

**Supporting Statement for Information Collection 3090-0027
Contract Administration-Part 542; and Quality Assurance-Part 546
(GSA Forms 308 & 1678)**

A. Justification

1. Explain the circumstances that make the collection of information necessary.

The information collection requirement of the General Services Administration Acquisition Regulation (GSAR) clause 552.242-70, Status Report of Orders and Shipments, was established to monitor the current delivery status of orders placed with GSA-FAS supply contractors to ensure that timely corrective action could be taken by the Government in the event the contractor's performance was delinquent. The clause is in solicitations and indefinite delivery requirements contracts for stock replenishment items. The GSA Form 1678, Status Report of Orders and Shipments, was developed for GSA-FAS supply contractors to use to meet the requirements of GSAR clause 552.242-70, which is prescribed at GSAR 542.1107. When GSA-FAS issues direct delivery orders, data from this form is the only notification to FAS that timely shipment has been made to customer agencies.

GSA consolidated all of the requirements supplementing the Federal Acquisition Regulation (FAR) clause 52.246-2, Inspection of Supplies—Fixed-Price, into two clauses (GSAR 552.246-70 and 552-246-71) and established a program providing for Government reliance on contractors to inspect supplies under certain contracts that provide for source inspection instead of relying on Government personnel to inspect supplies. GSAR clause 552.246-70, Source Inspection by Quality Approved Manufacturer, is used when source inspection is performed by a quality approved manufacturer. The use of this clause allows GSA to make the most efficient use of its inspectors by devoting them to the contracts that require inspection by the Government, to checking contracts that require inspection by the Government, to checking the contractors' inspection system, and to inspecting supplies under contracts where complaints are received regarding the quality or supplies. The GSAR clause 552.246-71, Source Inspection by Government (previously GSAR clause 552.246-72), is used when source inspection is performed by Government personnel. These clauses are prescribed at GSAR 546.302-70 and 546.302-71, respectively.

GSAR clause 552.246-70 requires contractors to document and retain inspection and testing records. This requirement should minimize the paperwork burden on contractors, while continuing to protect the Government interests. GSAR clause 552.246-71, requires the contractor to prepare the DD Form 250 for delivery to military facilities (or computer formatted equivalents), or the GSA Form 308 for deliveries to civilian facilities. The reporting burden for Form DD 250 is reported by the Department of Defense and can be found at <http://www.dtic.mil/whs/directives/forms/forminfo/forminfo2126.html>.

2. Indicate how, by whom, and for what purpose the information is to be used.

The contract administration office (CAO) reviews the information from the GSA Form 1678 to ensure that pending orders are shipped in a timely manner to customer agencies or to GSA warehouses. When shipment is delinquent, the requisite information is available to the CAO to take corrective action to prevent loss to the Government either through notice to the contractor to correct its delinquency or to recommend to the appropriate office that the contract be terminated for default. Additionally, this information is used to authorize payment of invoices.

Information contained on the GSA Form 308 is used by various contract administration offices and other support offices to document contract quality assurance, acceptance of supplies and services, shipments, and to justify payments. The information contained on the form is essential for monitoring contract progress. Contract administration cannot be effective without this information.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques.

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.

In order to streamline the collection of the information reported through GSA Form 1678, the General Supplies and Services program has implemented the use of two systems, Electronic Data Interchange (EDI) and Vendor Portal (VP). While both systems are available for all vendors to use, EDI is recommended for vendors who receive more than 50 orders per month and VP is recommended for vendors who receive less than 50 orders per month. The use of these systems automate all or most of the reporting requirements, significantly speed up the payment process, and eliminate the use of the GSA Form 1678 by this office.

4. Describe efforts to identify duplication.

This requirement is issued under the General Services Administration Acquisition Manual. No duplication has been identified.

5. If the collection of information impacts small businesses or other small entities (item 5), describe any 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 the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Collection of the information on the GSA Form 1678 on a less frequent basis would

prevent the government from taking timely action in the event of delinquent performance and, in some cases, may preclude the Government from exercising its rights in a manner that would not cause further loss to the Government.

The data reported on the GSA Form 308 is maintained by contractors as standard operating practice and is entered on the appropriate form when a shipment is made. A copy of the form accompanies the shipment with the other copies distributed pursuant to instructions provided by the Government under the contract.

7. Explain any special circumstances for this information collection.

Collection is consistent with guidelines in 5 CFR 1320.6. There are no special circumstances for collection.

8. Describe efforts to consult with persons outside the agency.

A 60-day notice published in the *Federal Register* at 83 FR 22064 on May 11, 2018. No comments were received. A 30-day notice was published in the *Federal Register* at 83 FR 42501 on August 22, 2018. No comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than re-numeration of contractors or grantees.

Not applicable.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

This information is disclosed only to the extent consistent with prudent business practices and current regulations.

11. Provide additional justification for any questions of a sensitive nature.

No sensitive questions are involved.

12 & 13. Provide estimates of the hour burden of the collection of information.

