

SUPPORTING STATEMENT

OMB Control Number 0704-0390 — Defense Federal Acquisition Regulation Supplement (DFARS) Part 229, Taxes, and related clause at 252.229

Summary of Changes from Previously Approved Collection

- Increase in burden due to an increase in the average number of contract actions subject to the clause each year.

A. JUSTIFICATION

1. Need for the Information Collection

This statement supports revision and extension of the information collection requirement currently approved under OMB Control Number 0704-0390, Defense Federal Acquisition Regulation Supplement (DFARS) Part 229, Taxes, and related clause at 252.229.

The clause at DFARS 252.229-7010, Relief from Customs Duty on Fuel (United Kingdom), is prescribed in DFARS 229.402-70(j) for use in solicitations issued and contracts awarded in the United Kingdom that require the use of fuels (gasoline or diesel) and lubricants in taxis or vehicles other than passenger vehicles. This clause implements an agreement between the United States Government and Her Majesty's (HM) Customs and Excise of the United Kingdom. The clause requires the contractor to submit to the contracting officer evidence that an attempt to obtain relief from customs duty on fuels and lubricants has been initiated. Specific information is required to be included in the request for tax relief, such as the number of vehicles involved, types of vehicles, rating of vehicles, fuel consumption, estimated mileage per contract period, and any other information that will assist HM Customs and Excise in determining the amount of relief to be granted.

2. Use of the Information

This information, provided by the contractor in an attempt to obtain relief from customs duty, is used by Government contracting officers to determine adjustments to the contract price. If an attempt to obtain relief has been initiated, then the contracting officer will await the decision of HM Customs and Excise before appropriately adjusting the contract price. If the contractor does not attempt to obtain relief within the time specified, the contracting officer may deduct from the contract price the amount of relief that would have been allowed if HM Customs and Excise had favorably considered a request for relief.

3. Use of Information Technology

Information technology is used 100% of the time. In compliance with 44 U.S.C. 3504(a)(1)(B)(vi), DoD provides the option for the electronic submission of information, when practicable, as a substitute for paper. In addition, Federal Acquisition Regulation (FAR) 2.101

defines the terms “in writing” and “written” to include electronically transmitted and stored information. Standardized or repetitive data is not involved. Contractors may, however, submit any required information in formats that are compatible with their automated systems.

4. Non-duplication

As a matter of policy, DoD reviews the FAR to determine if adequate language already exists. This request for information applies solely to DoD and does not duplicate any other requirement. Similar information is not already available to the Government.

5. Burden on Small Business

The burden applied to small business is the minimum consistent with applicable laws, Executive orders, regulations and prudent business practices. These collections are not expected to have a significant economic impact on a substantial number of small entities because the burdens imposed are not significant and most contractors to which the rule applies are not “small entities” as defined in 5 U.S.C. 601.

6. Less Frequent Collection

This collection of information is conducted on an occasional basis as the need arises to obtain tax relief. Less frequent collection or no collection of information could result in increased costs for the Government.

7. Paperwork Reduction Act Guidelines

The information will not be collected in a manner that requires an explanation of special circumstances. Collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

a. Subject matter experts within DoD were consulted regarding the renewal of this information collection in order to obtain current data from the Federal Procurement Data System (FPDS) database.

b. This information collection is consistent with the guidelines in 5 CFR 1320.6. Public comments were solicited in the *Federal Register* on November 2, 2020 ([85 FR 69322](#)). One comment submission form was submitted; however, the submission did not contain a comment.

c. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* on January 19, 2021 (86 FR 5151).

9. Gifts or Payment

No payments or gifts will be provided to respondents to this information collection requirement, other than remuneration to contractors under their contracts.

10. Confidentiality

This information is disclosed only to the extent consistent with prudent business practices and current regulatory, statutory and Freedom of Information Act requirements. No assurance of confidentiality is provided to respondents. A Systems of Records notice is not required as information collected is business related.

