

SUPPORTING STATEMENT

Defense Federal Acquisition Regulation Supplement (DFARS) Information Collection in Support of the DoD Acquisition Process (Various Miscellaneous Requirements); OMB Control Number 0704-0187

A. JUSTIFICATION

1. Need for the Information Collection

This is a request for extension of the expiration date of the information collection requirements currently approved under OMB Control Number 0704-0187. These provisions and clauses implement 10 U.S.C. 2327, 10 U.S.C. 2354, and 10 U.S.C. 2536. The information collection requirements are as follows¹:

a. DFARS 252.208-7000, Intent to Furnish Precious Metals as Government-Furnished Material, paragraphs (b) and (c). This clause is prescribed at DFARS 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.

b. DFARS 252.209-7002, Disclosure of Ownership or Control by a Foreign Government, paragraph (c). This provision is prescribed at DFARS 209.104-70 for use in all solicitations when access to proscribed information is necessary for contract performance. Paragraph (c) requires an offeror to disclose if a foreign government has a controlling interest in the offeror, or in a parent company of which the offeror is a subsidiary.

c. DFARS 252.209-7004, Subcontracting with Firms That Are Owned or Controlled by the Government of Country that is a State Sponsor of Terrorism, paragraph (b). This clause is prescribed at DFARS 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

¹ DFARS provision 252.225-7050, Disclosure of Ownership or Control by the Government of Country that is a State Sponsor of Terrorism, is removed from this information collection. DFARS provision 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 would rarely occur, 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. Since disclosure under this provision should never meet the threshold of ten or more prime contractor respondents pursuant to the prohibition in 10 U.S.C. 2327, this provision is therefore removed.

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.

d. DFARS 252.235-7000, Indemnification under 10 U.S.C. 2354–Fixed Price, paragraph (f) and DFARS 252.235-7001, Indemnification Under 10 U.S.C. 2354–Cost-Reimbursement, paragraph (e). These clauses are prescribed at DFARS 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.

e. DFARS 252.235-7003, Frequency Authorization, paragraph (b). This clause is prescribed at DFARS 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.

2. Use of the Information

This information is used by Government contracting officers as follows:

a. DFARS 252.208-7000 (b) and (c). The information is used to determine whether to provide precious metals as Government-furnished material.

b. DFARS 252.209-7002 (c). The information is used to determine whether a foreign government owns or controls the offeror to prevent access to proscribed information.

c. DFARS 252.209-7004 (b). The information is used to 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;

d. DFARS 252.235-7000(f) and DFARS 252.235-7001(e). This information is used to evaluate claims of indemnification for losses or damages occurring under a research and development contract; and

e. DFARS 252.235-7003(b). This information is used to 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. Use of Information Technology

Use of technological collection techniques would not reduce the burden of providing this information because standardized or repetitive data is not involved. However, Program

participants may submit the reports in formats that are compatible with their automated systems. All reports (100%) are submitted electronically.

4. Non-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. Burden on Small Business

The collections associated with small businesses are the minimum consistent with applicable laws, regulations, and prudent business practices.

6. Less Frequent Collection

If the information was collected less frequently, DoD would not be able to fulfill its responsibility of ensuring that participants were fulfilling their obligations and that the Government was receiving value for the benefits it was providing. 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 and contract administration decisions.

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. 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.

b. As required by 5 CFR 1320.8(d), public comments on the information collection requirement were solicited in the Federal Register on March 14, 2018 ([83 FR 11186](#)). No comments were received.

c. A notice of submission to OMB for clearance of this information collection was published in the Federal Register on May 23, 2018 ([83 FR 23906](#)).

9. Gifts or Payment

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 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. Respondent Burden, and its Labor Costs

The estimated respondent burdens and labor costs associated with the information collections covered under OMB Control Number 0704-0187 are summarized in the table below. These estimates are based on the data available in the Federal Procurement Data System (FPDS) for DoD contract actions for fiscal year (FY) 2017 and consultations with DoD subject matter experts. The combined totals are adjusted by rounding upward the total number of responses per respondent and total hours per response, which are then used to calculate the estimated annual responses and total hours. A breakdown of the individual estimates for each DFARS clause or provision are provided paragraphs 12.a. through 12.e. that follow.

Estimation of Total Respondent Burden:							
OMB Control # 0704-0187	252.208-7000 (12.a.)	252.209-7002 (12.b.)	252.209-7004 (12.c.)	252.235-7000/7001 (12.d.)	252.235-7003 (12.e.)	Total (12.a-e.)	Adjusted for Whole #'s
Number of Respondents	18	10	10	20	250	308	308
Responses / Respondent	5.56	.1	.1	.1	1	1.15	1
Annual Responses	100	1	1	2	250	354	308
Hours / Response	1	1	1	1	2	1.71	2
Total Hours	100	1	1	2	500	604	616
Hourly Rate	\$45	\$45	\$45	\$45	\$45	\$45	\$45
Total Annual Public Cost	\$4,500	\$45	\$45	\$90	\$22,500	\$27,180	\$27,720

a. DFARS 252.208-7000(b) and (c). The following is a summary of the estimated annual burden for offerors to cite the type and quantity of precious metals required in performance of the contracts and 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.

