

SUPPORTING STATEMENT

Defense Federal Acquisition Regulation Supplement (DFARS) part 245, Government Property, related clauses in DFARS 252, and related forms in DFARS 253

OMB Control Number 0704-0246

A. JUSTIFICATION

1. Need for the Information Collection

This justification supports a request for renewal and revision of OMB Control Number 0704-0246. Paragraphs 1.a. and 1.b. below summarize the information collection requirements pertaining to DFARS part 245, Government Property, related clauses, and forms. Paragraph 1.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:

i. 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.

ii. DFARS 245.604-3(b) and (d): DFARS 245.604-3, Sale of Surplus Property, permits the contractor to conduct sales of surplus Government property through informal or noncompetitive sales. Under paragraph (b), a contractor may be directed by the plant clearance officer to issue informal invitations for bids to solicit competitive bids, record responses in a bid abstract, confirm bids in writing, and provide results to the plant clearance officer. Under paragraph (d), a contractor may conduct noncompetitive sales of surplus property to accomplish expeditious plant clearance. Noncompetitive sales, when authorized by the plant clearance officer, may also include purchases or retention at less than cost by the contractor. If the contractor wishes to bid on the sale, the contractor shall submit its bid to the plant clearance officer.

iii. DFARS 252.245-7003, Contractor Property Management System Administration, addresses 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.

b. Information collection requirements in DFARS forms:

i. DD Form 1348-1A, Issue 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 (OCONUS) for turn-ins to Defense Logistics Agency (DLA) disposal activities.

ii. 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:

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

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

iii. 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.)

iv. 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.

v. 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:

- Downgrade useable property to scrap.
- Abandonment or destruction.
- Noncompetitive sale of surplus property.
- Other disposal actions.

2. Use of the Information

The information generated by the requirements of DFARS part 245 is used by contractors, property administrators, and contracting officers to—

a. Provide and manage Government property provided to contractors under Government contracts;

b. Contractors' use and management of Government property obtained under Government contracts; and

c. Reporting, redistributing, and disposing of Government property.

3. Use of Information Technology

Improved information technology is used to the maximum extent practicable. All reports (100%) are submitted electronically.

4. Non-duplication

The information collection requirements placed on contractors are specified in individual solicitations and contracts issued by DoD acquisition activities for the acquisition of supplies and services and are not considered duplicative of other reporting requirements. 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. 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 could impede contracting officers and property administrators from performing their administrative functions in an effective and efficient manner.

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 hourly 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 in the Defense Contract Management Agency (DCMA) Headquarters Property Branch.

b. As required by 5 CFR 1320.8(d), public comments on the information collection requirement were solicited in the Federal Register on April 10, 2018 ([83 FR 15376](#)). One comment was received and is summarized below:

Comment: The respondent inquired whether the DD Form 1639 is printed out and signed, or if the information is collected electronically.

Response: The DD Form 1639 must be printed and signed, then provided to the DCMA property administrator (via mail, fax, or email). Currently, there is no electronic equivalent to this form; however, DoD is working on adding disposition activities currently performed outside of Plant Clearance Automated Reutilization Screening System or Property Loss Tool into the GFP Module with the intent to create/capture electronic transactions for GFP dispositioning and loss activities. The paper copy requirement will be removed once the electronic capability is fully deployed. Initial deployment is targeted for summer 2019.

c. A notice of submission to OMB for clearance of this information collection was published in the Federal Register on August 22, 2018 ([83 FR 42492](#)).

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 burden requirements of DFARS part 245 were discussed with property management specialists at the DCMA Headquarters Property Branch. Where definitive information was available, it was used. In those instances where definitive information was not available, DoD relied on the judgment and expertise of the property management specialists. The combined total of the individual information collection estimates are adjusted by rounding 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 the individual information collections are provided paragraphs 12.a. through 12.f. that follow.

DFARS	245.302 (1)(i) (12.a.)	245.604- 3(b) (12.b.)	245.604- 3(d) (12.c.)	252.245- 7003 (12.d.)	245.7001-3 & DD 1348-1A (12.e.)	252.245- 7004 & DD 1639 (12.f.)	Total (12.a.-f.)	Adjusted for Whole #'s
Number of Respondents	138	98	120	12	1,075	302	1,745	1,745
Responses / Respondent	1	2.6	1.9	1	22.88	6.58	15.6	16
Annual Responses	138	254.8	228	12	24,600	1,987	27,220	27,920
Hours / Response	1.5	3.5	2.5	80	1	.25	1.02	1
Total Hours	207	891.8	570	960	24,600	496.75	27,726	27,920
Hourly Rate	\$45	\$45	\$45	\$65	\$45	\$45	\$46	\$46
Total Annual Public Cost	\$9,315	\$40,131	\$25,650	\$62,400	\$1,107,000	\$22,354	\$1,266,850	\$1,284,320

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:

Estimation of Respondent Burden Hours: DFARS 245.302(1)(i)	
Number of respondents (1)	138
Responses per respondent (2)	1
Number of responses	138
Hours per response (3)	1.5
Estimated hours (number of responses multiplied hours per response)	207
Cost per hour (hourly wage) (4)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$9,315

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 138 respondents represents about 5 percent of the contractors who had contracts on work funded by foreign governments and international organizations in fiscal year (FY) 2017 (according to statistics obtained from the Federal Procurement Data System).

