

SUPPORTING STATEMENT

OMB Control Number 0704-0216 — Defense Federal Acquisition Regulation Supplement (DFARS) Part 228, Bonds and Insurance, and related clauses at 252.228

A. JUSTIFICATION

1. Need for the Information Collection

This justification supports an extension of the information collection requirement currently approved under OMB Control Number 0704-0216. This information collection requirement pertains to information that a contractor must submit to the Department of Defense (DoD) in response to the requirements of the clauses in 48 CFR Chapter 2, Defense Federal Acquisition Regulation Supplement (DFARS), subpart 228, Bonds and Insurance, and the related clauses at 252.228. Specific circumstances requiring information collection are as follows:

a. DFARS 252.228-7000, Reimbursement for War-Hazard Losses, requires the contractor to provide notice and supporting documentation to the Government regarding claims or potential claims under the clause.

b. DFARS 252.228-7005, Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles, requires the contractor to report promptly to the administrative contracting officer all pertinent facts relating to each accident involving an aircraft, missile, or space launch vehicle being manufactured, modified, repaired, or overhauled in connection with the contract.

c. DFARS 252.228-7006, Compliance with Spanish Laws and Insurance, requires the contractor to provide a written representation that the non-Spanish contractor and any non-Spanish subcontractor have obtained the required types of insurance in the minimum amounts specified in the contract. This information is obtained only from non-Spanish concerns under service or construction contracts to be performed in Spain.

2. Use of the Information

Contracting officers use the information provided by contractors under clause 252.225-7000 to assess the amount and extent of potential claims, open claims, and settlements providing war-hazard benefits to contractor employees. If this information is not provided, the contractor would not be reimbursed for such claims. Administrative contracting officers review the information provided under 252.225-7005 to determine the extent of an accident and whether an investigation into the incident is warranted. Contracting officers use the information provided by contractors under clause 252.228-7006 to assess whether or not a non-Spanish contractor or subcontractor, performing a service or construction contract in Spain, has insurance adequate to cover the risk assumed by the contractor. The contractor must provide the insurance information to the contracting officer prior to commencing work under the contract.

3. Use of Information Technology

Contractors are encouraged to submit their reports in electronic format, and 100 percent of the responses are anticipated to be collected electronically.

4. Non-duplication

As a matter of policy, DoD reviewed the Federal Acquisition Regulation and DFARS to determine if adequate language already exists. This information collection is unique and 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.

6. Less Frequent Collection

Contractor information is provided to report an accident, to support filing of a claim against the Government, or to demonstrate adequate insurance coverage. These reports are on a case-by-case basis as required under the specific contract clause. Less frequent collection would impede contracting officers in performing their administrative functions in an effective and efficient manner and result in increased risk for the Government.

7. Paperwork Reduction Act Guidelines

There are no special circumstances for collection. Collection is consistent with the guidelines in 5 CFR 1320.

8. Consultation and Public Comments

Collection is consistent with the guidelines in 5 CFR 1320.8(d). Public comments were solicited in the Federal Register at [84 FR 9108](#) on March 13, 2019. No comments were received. A 30-day notice was published in the Federal Register at [84 FR 24765](#) on May 29, 2019.

9. Gifts or Payment

No payment or gift will be provided to respondents.

10. Confidentiality

The information collected will be disclosed only to the extent consistent with prudent business practice, current regulations, and statutory requirements. No assurance of confidentiality is provided to respondents.

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Respondent Burden, and its Labor Costs

Estimates of Annual Respondent Burden Hours and Cost.

The hours under DFARS 252.228-7000, Reimbursement for War-Hazard Losses, remain unchanged based on a review of Department of Labor (DOL) data from the Office of Workers' Compensation Programs for Defense Base Act Cases by Nation. The DOL data revealed a total of only 5 incidents over the last three fiscal years; however, since 10 respondents is the minimum number of respondents for information collection, the estimate of 10 respondents was used for DFARS 252.228-7000.

