

SUPPORTING STATEMENT – PART A

OMB Control Number 0704-0398 – Defense Federal Acquisition Regulation Supplement (DFARS) Part 211, Describing Agency Needs, and Related Clauses at DFARS 252.211

A. JUSTIFICATION

1. Need for the Information Collection

This justification supports OMB Control Number 0704-0398. This information collection concerns DFARS part 211, Describing Agency Needs,¹ which prescribes use of the following provisions and clause:

a. DFARS provision 252.211-7004, Alternate Preservation, Packaging, and Packing, which allows potential offerors to propose alternatives to military preservation, packaging, or packing specifications. Specifically, the offeror may include in its offer two unit prices in the format specified in the clause: one price based on use of the military specifications, and another price based on commercial or industry preservation, packaging, or packing of equal or better protection than the military.

b. DFARS provision 252.211-7005, Substitutions for Military or Federal Specifications and Standards, which permits offerors to propose Single Process Initiative (SPI) processes as alternatives to military or Federal specifications and standards cited in DoD solicitations for previously developed items. As defined in the clause, “SPI process” means a management or manufacturing process that has been accepted previously by a DoD Management Council for use in lieu of a specific military or Federal specification or standard at specific facilities. When proposing SPI processes, offerors shall identify the proposed SPI process, specific facility to which it will apply, and the specific contract line items that will be affected.

c. DFARS clause 252.211-7007, Reporting of Government-Furnished Property, which requires contractors to report to the DoD Item Unique Identification (IUID) Registry all serially-managed Government-furnished property (GFP), as well as contractor receipt of non-serially managed items. “Serially managed item” means an item designated by DoD to be uniquely tracked, controlled, or managed in maintenance, repair, and/or supply systems by means of its serial number. The clause provides a list of specific data elements contractors are to report to the IUID registry, as well as procedures for updating the registry.

2. Use of the Information

a. DFARS 252.211-7004 allows offerors to propose alternatives to military preservation, packaging, or packing specifications. DoD uses the information to evaluate and award contracts using commercial or industrial preservation, packaging, or packing if the offeror chooses to propose such alternates.

¹ The information collection associated with the clause at DFARS 252.211-7006, Passive Radio Frequency Identification, which is also prescribed in DFARS part 11, is covered under OMB Control Number 0704-0434.

b. DFARS 252.211-7005 encourages offerors to propose SPI processes as alternatives to military or Federal specifications and standards cited in DoD solicitations for previously developed items. DoD uses the information to verify Government acceptance of an SPI process as a valid replacement for a military or Federal specification or standard.

c. DFARS 252.211-7007 strengthens the accountability and end-to-end traceability of GFP within DoD.

i. Through electronic notification of physical receipt, the contracting officer is made aware that GFP has arrived at the contractor's repair facility. The DoD logistics community uses the information as a data source of available DoD equipment. In addition, the DoD organization responsible for contract administration uses the data to test the adequacy of the contractor's property management system.

ii. DoD has placed increased emphasis on ensuring DFARS clause 252.211-7007, as well as other Government property-related FAR and DFARS clauses, are included in DoD contracts involving Government property (reference: OUSD memorandum dated September 19, 2014, which can be found at <http://www.acq.osd.mil/dpap/policy/policyvault/USA005553-14-DPAP.pdf>).

3. Use of Information Technology

Information technology is used to collect the covered information to the maximum extent (100%) as follows:

a. Contracting officers may allow for the electronic submission of offers, which will include alternatives specifications proposed in accordance with DFARS 252.211-7004.

b. Contracting officers may allow for the electronic submission of offers, which will include SPI processes proposed in accordance with DFARS 252.211-7005.

c. As required by DFARS 252.211-7007, contractors report GFP data electronically to the DoD IUID Registry, which is the DoD data repository that receives input from both industry and Government sources and provides storage of, and access to, data that identifies and describes tangible Government personal property.

4. Non-duplication.

As a matter of policy, DoD reviews the DFARS to determine whether adequate language already exists. This information collection does not duplicate any other requirement.

5. Burden on Small Business

The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

a. The collection associated with DFARS 252.211-7004 is not expected to impose a burden on small businesses, because only those offerors that wish to propose alternate preservation, packaging, or packing or to use SPI-approved processes in lieu of military or Federal specifications or standards need do so.

b. The collection associated with DFARS 252.211-7005 is not expected to impose a significant burden on small businesses, because only those offerors that wish to propose SPI processes, in lieu of military standards and specification at a specific facility, need do so. Few contractors still participate in formal SPI programs (which are voluntary).

c. The burden associated with DFARS 252.211-7007 imposed on small business is necessary to achieve the necessary policy objective of strengthening DoD accountability and end-to-end traceability of GFP.