11. Sensitive Questions

No sensitive questions are involved.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

The estimated number of respondents is based on the number of service contracts that would potentially have incurred costs for fuel and lubricants purchased in the United Kingdom. This estimate was derived through an analysis of FPDS data for fiscal year (FY) 2017 – FY 2019.

- The data reviewed included contracting actions where the Product Service Code (PSC) was equal to V002, V114, V115, V121, V124, V127, V211, V212, V213, V221, and V302. PSC “V” reflects contracts for transportation, travel, relocation, motor pool operations, and packing/crating household goods contracts, which would most likely require the use of fuels (gasoline or diesel) and lubricants in taxis or vehicles other than passenger vehicles. During FY 2017 – FY 2019, there was an annual average of 25 awards made to 10 vendors for contracts with the PSCs of “V” as discussed above.
- The potential list of relevant PSCs included category “M” for operation or maintenance of facilities; however, there were no contracts awarded in category “M” in FY 2017 – FY 2019.
- During this period, there was an annual average of 3 contracts awarded to 2 vendors under PSC W023 for lease or rental of equipment, ground effect vehicles, motor vehicles, trailers, and cycles, which could possibly meet the criteria of DFARS 252.229-7010.

Therefore, based on the available FPDS data the number of respondents is estimated to be 12 per year (10+2).

It is estimated that, for each contract action subject to the clause, contractors will submit evidence once per year that an attempt to obtain relief from customs duty on fuels and lubricants has been initiated. It is further estimated that the contractor will need an average of 4 hours to gather and process the required documentation to the contracting officer. This includes the time to file the necessary request for relief with HM's Customs and Excise, make copies, and submit the request via email to the cognizant contracting officer.

Estimation of Respondent Burden Hours: 252.229-7010	
Number of respondents	12
Responses per respondent	2.33
Number of responses	28
Hours per response	4
Estimated hours	112
Cost per hour (hourly wage)	\$32
Cost per response	\$127.93
Annual public burden	\$3,582

It is estimated that the level of skill required to process and submit the required request for relief to the contracting officer is equivalent to that of a GS-7 employee. Based on GS-7, step 5 hourly rate (\$23.49) for calendar year 2020 (includes 15.95 percent locality pay adjustment for rest of United States) plus 36.26 percent burden, equals \$32.00 per hour.

13. Respondent Costs Other than Burden Hour Costs

There are no estimates of annualized public cost burden, other than those costs associated with burden hours.

14. Cost to the Federal Government

See Item 12, above. The estimated 1 hour per response is based on the time required for the Government to receive, review, and analyze the information submitted by the contractor.

Estimation of Government Burden Hours: 252.229-7010	
Number of responses	28
Hours per response	1
Estimated hours	28
Cost per hour (hourly wage)	\$45

Annual public burden	\$495
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Based on GS-11, step 5 hourly rate (\$32.70) for calendar year 2017 plus 36.25 percent burden (\$11.85), equals \$44.55 per hour, which is rounded to \$45 per hour.

15. Reasons for Change in Burden

The changes in the estimated burden hours in Item 12 above reflect an adjustment due to an increase in the average number of contract actions subject to the clause each year, based on FY 2017 through FY 2019 FPDS data. Accordingly, there is a corresponding increase in the estimated cost due to the increase in the estimated number of contract actions and burden hours. The following table reflects the adjustment to hours and cost:

Change in Burden: DFARS 252.229-7010			
	2017	2021	Difference
Number of respondents	11	12	+1
Responses/respondent	1	2.33	+1.33
Total annual responses	11	28	+17
Hours per response	4	4	-
Total Hours	44	112	+68
Cost per hour	\$30	\$32	+\$2
Total Cost	\$1,320	\$3,582	+\$2,262

16. Publication of Results

Results of this information 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 accompanying this Paperwork Reduction Act submission.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods will not be employed.