Aggregated Burden (Total A & B)

The total annual burden hours are estimated to be 2,075 (1,875 + 200). The estimated annualized cost to the public is \$51,256.91 (2,075 hours*\$24.70 per hour)

Estimated Hours (Form 1682)	1,875
Estimated Hours (Form 308)	<u>200</u>
Total Estimated Hours	2,075
Avg. hourly wages*	<u>x \$24.70</u>

Total annual recordkeeping cost \$51,256.91

**The estimated cost per hour is based on the equivalent of a GS-5, Step 5 rate of \$18.13 (Base Pay and Rest of US Locality Pay) (Salary Table 2018-GS, Effective January 2018), with fringe of 36.25% (OMB Memo M-08-13).*

A. Status Report of Orders and Shipments (GSAR clause 552.242- 70 and GSA Form 1678).

Based on data obtained from GSA’s internal contracting systems, an estimated 1,475 contractors submit this information annually, with each responding, on average, 3,051 times per year (once per order received). The total annual responses are estimated to be 4,500,000. With the implementation of EDI/VP, the vast majority (95%) of the responses are completely automated (those processes through EDI). The remaining 5% (225,000) of the responses (those processes through VP) each require approximately 30 seconds (.008) per response for a total of 1,875 hours. The estimated annualized cost to the public is \$46,316.48 (225,000 total annual responses processed through VP at .008 hours per request = 1,875 hours x \$24.70 per hour). The estimated cost per response is \$0.20.

Responses	225,000
Responses per Respondent	<u>x 1</u>
Total annual responses (VP)	225,000
Preparation hours per response	<u>x .008</u>
Estimated Hours	1,875
Average hourly wages*	<u>x \$24.70</u>
Total annual recordkeeping cost	\$46,316.48

**The estimated cost per hour is based on the equivalent of a GS-5, Step 5 rate of \$18.13 (Base Pay and Rest of US Locality Pay) (Salary Table 2018-GS, Effective January 2018), with fringe of 36.25% (OMB Memo M-08-13).*

B. Source Inspection Requirements (GSAR clause 552.246-70, 552.246-71 and GSA Form 308).

Based on data obtained from GSA’s internal contracting systems, an estimated 85 contractors submit this information annually, with each responding, on average, 28 times per year. The total annual responses are estimated to be 2,400, with each response requiring 5 minutes (.08) for a total of 200 hours. The estimated annualized cost to the public is \$4,940.43 (2,400 total annual responses at .08 hours per request = 200 hours x \$24.70 per hour). The estimated cost per response is \$2.05.

Responses	2,400
Responses per Respondent	<u>x 1</u>
Total annual responses	2,400
Preparation hours per response	<u>x .08</u>
Estimated Hours	200
Average hourly wages*	<u>x \$24.70</u>
Total annual recordkeeping cost	\$4,940.43

**The estimated cost per hour is based on the equivalent of a GS-5, Step 5 rate of \$18.13 (Base Pay and Rest of US Locality Pay) (Salary Table 2018-GS, Effective January 2018), with fringe of 36.25% (OMB Memo M-08-13).*

14. Provide estimates of annualized costs to the Federal Government.

A. Status Report of Orders and Shipments (GSAR clause 552.242- 70 and GSA Form 1678).

With the implementation of EDI/VP, the review and processing of individual submissions has been completely automated, therefore there is no annualized cost to the government. Additionally, the report function of the systems allows for automated reports to be generated for the monitoring of vendor timeliness, etc.

B. Source Inspection Requirements (GSAR clause 552.246-70, 552.246-71 and GSA Form 308).

The Federal Government will receive 2,400 responses. Reviewing and processing each response is estimated to take 5 minutes each (.083); thus, the burden hours to the Federal Government are estimated at 200 hours per year. The estimated cost to the Federal Government is \$10,859.13.

Number of responses	2,400
Avg. hours per response	<u>x .083</u>
Estimated hours per year	200
Cost per hour**	<u>x \$54.30</u>
Total annual Government cost	\$10,859.13

***The estimated cost per hour is based on a GS-12, Step 5 rate of \$39.85 (Base Pay and Rest of US Locality Pay) (Salary Table 2018-GS, Effective January 2018), with fringe of 36.25% (OMB Memo M-08-13).*

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14.

The total cost burden for Items 12 & 13 increased from \$418,336 (2015 estimate) to \$51,256.91 (2018 estimate).

The total cost burden for Item 14 decreased from \$549,066 (2015 estimate) to \$10,859.13 (2018 estimate).

Due to improved data analytics, GSA was able to ascertain more accurate data in regards to:

- Number of contractors (respondents)
- Number of orders (responses/respondent)
- Hourly wages of contractor personnel performing reporting functions.

Additionally, due to the implementation of the EDI and VP systems:

- The amount of time required by vendors to meet the reporting requirements for GSA Form 1678 has been all but eliminated
- The Government's time spent reviewing the information have been significantly reduced.

16. For collections of information whose results will be published, outline plans for tabulation and publication.

Results will not be tabulated or published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions".

Not applicable.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in this information collection.