

SUPPORTING STATEMENT
OMB Control Number 0704-0248
Defense Federal Acquisition Regulation Supplement, Appendix F,
Inspection and Receiving

A. JUSTIFICATION

1. Need for the Information Collection

a. This justification supports renewal of OMB Control Number 0704-0248. This information collection concerns Defense Federal Acquisition Regulation Supplement (DFARS) Appendix F, Material Inspection and Receiving Report.

b. Appendix F contains procedures and instructions for submission of contractor payment requests and receiving reports using Wide Area WorkFlow (WAWF). 10 U.S.C. 2227(c) requires electronic submission and processing of claims for contract payments under DoD contracts. DoD has designated WAWF as the designated platform for contractors to submit payment requests and supporting documentation, including receiving reports. WAWF supports the use, preparation, and distribution of the electronic equivalent for the DD Form 250, Material Inspection and Receiving Report, and the DD Form 250 series equivalents for property repairs and energy-related overland or waterborne shipments.

2. Use of the Information

Receiving reports showing Government acceptance or approval of contract deliverables are required to permit payment of contractor invoices. Federal Acquisition Regulation 32.905(c) requires that invoice payments are supported by a receiving report or other Government document to authorize the payment. The receiving report must include the contract number, date, description, quantities of supplies received or services performed, as well as identification of the designated Government official who accepted the supplies or services.

3. Use of Information Technology

Information technology is used approximately 100 percent of the time to collect the information. Contractors submit payment requests and receiving reports to WAWF via Electronic Data Interchange, Secure File Transfer Protocol, or via direct input through the WAWF website.

In accordance with DFARS clause 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports, Contractors are required to submit electronic payment requests and receiving reports in WAWF in nearly all cases. In accordance with DFARS clause 252.246-7000, this is accomplished by using the electronic WAWF receiving report; use of the paper DD Form 250 (or equivalent) is authorized only on an exception basis. In addition, when contractors utilize WAWF in accordance with DFARS 252.232-7003 and Appendix F, the item unique identification (IUID) information required by DFARS clause 252.211-7003 is automatically transmitted to the IUID Registry.

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

This collection is not expected to impose a significant burden on small businesses, because the use of electronic tools facilitates timely and accurate payments, which can improve cash-flow management and reduce operating costs. Manual, i.e., non-electronic practices and processes, involving paper invoices and receiving reports can result in redundant data entry, misplaced documents, higher than necessary transaction processing fees, and payment delays.

WAWF is available to all DoD contractors at no cost and provides electronic confirmation that the payment office has received payment documents. WAWF also allows contractors to track the status of their payments. According to the Government Accountability Office, “with the arrival of Web-based business tools, the electronic exchange of data has become more cost-effective for many smaller businesses” (GAO-06-358 dated May 2006). With few exceptions, the processing of payment requests and receiving reports through WAWF is only limited by access to the internet, which is rare in today’s commercial marketplace.

6. Less Frequent Collection

Contractor payment requests are submitted in accordance with each individual contract’s terms and conditions, and receiving reports are completed to document receipt of the goods or services being invoiced. Less frequent collection could result in violation of a contract’s terms and hinder timely and accurate payments to contractors.

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. Consultation 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 August 29, 2017, at [82 FR 41006](#). One comment was received in response to this notice. The comment was out of scope of this renewal as the respondent provided an unrelated philosophical discussion of geopolitical matters.

b. Subject matter experts within DoD, including the Defense Finance and Accounting Service, were consulted regarding the renewal of this information collection.

c. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* at [82 FR 51227](#) on November 3, 2017.

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 any 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

Since the last renewal there have been two program changes that have reduced public burden. An electronic form, WAWF Repairable Receiving Report, has been created in WAWF to be used as the electronic equivalent of the DD Form 250, Material Inspection and Receiving Report, for repair, maintenance, or overhaul of Government furnished property (81 FR 17051, March 25, 2016). Additionally, a WAWF Energy Receiving Report was created in WAWF and was designed to be used as the electronic equivalent of the DD 250 for overland shipments and the DD Form 250-1, Tanker/Barge Material Inspection and Receiving Report, for waterborne shipments (80 FR 29983, May 26, 2015). As a result of these two initiatives, very few manual (paper) DD Form 250 submissions are processed as there is now an equivalent automated form for each type of receiving report transaction. Consequently, the calculations for this renewal rely solely on the electronic data submissions to WAWF.

According to fiscal year (FY) 2016 data available in WAWF, there were approximately 336,000 individual contractor personnel using WAWF. These users represent 153,000 unique entities (companies), and they processed approximately 2.8 million receiving reports during FY 2016.