There was an increase in the number of incidents reported under DFARS 252.228-7005, Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles, as the number of reportable mishaps dropped from an average of 22 per year to 30 during fiscal years 2016 through 2018, according to data provided by Defense Contract Management Agency cognizant personnel.

The estimated burden for respondents under DFARS 252.228-7006, Compliance with Spanish Laws and Insurance, increased based on a review of data from the Federal Procurement Data System for fiscal years 2016 through 2018. The awards for contracts, purchase orders, task orders, delivery orders, and calls for non-Spanish vendors was averaged for the past three years and 50% added to account for any potential subcontractors.

The estimated respondent burden and cost to the public for each clause is as follows:

Estimation of Respondent Burden Hours: 252.228-7000/7005/7006							
252.228-	Respondents	Response/ Respondent	Total Annual Responses	Hrs/Res	Total Annual Hours	\$/hr	Total Annual Cost to Public
-7000	10	1	10	40	400	\$54	\$ 21,600
-7005	30	1	30	1	30	\$54	\$ 1,620
-7006	234	1	234	0.5	117	\$54	\$ 6,318

Note: Hourly rate of \$54 is based on using current FY 2019 General Schedule salary rates published by the Office of Personnel Management (OPM) for a GS-12, Step 5 salary (\$33.72), plus .3625 overhead burdens, for a total of \$54.30, rounded to \$54.

Based on the above calculations, the total estimated respondent burden and cost to the public is as follows:

Estimation of Total Respondent Burden: 0704-0216	
Number of respondents	274
Responses per respondent	1
Number of responses	274

Hours per response	2
Estimated hours (number of responses multiplied hours per response)	548
Cost per hour (hourly wage)	\$54
Annual public burden (estimated hours multiplied by cost per hour)	\$29,592

13. Respondent Costs Other Than Burden Hour Costs

DoD does estimate any annual cost burden apart from the hourly burdens in Items 12.

14. Cost to the Federal Government

Annualized Cost to the Government. The burden hours required for the Government is based on receiving and evaluating the information submitted by the contractor. The time associated with this task is estimated to be approximately 5.09 hours per response (32 hours to review accident reports or potential claims, .5 hours to verify adequate insurance). The estimated annualized cost per hour has increased from \$46 to \$54, based on use of FY 2019 General Schedule salary tables published by OPM. As a result of this rate increase and adjustment to the hourly estimate, the estimated total annual cost to the government has increased from \$49,128 to \$75,384.

Estimation of Government Burden: 252.228-7000/7005/7006	
Number of responses	274
Hours per response	5.09
Estimated hours (number of responses multiplied hours per response)	1,396
Cost per hour (hourly wage)	\$54
Annual public burden (estimated hours multiplied by cost per hour)	\$75,384

15. Reasons for Change in Burden

The estimate of public burden hours is increased as a result of using the most recent data available in the Federal Procurement Data System, DOL and information provided by subject matter experts at the Defense Contract Management Agency. The estimate of total public burden hours has increased by 154 hours, from 466 hours to 548 hours. This resulted from an increase in the number of reportable mishaps under DFARS 252.228-7005, Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles, from an average of 22 to 30 per fiscal year and an increase in the number of awards to non-Spanish vendors over the past three years. The use of more current rate information resulted in the estimated total annual cost to the public increasing from \$21,436 to \$29,592 for this renewal period.

The following table reflects the change in burden:

OMB Control # 0704-0321	2016 Estimate	2019 Estimate	Change in Burden
Number of respondents	120	274	+154
Responses per respondent	1	1	-
Total annual responses	120	274	+154
Hours per response	3.88	2	-
Total hours	466	548	+82
Total annual cost to public	\$21,436	\$29,592	+ \$8,174

16. Publication of Results

Results of this collection will not be published.

17. Non-Display of OMB Expiration Date

We do not seek approval not to display the expiration date for OMB approval of the information collection.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

There are no exceptions to the certification statement identified in Item 19 of OMB Form 83-I.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods will not be employed.