(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) The complexity of the work is equivalent to that of a journeyman-level General Schedule (GS) 11. Accordingly, 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 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.

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 property specialists. The estimated annual cost to the public is as follows:

Estimation of Respondent Burden Hours: DFARS 245.604-3(b)	
Number of respondents (1)	98
Responses per respondent (2)	2.6
Number of responses	254.8
Hours per response (3)	3.5
Estimated hours (number of responses multiplied hours per response)	891.8
Cost per hour (hourly wage) (4)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$40,131

Notes:

(1) Based on a PCARSS query of data from FY 2017, 98 contractors use informal sales procedures each year.

(2) Based on the PCARSS data query, an average of 255 sales are made each year using informal sales procedures. This equates to an average of 2.6 sales per contractor (255 divided by 98 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) See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

c. DFARS 245.604-3(d): Statistics on the number of contractors that use noncompetitive sales procedures were obtained from 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:

Estimation of Respondent Burden Hours: DFARS 245.604-3(d)	
Number of respondents (1)	120
Responses per respondent (2)	1.9
Number of responses	228
Hours per response (3)	2.5
Estimated hours (number of responses multiplied hours per response)	570
Cost per hour (hourly wage) (4)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$25,650

Notes:

(1) Based on a PCARSS query of data from FY 2017, 120 contractors use noncompetitive sales procedures each year.

(2) Based on the PCARSS data query, 228 sales are made each year using noncompetitive procedures. This equates to an average of 1.9 sales per contractor (228 divided by 120 equals 1.9).

(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) See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

d. DFARS 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. The estimated annual cost to the public is as follows:

Estimation of Respondent Burden Hours: DFARS 252.245-7003	
Number of respondents (1)	12
Responses per respondent (2)	1

Number of responses	12
Hours per response (3)	80
Estimated hours (number of responses multiplied hours per response)	960
Cost per hour (hourly wage) (4)	\$65
Annual public burden (estimated hours multiplied by cost per hour)	\$62,400

Notes:

(1) According to the DCMA Headquarters Property Branch, DCMA is responsible for overseeing approximately 2,150 contractor property management systems. Compliance reviews are conducted on about one third, or roughly 700, of those systems annually. In FY 2017, 12 of those systems were disapproved, which would require a contractor response.

(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 administrative contracting officer (ACO) determinations of significant deficiencies.

(4) The complexity of the work is estimated to be equivalent to that of a more senior individual at a GS-13 level. Accordingly, the fully burdened rate of \$65 was developed using the OPM 2018 basic hourly salary (for the rest of U.S. locality) of \$47.38 for a GS-13, step 5, employee, plus a burden of 36.25 percent (per OMB Circular A-76, Attachment C), which equals \$64.56. This rate was rounded to \$65.

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 series. 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:

Estimation of Respondent Burden Hours: DFARS 245.7001-3, DD Form 1348-1A	
Number of respondents (1)	1,075
Responses per respondent (2)	22.88
Number of responses	24,600
Hours per response (3)	1
Estimated hours (number of responses multiplied hours per response)	24,600
Cost per hour (hourly wage) (4)	\$45

Annual public burden (estimated hours multiplied by cost per hour)	\$1,107,000
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Notes:

(1) According to the DCMA Headquarters Property Branch, DCMA estimates that about 50 percent of the 2,150 contractors that maintain Government property submit a DD Form 1348-1A each year. This equates to 1,075 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 the continental United States. However, it is widely used OCONUS where use of DLA, Disposition Services is needed. In such cases, each line item of contractor inventory requires a DD Form 1348-1A. In FY 2017, more than 24,600 line items were turned in to DLA. This equates to an average of 22.9 forms per contractor (24,600 line items divided by 1,075 contractors = 22.88 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) See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

f. 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:

Estimation of Respondent Burden Hours: DFARS 252.245-7004, DD Form 1639	
Number of respondents (1)	302
Responses per respondent (2)	6.58
Number of responses	1,987
Hours per response (3)	.25
Estimated hours (number of responses multiplied hours per response)	496.75
Cost per hour (hourly wage) (4)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$22,354

Notes:

(1) Subject matter experts at DCMA estimate that contractors submit 302 DD Forms 1639 each year.