Prior inquiries with contractors that use the WAWF electronic receiving reports extensively have indicated that it takes no more than one minute to prepare the forms electronically. This reduced timeframe is because many WAWF receiving report data elements are prepopulated from either the contract or a previously submitted receiving report. As a conservative approximation, an estimate of three minutes per report (.05/hour) is used to accommodate time to upload any required documentation/attachments and to account for the very few manual (paper) DD Form 250 reports that may be processed outside of the WAWF system.

Estimation of Respondent Burden: DFARS Appendix F	
Number of respondents	153,000
Responses per respondent (rounded down from 18.3)	18
Number of responses	2,800,000
Hours per response (3 minutes)	.05
Estimated hours	140,000
Cost per hour (hourly wage)(See Note)	\$37
Annual public burden	\$5,180,000

Note for Labor rate calculation:

Cost per hour is \$37, based on OPM GS-09, step 5, base hourly rate for 2017 (\$27.02) plus the 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13 (\$9.79), rounded to the nearest dollar (\$37). The OPM rate used includes locality pay area for the rest of the U.S.

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

The estimate of the time it will take the Government representative to review and analyze the each response is three minutes. The reduction from the prior renewal estimate of five minutes is due to the program changes that have resulted in submission of electronic reparable and energy reports. The estimated cost to the Government is shown in the following table:

Estimation of Government Burden: Appendix F	
Number of responses (receiving reports)	2,800,000
Number of hours (3 minutes)	.05
Burden Hours	140,000
Cost per hour (See Note)	\$37
Cost to the Government	\$5,180,000

Note for Labor rate calculation:

Cost per hour is \$37, based on OPM GS-09, step 5, base hourly rate for 2017 (\$27.02) plus the 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13 (\$9.79), rounded to the nearest dollar (\$37). The OPM rate includes locality pay area for the rest of the U.S.

15. Reasons for Change in Burden.

The change in burden estimation is shown in the following table:

Change in Burden	2014	2017	Difference
Number of respondents	92,500	153,000	+60,500
Responses/respondent	25	18	(7)
Total annual responses	2,352,941	2,800,000	+447,059
Hours per response	5 minutes	3 minutes	-
Total Hours	209,804	140,000	(69,804)
Cost per hour	\$31.00	\$37.00	-
Total Cost	\$6,503,924	\$5,180,000	(\$1,323,924)

Reasons for change in burden:

a. Programming changes made to WAWF resulted in computerization of various DD Form 250 series receiving reports with a commensurate reduction in burden on the public. (See the two final DFARS rules discussed in paragraph 12.) As a matter of law (10 U.S.C. 2227), any claim for payment under a DoD contract must be in electronic form. Accordingly, the separate burden hours associated with manually submitted (paper) DD 250s, which were included in the 2014 supporting statement, are not included in the current assessment.

b. Increase in the number of respondents, which is due to:

- Greater use of WAWF generally, in part because of implementation of DFARS clause 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports, which mandates use of WAWF (77 FR 38731, June 29, 2012).
- Increased visibility of WAWF at trade shows, industry conferences, and forums.
- Collaborative resolution of technical and other issues through the WAWF/Item Unique Identification/Radio Frequency Identification Users Industry Group, which has resulted in greater customer familiarity and acceptance of WAWF.

c. Continued maturity and capability of Government and contractor system interfaces, coupled with the normal learning curve associated with process improvements such as electronic invoicing, has increased the number of customers using WAWF (by extension, increasing the number of respondents and responses) and lowered processing costs.

d. Data is now available relative to the actual use of WAWF versus past reliance on estimates from subject matter experts.

16. Publication of Results

Results of this information will not be tabulated or published.

17. Expiration Date

DoD requests that the previously granted approval to not display the expiration date, as provided for in 5 CFR 1320.5(a)(1)(iii)(C) and 1320.8(b)(1), be continued for this collection. The DD Form 250 series first obtained OMB clearance under the Paperwork Reduction Act under DAR Case 1979-89. The OMB clearance number was affixed to the form at that time, and permission was granted to not display the expiration date, since an inordinate expense would have been incurred in the reprinting and restocking of the form every 3 years when the expiration date was revised. Currently, the preponderance of the use of the DD Form 250 series is electronic as the forms are programmed into the WAWF system and interface with several other Government financial and logistical systems and has thousands of contractor and Government users. The cost of reprogramming the WAWF database every 3 years to revise the expiration date of the OMB clearance for the electronic DD 350 series is an expense that can be avoided by continuing the approval to not display the OMB clearance expiration date.

18. Exceptions to Certification for Paperwork Reduction Submissions

There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.