6. Less Frequent Collection

a. If the information required by DFARS 252.211-7004 is not collected, then DoD contracting officers would be unable to evaluate the suitability of proposed alternate preservation, packaging, or packing, and all offerors would be required to follow the military preservation, packaging, or packing specifications, thus losing any potential cost savings.

b. Similarly, if the information required by DFARS 252.211-7005 is not collected, then Offerors may not be able to substitute their previously approved SPI processes for military or Federal specifications or standards, and potential cost savings might not be realized.

c. If the information required by DFARS 252.211-7007 is not collected, then effective accountability and management of GFP would be compromised.

7. Paperwork Reduction Act Guidelines

There are no special circumstances for collection. Collection of this information is consistent with the guidelines at 5 CFR 1320.5(d)(2).

8. Consolidation and Public Comments

a. This information collection is consistent with the guidelines in 5 CFR 1320.6. Public comments were solicited in the *Federal Register* on December 23, 2016 ([81 FR 94345](#)). No comments were received in response to this notice.

b. Subject matter experts at the Defense Contract Management Agency (DCMA) and associated with Defense packaging policy were consulted regarding this information collection.

c. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* on March 27, 2017 ([82 FR 15192](#)).

9. Gifts or Payment

DoD will not provide a payment or gift to respondents under this information collection requirement.

10. Confidentiality

This information is disclosed only to the extent consistent with statutory requirements, current regulations, and prudent business practices. The collection of information does not include and personally identifiable information; therefore, no Privacy Impact Assessment or Privacy Act System of Records Notice is required.

11. Sensitive Questions

No sensitive questions are involved.

12. Respondent Burden and its Labor Costs

a. DFARS 252.211-7004. The estimated respondent burdens and labor costs are shown in the table that follows. There is no change to the estimate previously provided by DoD subject matter experts of 375 solicitations a year with military preservation, packaging or packing specifications, and 563 responses (average of 1.5 responses per solicitation) offering alternative packaging, at 2 hours per response.

Estimation of Respondent Burden: 252.211-7004	
Number of respondents	375
Responses per respondent	1.5
Number of responses	563
Hours per response	2
Estimated hours (number of responses multiplied hours per response)	1,126
Cost per hour (hourly wage) (<i>Note</i>)	\$32
Annual public burden (estimated hours multiplied by cost per hour)	\$36,032

Note: The cost per hour is based on the OPM GS-9, Step 5, base hourly rate for 2016 (\$23.25) plus the 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13 (\$8.43), rounded to the nearest dollar.

b. DFARS 252.211-7005. The estimated respondent burdens and labor costs are shown in the table that follows. There is no change to the estimate previously provided by DoD subject matter experts, which cited that the number of contractors participating in this program has decreased significantly with the maturation of the program initiative and the introduction of other streamlined procurement methods such as Federal Acquisition Regulation part 12 and DFARS part 212. DoD estimates that only 10 contractors participate in SPI and that each participant will

respond to 1 solicitation per year for which SPI processes will be proposed and that each response will take approximately 1 hour.

Estimation of Respondent Burden: 252.211-7005	
Number of respondents	10
Responses per respondent	1
Number of responses	10
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	10
Cost per hour (hourly wage) (<i>Note</i>)	\$32
Annual public burden (estimated hours multiplied by cost per hour)	\$320

Note: The cost per hour is based on the OPM GS-9, Step 5, base hourly rate for 2016 (\$23.25) plus the 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13 (\$8.43), rounded to the nearest dollar.

c. DFARS 252.211-7007. Estimated respondent burden and labor costs were calculated using transactional data contained within the Invoicing, Receipt, Acceptance, and Property Transfer system (iRAPT).² These data are shown in the table that follows. As background, iRAPT is a secure web-based system used for electronic invoicing, receipt and acceptance, and initiation and recording of Government property shipments and receipts.

i. *Number of Respondents*: The number of respondents is based on data contained in iRAPT indicating 256 contractors (known as distinct locations within iRAPT) in fiscal year 2016, each responsible for adhering to reporting requirements under DFARS 252.211-7007.

ii. *Number of Responses*. The number of responses is based on data contained in iRAPT indicating that DoD initiated approximately 65,000 property transfer transactions (transfers of Government property from DoD to contractors) in fiscal year 2016.

iii. *Hours per Response*: According to DoD subject matter experts experienced in managing iRAPT, it takes a respondent an average of 15 minutes to acknowledge receipt in the IUID Registry of an iRAPT driven Government property transaction.

Estimation of Respondent Burden: 252.211-7007	
Number of respondents	256
Responses per respondent	254
Number of responses	65,000
Hours per response	0.25

² iRAPT was known as Wide Area WorkFlow until release 5.6.0 in 2014 when the name was changed to Invoice, Receipt, Acceptance, and Property Transfer (iRAPT).

