 2015.

9. **Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.** Not applicable.

10. **Describe assurance of confidentiality provided to respondents.** This information is disclosed only to the extent consistent with prudent business practices and current regulations.

11. **Additional justification for questions of a sensitive nature.** No sensitive questions are involved.

12 & 13. **Estimated total annual public hour and cost burden.** We estimate 3,750 contractors have Government property.

(a) FAR 52.245-1(f)(1)(x), FAR 52.245-1(j)(2), SF 1424, SF 1428 and the SF 1429. We estimate that 2,500 contractors generate excess/surplus Government property each year requiring the submission of a SF 1428 (and SF 1429, Continuation Sheet). It should be noted that use of the Plant Clearance Automated Reutilization and Screening System (ostensibly an automated SF 1428) is standard practice. SF 1424 is used to perform and report to the Property Administrator contract property closeout.

We estimate that contractors on the average submit 8 inventory schedules each year and that it will take approximately 2 hours to store, retrieve, prepare or correct, and submit the information.

A. Number of respondents	2,500
B. Responses per respondent	<u>x 8</u>
C. Total annual response	20,000
D. Hours per response	<u>x 2</u>
E. Total hours	40,000

(b) FAR 52.245-1(f)(1)(ii). We estimate that 3,750 contractors on the average prepare 2,000 receiving reports each per year. We also estimate that it takes 15 minutes to prepare each receiving report. It should be noted that creation of a receiving report is standard industry practice for property receipts.

A. Number of respondents	3,750
B. Responses per respondent	<u>x 2,000</u>
C. Total annual response	7,500,000
D. Hours per response	<u>.25</u>
E. Total hours	1,875,000

(c) FAR 52.245-1(f)(1)(ii)(A). We estimate that there are approximately 600 contractors on the average that prepare 2 discrepancy reports each per year.

A. Number of respondents	600
B. Responses per respondent	<u>x 2</u>
C. Total annual response	1,200
D. Hours per response	<u>x.5</u>
E. Total hours	600

(d) FAR 52.245-1(f)(1)(iii) and FAR 52.245-1(f)(2). All 3,750 contractors are required to keep property records. We estimate that each contractor maintains, on the average,

approximately 1200 items of property. Since the recordkeeping requirement varies per category of property, we estimate that on the average, it will take 24 minutes to prepare each record.

A. Number of respondents	3,750
B. Responses per respondent	<u>x 1,200</u>
C. Total annual response	4,500,000
D. Hours per response	<u>x .4</u>
E. Total hours	1,800,000

(e) FAR 52.245-1(f)(1)(vii)(B). We estimate that 10 percent of contractors report lost or damaged property each year. On the average, each contractor losing property would make two reports per year. We estimate that on the average, it takes 1 hour for contractors to retrieve, prepare and submit the information.

A. Number of respondents	375
B. Responses per respondent	<u>x 2</u>
C. Total annual response	750
D. Hours per response	<u>x 1</u>
	750

(f) FAR 52.245-1(f)(1)(viii). Information contained in paragraph (a) above.

(g) FAR 52.245-1(f)(1)(ix). We estimate that 25 contractors submit an annual report identifying the need for major repair, replacement, and other capital rehabilitation work. These reports are extensive in nature and we estimate that it would take approximately 2 hours to store, retrieve, prepare, and submit the information.

A. Number of respondents	25
B. Responses per respondent	<u>x 1</u>
C. Total annual response	25
D. Hours per response	<u>x 2</u>
E. Total hours	50

(h) FAR 52.245-9(d). The Government property is provided to contractors on a rent-free use basis. However, we estimate that 10 percent of all contractors use property that requires rental payments. We estimate that 375 contractors submit 4 quarterly reports, and that it takes 1 hour to store, retrieve, prepare and submit the report.

A. Number of respondents	375
B. Responses per respondent	<u>x 4</u>
C. Total annual response	1,500
D. Hours per response	<u>x 1</u>
E. Total hours	1,500

Sum Total:

A. Number of respondents	11,375
B. Responses per respondent	<u>x 1057 ¹</u>
C. Total annual responses	12,023,375
D. Hours per response	<u>x .3092 ²</u>
E. Total hours	3,717,627

Cost to Public.

(a) Based on our assessment, the complexity of the work is the 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:

A. <u>Cost per Hour</u>	
B. GS-11, step 5	\$27.86
C. OMB burden @ 36.25%	\$37.96
	\$10.10

Rounded to the nearest dollar: \$38.00

(b) As a result, the total annual cost to the Public is calculated as follows:

A. Total annual hours	3,717,627
B. Average wage + overhead	<u>x \$38</u>
C. Total annual cost to Public	\$141,269,826

14. Estimated annual cost to the Federal Government.

The time required for Government review of the requirements of Part 45 is estimated to be approximately 1 (one) hour for a GS-11, step 5. This estimate is based on receiving, reviewing and analyzing the information submitted by the contractor.

A. Number of responses	12,023,375
B. Average hours per response	<u>x 1</u>
C. Total burden hours	12,023,375
D. Average wages + overhead (\$21/hr + 100% OH)	<u>x \$38</u>
E. Total annual cost to Government	\$456,888,250

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The estimates for the public burden were coordinated with subject matter experts within the Federal Government in the field of Government property management. The adjustments to specific

¹Based on dividing C by A.

²Based on dividing E by C.

requirements under item 13 and 14 are based largely on a reduction in the total number of contractors with Government property from 5,000 to 3,750 and specification of the wage rate as the equivalent of a GS-11, step 5 position (plus burden published by OMB for 2015) for calculation purposes.

16. **Outline plans for published results of information collections.** Results of this collection will not be tabulated or published.
17. **Approval not to display expiration date.** Not applicable.
18. **Explanation of exception to certification statement.** Not applicable.

B. Collection of Information Employing Statistical Methods.

Statistical methods will not be employed.