(2) In FY 2017 there were 7,948 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 1,987 forms (7,948 multiplied by .25 = 1,987). Accordingly, each respondent completes an average of 6.58 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) See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

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 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 Branch. The combined total of the individual information collection estimates are adjusted by rounding the total hours per response, which is then used to calculate the estimated total hours (annual responses x hours/response). A breakdown of the individual estimates for the individual information collections are provided paragraphs 12.a. through 12.f. that follow.

DFARS	245.302 (1)(i) (12.a.)	245.604- 3(b) (12.b.)	245.604- 3(d) (12.c.)	252.245- 7003 (12.d.)	245.7001-3 & DD 1348-1A (12.e.)	252.245- 7004 & DD 1639 (12.f.)	Total (12.a.-f.)	Adjusted for Whole #'s
Annual Responses	138	255	228	12	24,600	1,987	27,220	27,220
Hours / Response	3	1	2.5	80	1	.25	1.003	1
Total Hours	414	255	570	960	24,600	496.75	27,295.75	27,220
Hourly Rate	\$45	\$45	\$45	\$65	\$45	\$45	\$45.70	\$46
Total Annual Govt. Cost	\$18,630	\$11,475	\$25,650	\$62,400	\$1,107,000	\$22,353.75	\$1,247,509	\$1,252,120

a. DFARS 245.302(1)(i)

Estimation of Government Burden Hours: DFARS 245.302(1)(i)	
Number of responses (1)	138
Hours per response (2)	3
Estimated hours (number of responses multiplied hours per response)	414

Cost per hour (hourly wage) (3)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$18,630

Notes:

(1) Per paragraph 12.a., DoD estimates that the Government receives approximately 138 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. See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

b. DFARS 245.604-3(b):

Estimation of Government Burden Hours: DFARS 245.604-3(b)	
Number of responses (1)	255
Hours per response (2)	1
Estimated hours (number of responses multiplied hours per response)	255
Cost per hour (hourly wage) (3)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$11,475

Notes:

(1) Per paragraph 12.b., DoD estimates that contractors use informal bid procedures approximately 255 times a year.

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

(3) Based on our assessment, the complexity of the work is equivalent to that of a GS-11. See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

c. DFARS 245.604-3(d)

Estimation of Government Burden Hours: DFARS 245.604-3(d)	
Number of responses (1)	228
Hours per response (2)	2.5
Estimated hours (number of responses multiplied hours per response)	570

Cost per hour (hourly wage) (3)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$25,650

Notes:

(1) Per paragraph 12.c., DoD estimates that non-competitive sales procedures are used approximately 228 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) Based on our assessment, the complexity of the work is equivalent to that of a GS-11. See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

d. DFARS 252.245-7003, Contractor Property Management System Administration

Estimation of Respondent Burden Hours: DFARS 252.245-7003	
Number of responses (1)	12
Hours per response (2)	80
Estimated hours (number of responses multiplied hours per response)	960
Cost per hour (hourly wage) (3)	\$65
Annual public burden (estimated hours multiplied by cost per hour)	\$62,400

Notes:

(1) Per paragraph 12.d., DoD estimates that each year contractors submit approximately 12 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. See discussion in Note (4) of paragraph 12.d. above for the hourly labor rate computation.

e. DFARS 245.7001-3, DD Form 1348-1A

Estimation of Government Burden Hours: DFARS 245.7001-3, DD Form 1348-1A	
Number of responses (1)	24,600
Hours per response (2)	1
Estimated hours (number of responses multiplied hours per response)	24,600

Cost per hour (hourly wage) (3)	\$45
Annual public burden (estimated hours multiplied by cost per hour)	\$1,107,000

Notes:

(1) Per paragraph 12.e., DoD estimates that contractors submit approximately 24,600 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) Based on our assessment, the complexity of the work is equivalent to that of a GS-11. See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

f. DFARS 245.7004, DD Form 1639

Estimation of Government Burden Hours: DFARS 245.7004, DD Form 1639	
Number of responses (1)	1,987
Hours per response (2)	.25
Estimated hours (number of responses multiplied hours per response)	496.75
Cost per hour (hourly wage) (3)	\$45
Annual Govt. burden (estimated hours multiplied by cost per hour)	\$22,353.75

Notes:

(1) Per paragraph 12.f., we estimate that approximately 1,987 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. The estimated hours of 496.75 are rounded to 497.

(3) Based on our assessment, the complexity of the work is equivalent to that of a GS-11. See discussion in Note (4) of paragraph 12.a. above for the hourly labor rate computation.

15. Reasons for Change in Burden

There is an estimated decrease of 363 hours due to the use of current FY 2017 data. The change in total cost is attributed to use of current FY 2018 OPM equivalent salary schedules.

OMB Control # 0704-0246	2015 Estimate	2018 Estimate	Change in Burden
Number of respondents	1,840	1,745	-95

Responses per respondent	14.9	16	-
Total annual responses	27,404	27,920	516
Hours per response	1.03	1	-
Total hours	28,283	27,920	-363
Total annual cost to public	\$1,100,345	\$1,284,320	\$183,975

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.