Estimation of Respondent Burden: DFARS 252.208-7000(b) and (c)	
Number of respondents	18
Responses per respondent	5.56
Number of responses	100
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	100
Cost per hour (hourly wage)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$4,500

Based on FY 2017 from DLA, DoD estimates that 9 contractors will receive precious metals under this clause in 25 different shipments in a year. DoD estimates the following, based on an estimate of twice as many respondents as contractors receiving shipments ($9 \times 2 = 18$); an estimate that the number of solicitations equals shipments (25); an estimate of four responses per solicitation (100); and one hour per response. The fully burdened rate of \$45 was developed using the Office of Personnel Management (OPM) 2018 basic hourly salary (for the rest of U.S. locality) of \$33.24 for a General Schedule (GS) 11, step 5, employee, plus a burden of 36.25 percent (per OMB Circular A-76, Attachment C), which equals \$45.29. This rate was rounded to \$45, and this rate is used to calculate all burden cost for all estimates in this supporting statement.

b. DFARS 252.209-7002(c). The following is a summary of the estimated annual burden for offeror to disclosure if a foreign government has a controlling interest in the offeror, or in a parent company of which the offeror is a subsidiary

Estimation of Respondent Burden: DFARS 252.209-7002(c)	
Number of respondents	10
Responses per respondent	.1
Number of responses	1
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	1
Cost per hour (hourly wage) (See Note (1))	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$45

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, and 1 hour per response. The fully burdened rate of \$45 for a GS-11, step 5, employee was used to calculate the burden.

c. 252.209-7004(b). The following is a summary of the estimated annual burden for contractors 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.

Estimation of Respondent Burden: DFARS 252.209-7004(b)	
Number of respondents	10
Responses per respondent	.1
Number of responses	1
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	1
Cost per hour (hourly wage)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$45

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, and 1 hour per response. The fully burdened rate of \$45 for an OPM 2018 GS-11, step 5, employee was used to calculate the burden.

d. DFARS 252.235-7000(f) and 252.235-7001(e). The following is a summary of the estimated annual burden for 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:

Estimation of Respondent Burden: DFARS 252.235-7000(f)/-7001(e)	
Number of respondents	20
Responses per respondent	.1
Number of responses	2
Hours per response	1
Estimated hours (number of responses multiplied hours per response)	2
Cost per hour (hourly wage)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$90

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. In order to keep the collection in an active state, 10 respondents and .1 responses for each clause is used in the estimate. Therefore, DOD has estimated 20 hours to prepare and submit the information. The fully burdened rate of \$45 for an OPM 2018 GS-11, step 5, employee was used to calculate the burden.

e. DFARS 252.235-7003(b). The following is a summary of the estimated annual burden for 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:

Estimation of Respondent Burden Hours: DFARS 252.235-7003(b)	
Number of respondents	250
Responses per respondent	1
Number of responses	250
Hours per response	2
Estimated hours (number of responses multiplied hours per response)	500
Cost per hour (hourly wage)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$22,500

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. The fully burdened rate of \$45 for an OPM 2018 GS-11, step 5, employee was used to calculate the burden.

13. Respondent Costs Other Than Burden Hour Costs

DoD does not estimate any annual cost burden for respondents other than the burden hours reported in item 12.

14. Cost to the Federal Government

The estimated Government burdens hours and labor costs associated with the information collections covered under OMB Control Number 0704-0187 are summarized in the table below. These estimates are based on consultations with DoD subject matter experts. The combined total hours per response is adjusted by rounding upward, which is then used to calculate the total

estimated hours. The fully burdened rate of \$45 for an OPM 2018 GS-11, step 5, employee was used to calculate the burden.

Estimation of Government Hours/Response: OMB Control # 0704-0187							
0704-0187	252.208-7000	252.209-7002	252.209-7004	252.235-7000/7001	252.235-7003	Total	Adjusted for Whole #'s
Hours / Response	.5	1	1	2	2	1.57	2

Estimation of Total Government Burden: OMB Control # 0704-0187	
Number of responses (see table at paragraph 12)	308
Hours per response	2
Estimated hours (number of responses multiplied hours per response)	616
Cost per hour (hourly wage)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$27,720

15. Reasons for Change in Burden

There is an estimated decrease of 848 hours due primarily to reduction in the number of shipments of precious metals under DFARS 252.208-7000 from 131 per year to 25 per year; and reduction of estimated number of respondent to DFARS 252.235-7003 from 402 to 250, based on clause usage data, rather than estimating a percentage of total research and development contracts.

OMB Control # 0704-0187	2015 Estimate	2018 Estimate	Change in Burden
Number of respondents	491	308	-183
Responses per respondent	2	1	-
Total annual responses	1,062	308	-754
Hours per response	1.5	2	-
Total hours	1,464	616	-848
Total annual cost to public	\$55,631	\$27,720	-\$27,911

16. Publication of Results

Results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

DoD is not requesting approval to omit display of the expiration date of OMB approval on the instrument of 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.