Estimated hours (number of responses multiplied hours per response)	16,250
Cost per hour (hourly wage) (Note)	\$38
Annual public burden (estimated hours multiplied by cost per hour)	\$617,500

Note: The cost per hour is based on the OPM GS-11, Step 5, base hourly rate for 2016 (\$28.14) plus the 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13 (\$10.20), rounded to the nearest dollar.

d. Total Respondent Burden and Labor Costs. The estimated respondent burden and labor costs for the DFARS provisions and clause are shown in the table that follows. It is calculated by using the sum of the number of respondents, number of responses, and annual public burden for the two provisions and one clause. These totals are then used to calculate an approximate number of responses per each respondent and cost per hour.

Estimation of Respondent Burden: 0704-0398 TOTAL	
Number of respondents	641
Responses per respondent (approximately)	102
Number of responses	65,573
Hours per response	0.27
Estimated hours (number of responses multiplied hours per response)	17,386
Cost per hour (hourly wage) (approximately)	\$38
Annual public burden	\$653,852

13. Respondent Costs Other than Burden Hour Costs

DoD does not estimate any annual cost burden apart from the hourly burden in Item 12 above.

14. Cost to the Government

a. DFARS 252.211-7004 and 252.211-7005. The estimated annual cost to the Government to review and analyze responses from offerors under these clauses is shown in the following table. It is estimated that a GS-11, step 5, employee will take one hour to review and analyze a response.

Estimation of Cost to the Government: 252.211-7004 and 252.211-7005	
Number of responses	573
Hours per response	1
Estimated hours	573

Cost per hour (hourly wage) (Note)	\$38
Cost to Government	\$21,774

Note: The cost per hour is based on the OPM GS-11, Step 5, base hourly rate for 2016 (\$28.14) plus the 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13 (\$10.20), rounded to the nearest dollar.

b. DFARS 252.211-7007. The estimated annual cost to the Government to review and analyze responses from offerors under these clauses is shown in the following table. It is estimated that a GS-11, step 5, employee will take one hour to review and analyze a response.

Estimation of Cost to the Government: 252.211-7007	
Number of responses	65,000
Hours per response	2
Estimated hours	130,000
Cost per hour (hourly wage) (Note)	\$46
Cost to Government	\$5,980,000

Note: The cost per hour is based on the Office of Personnel Management(OPM) General Schedule (GS) hourly rate of \$33.72 for a GS-12, step 5, employee (for calendar year 2016) plus the 36.25% civilian personnel full fringe benefit rate from OMB memorandum M-08-13 (\$33.72 + \$12.22 = \$45.94, rounded to the nearest dollar).

c. Total Cost to the Government. The total estimated annual cost to the Government for all three DFARS clauses covered by this OMB Control Number is shown in the table that follows. It is calculated by using the sum of the number of responses, estimated hours, and cost to the Government for all three clauses. These totals are then used to calculate an approximate hours per response and cost per hour.

Estimation of Cost to the Government: 0704-0398 TOTAL	
Number of responses	65,573
Hours per response (approximately)	2
Estimated hours	130,573
Cost per hour (hourly wage) (approximately)	\$46
Cost to Government	\$6,001,774

15. Reasons for Change in Burden

Changes to the annual public burden estimates are summarized as follows:

a. For DFARS 252.211-7004 and 252.211-7005, changes in burden are based on the use of current hourly base rate for calendar year 2016 to calculate the cost per hour for respondents.

b. For DFARS clause 252.211-7007, the previous burden estimate relied on DCMA subject matter expertise who estimated that 4,400 contractors may submit reports; however, this number is more closely related to the number of individual contractor property management systems in existence at the time, versus the number of instances a unique contractor acknowledges receipt of GFP in the IUID Registry in a twelve-month period. With this justification, DoD utilized more accurate data available in iRAPT regarding the number of property transfers (65,000) to unique contractors (256) in the previous fiscal year (2016), each of which would necessitate action by the contractor in the IUID Registry in accordance with the clause. In addition, the hours per response is reduced from 1 hour to 15 minutes based on improvements in automation of Government and contractor property management systems. This justification also cites the current hourly base rate for calendar year 2016 to calculate the cost per hour for respondents.

Change in Burden: 2015 to 2016			
252.211-7007	2015	2016	Difference
Number of respondents	4,400	256	-4,144
Responses per respondent	5	254	+249
Total annual responses	22,000	65,000	+43,000
Hours per response	1	.25	-0.75
Total hours	22,000	16,250	-5,750
Annual public burden	\$792,000	\$617,500	-\$174,500

c. The total change in burden associated under this OMB Control Number 0704-0398 is in the table that follows.

Change in Burden: 2013/2015 to 2016			
0704-0398 TOTAL	2015	2016	Difference
Number of respondents	4,785	641	-4,144
Total annual responses	22,573	65,573	+43,000
Total estimated hours	23,136	17,386	-5,750
Annual public burden	\$827,216	\$653,852	-\$173,364

16. Publication of Results

Results of this collection will not be published.

17. Non-Display of OMB Expiration Date

DoD does not seek approval to not display the expiration dates for OMB approval of the information collection.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

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.