

SUPPORTING STATEMENT  
OMB Control Number 0704-0245  
Defense Federal Acquisition Regulation Supplement (DFARS) Part 247,  
Transportation and Related Clauses at 252.247

A. JUSTIFICATION

1. Need for the Information Collection

a. This justification supports renewal of OMB Control Number 0704-0245, DFARS Part 247, Transportation, and Related Clauses at 252.247. DFARS part 247 prescribes the use of the following clauses and provisions:

i. DFARS clause 252.247-7000, Hardship Conditions, is prescribed at DFARS 247.270-4(a) for use in all solicitations and contracts for the acquisition of stevedoring services. Paragraph (a) of the clause requires the contractor to notify the contracting officer of unusual conditions associated with loading or unloading a particular cargo, for potential adjustment of contract labor rates, and submit any associated request for price adjustment to the contracting officer within 10 working days of the vessel sailing time.

ii. DFARS clause 252.247-7002, Revision of Prices, is prescribed at DFARS 247.270-4(b) for use in solicitations and contracts when using negotiation to acquire stevedoring services. Paragraph (d) of the clause requires that, if either the contractor or the contracting officer delivers a written demand that the parties negotiate to revise the prices under the contract, the contractor must submit relevant data upon which to base negotiations.

iii. DFARS clause 252.247-7007, Liability and Insurance, is prescribed at DFARS 247.270-4(c) for use in all solicitations and contracts for the acquisition of stevedoring services. Paragraph (f) of the clause requires the contractor to furnish the contracting officer with satisfactory evidence of insurance.

iv. DFARS provision 252.247-7022, Representation of Extent of Transportation by Sea, is prescribed at DFARS 247.574(a) for use in all solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial items, except those for direct purchase of ocean transportation services or those with an anticipated value at or below the simplified acquisition threshold. Paragraph (b) of the provision requires the offeror to represent whether it anticipates that supplies will be transported by sea in the performance of any contract or subcontract resulting from the solicitation.

v. DFARS clause 252.247-7023, Transportation of Supplies by Sea, is prescribed at DFARS 247.574(b) for use in all solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, except those for direct purchase of ocean transportation services. There is a basic clause with Alternates I and II. All three versions of the clause contain the information collection requirements as discussed follows.

- Paragraph (d) of the clause requires the contractor to submit requests for use of foreign-flag vessels in writing to the contracting officer.
- Paragraph (e) requires the contractor to submit one copy of the rated on-board vessel-operating carrier's ocean bill of lading.
- Paragraph (f), if the contract exceeds the simplified acquisition threshold, requires the contractor to provide a representation with its final invoice.
- Paragraph (h), requires the contractor , after award, to notify the contracting officer if the contractor learns that supplies will be transported by sea and the contractor indicated, in response to the solicitation provision 252.247-7022, that the contractor did not anticipate transporting any supplies by sea.

vi. DFARS provision 252.247-7026, Evaluation Preference for Use of Domestic Shipyards—Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise or Noncontiguous Trade, is prescribed at DFARS 247.574(d) for use in solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial items, that require a covered vessel for carriage of cargo for DoD. Paragraph (c) of the provision requires an offeror to provide, with its offer, certain information regarding all covered vessels for which overhaul, repair, and maintenance work has been performed during the current calendar year, up to the date of proposal submission, and the preceding four calendar years.

vii. DFARS clause 252.247-7028, Application for U.S. Government Shipping Documentation/Instructions, is prescribed at DFARS 247.207 for use in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, when shipping under Bills of Lading and Domestic Route Order under FOB origin contracts, Export Traffic Release regardless of FOB terms, or foreign military sales shipments. Paragraph (a) of the clause requires contractors to complete a DD Form 1659 to request shipping documentation/instructions, unless an automated system is available (paragraph (b) of the clause).

## 2. Use of the Information

The information generated by these requirements is used by contracting officers to verify adequate insurance prior to award of stevedoring contracts and to provide appropriate price adjustments to such contracts; to assist the Maritime Administration in monitoring compliance with the Cargo Preference Act of 1904; and to provide appropriate and timely shipping documentation and instructions to contractors.

## 3. Use of Information Technology

Information technology is used to collect the information (100%). Contractors typically communicate via electronically via email.

#### 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. The type and scope of information collected consists mainly of business correspondence typical of a commercial transportation setting. In some cases, reporting can be relatively simple. For example, the reporting requirement under DFARS clause 252.247-7022 is to simply check a box to represent whether the offeror anticipates that supplies will or will not be transported by sea.

Technical provisions such as requiring the contractor to notify the contracting officer of unusual conditions associated with loading or unloading a particular cargo (required under DFARS clause 252.247-7000) are necessary because conditions can vary at different ports and sometimes within ports. This notification benefits the small business contractor as it puts the Government on notice of potential necessary adjustments to contract labor rates. The other information collection requirements associated with this renewal are contained in existing DFARS clauses in place for many years and cited in prior information collection renewals; there is no indication that this information collection imposes a burden on small businesses.

#### 6. Less Frequent Collection

The collection of this information is necessary to allow contracting officers to prudently administer contracts. Less frequent reporting of unusual or hazardous conditions and less frequent collection of this information would impede contracting officers and transportation officers from performing their administrative functions. Contract rates that should be adjusted would remain unchanged and potentially cause financial harm 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 September 11, 2020, at [85 FR 56224](#). No comments were received in response to this notice.

b. Subject matter experts within DoD 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* on November 25, 2020, at [85 FR 75304](#).

## 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

Paragraph 1 above provides a detailed discussion of when respondents must provide a response and for what purpose under each of the listed clauses and provisions. Government subject matter experts within the transportation community were consulted to obtain best estimates for burdens relative to each clause.

Federal Procurement Data System (FPDS) data was obtained to estimate the number of respondents based on unique vendors and total contract award actions. FPDS data for fiscal years (FY) 2017 through 2019 was obtained for NAICS code 488320, Marine Cargo Handling, for the stevedoring services-related clauses. For the clauses that implement the Cargo Preference Act of 1904, FPDS captures award information for DFARS provision 252.247-7022 to show whether offerors plan transportation of supplies by sea by indicating “yes” or “no.” A “yes” response to DFARS provision 252.247-7022 may be used to estimate when transportation of supplies by sea is expected to occur, and this data may be used to estimate other burdens, such as whether a bill of lading will be submitted.

The matrix below provides details relating to each of the 10 information collection requirements (one per clause, except there are four separate information collection requirements in the clause at DFARS 252.247-7023) covered by this supporting statement.

<b>Clauses: 252.247-</b>	<b>Respondents</b>	<b>Responses/ Respondent</b>	<b>Total Responses</b>	<b>Hours per Response</b>	<b>Estimated Hours</b>
7000(a)*	10	1	10	80	800
7002*	10	1	10	4	40
7007(f)*	10	4	60	0.5	30
7022	18,298	4	67,765	0.2	13,553
7023(d)*	282	1	282	16	4,512
7023(e)*	282	2.66	750	16	12,000
7023(f)*	7,243	3.49	25,307	1	25,307

7023(h)*	6,961	3.47	24,122	0.4	9,649
7026(c)*	10	1	10	120	1,200
7028*	10	1	10	1	10
<b>TOTAL</b>	<b>18,298</b>	<b>6.47</b>	<b>118,326</b>	<b>0.57</b>	<b>67,101</b>

\* These are not additional respondents to those in DFARS 252.247-7022.

The estimated cost to the public is for the 10 information collection requirements shown in the table above. The calculation for each information collection incorporated the mid-point (step 5) of the General Schedule (GS) equivalent hourly salary (OPM's January 2020 rates for the rest of the U.S. with locality pay) plus overhead/burden at the 36.25% Civilian Position Full Fringe Benefit Cost Factor per OMB Memo M-08-13 dated March 11, 2008 (e.g., GS 11, Step 5 = \$34.76/hour X 1.3625 = \$47.36 burdened hourly rate, rounded down to the nearest whole dollar, or \$42). Skill sets required range from GS 5-12 equivalent levels; an overall average of \$42 was used. The following is a summary of the estimated annual total burden to the public:

Estimation of Respondent Burden: Total Part 247	
Number of respondents	18,298
Responses per respondent	6.47
Number of responses	118,326
Hours per response (34 minutes)	.57
Estimated hours	67,101
Cost per hour (hourly wage)(See Note)	\$42
Cost per Response	\$23.82
Annual public burden	\$2,818,242

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 estimated cost to the Government is shown in the following table.

Estimation of Government Burden	
Number of responses	118,326
Hours per response	0.33
Number of hours	39,395
Cost per hour	\$42

Cost to the Government	\$1,654,590
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15. Reasons for Change in Burden

Change in Burden	2017	2020	Difference
Number of respondents	33,372	18,298	-15,074
Total annual responses	419,537	118,326	-301,211
Total Hours	168,496	67,101	-101,395
Total Cost	\$7,076,832	\$2,818,242	-\$4,258,590

The change in burden estimation is primarily due to a program change resulting from an increase in the simplified acquisition threshold (SAT). The requirements for the information collection apply to contracts in excess of the SAT, which increased from \$150,000 to \$250,000 during FY 2018. This resulted in a significant decrease in the application of the provisions and clauses to solicitations and contracts from 2018 to 2019. Of lesser impact, two clauses were removed from the DFARS. However, the reporting requirement that was previously collected in 252.247-7001, Price Adjustment (when using sealed bidding) was negligible, and the requirement in 252.247-7024, Notification of Transportation of Supplies by Sea was added to 252.247-7023. This reduction is expected to be permanent.

The average labor rate used in 2016 and 2020 remained at \$42, notwithstanding individual rates increasing during this period, and is due to the mix of labor changing to correspond to the responses for each clause. Labor costs per hour were updated to reflect the OPM GS Schedule for the rest of the U.S. with locality, base hourly rates for 2020, plus the 36.25% civilian personnel full fringe benefit rate from OMB Memo M-08-13, rounded to the nearest dollar.

16. Publication of Results

Results of this information will not be tabulated or published.

17. Expiration Date

DoD does seek approval to not display the expiration dates for OMB approval of the information 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.