

SUPPORTING STATEMENT

Defense Federal Acquisition Regulation Supplement (DFARS); Independent Research and Development Technical Descriptions; OMB Control Number 0704-0483

Summary of Changes from Previously Approved Collection

- The decrease in burden is the result of: (1) using more specific data; and (2) using fiscal year 2020 hourly labor rates.

A. JUSTIFICATION

1. Need for the Information Collection

This statement supports a request for renewal of a currently approved collection under OMB Control Number 0704-0483 for DFARS section 231.205-18, Independent Research and Development and Bid and Proposal Costs, which requires contractors to report Independent Research and Development (IR&D) projects to the Defense Technical Information Center (DTIC) using the DTIC's online IR&D database. The inputs must be updated at least annually and when the project is completed.

2. Use of the Information

The data provides in-process information on IR&D projects for which DoD reimburses the contractor as an allowable indirect expense. In addition to improving the Department's ability to determine whether contractor IR&D costs are allowable, the data provides visibility into the technical content of industry IR&D activities to meet DoD needs.

3. Use of Information Technology

Information technology is used approximately 100% of the time to reduce burden. In compliance with 44 U.S.C. 3504(a)(1)(B)(vi), the Defense Technical Information Center (DTIC) provides an online portal where contractors report IR&D project information. Instructions are provided on the website.

4. Non-duplication

As a matter of policy, DoD reviews the Federal Acquisition Regulation (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

This information collection is not expected to have a significant impact on a substantial number of small businesses or other small entities. The information is the minimum needed to effectively monitor DoD-sponsored IR&D projects. Based on a review of a DoD internal website, there were not any small businesses that submitted IR&D projects; therefore it is estimated that there will be minimal impact on small businesses regarding this requirement. The burden applied to small business is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

6. Less Frequent Collection

Every attempt is made to keep the frequency of this collection to a minimum. DoD reviewed the frequency and determined that it is the minimum necessary to provide a record of the progress by the contractor and to ensure that the IR&D funds DoD disburses will advance the needs of the Department for future technology and advanced capability without infringing on the independence of a contractor to choose which technologies to pursue in its independent research and development program.

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. Consultation

For the purpose of calculating respondent burden, subject matter experts at DTIC were contacted to obtain current data from the DTIC database on projects reported by contractors from fiscal years 2017 through 2019, the three most recent fiscal years considered to be complete.

b. Public Comment

i. This information collection is consistent with the guidelines in 5 CFR 1320.6. Public comments were solicited in the *Federal Register* on January 19, 2021 ([86 FR 5152](#)). No comments were received in response to this notice.

ii. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* on March 31, 2021 ([86 FR 16707](#)).

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 and current regulatory, statutory, and Freedom of Information Act requirements. The collection of information does not include any personally identifiable information (PII) and records are not retrievable by PII; therefore, no Privacy Impact Assessment or Privacy Act System of Records Notice is required.

11. Sensitive Questions

No sensitive questions are involved in the information collection.

12. Respondent Burden, and its Labor Costs

a. The renewal respondent burden and labor costs for reporting IR&D projects to DoD is calculated using data available from the DTIC IR&D database for fiscal years 2017 through 2019, the three most recent fiscal years considered to be complete. The estimated public burden is as follows:

Estimation of Respondent Burden Hours: DFARS 231.205-18 Project Reporting	
Number of respondents (Note 1)	69
Responses per respondent (Note 2)	90.49
Total annual responses (Note 2)	6,244
Hours per response (Note 3)	0.5
Estimated hours (Note 4)	3,122
Cost per hour (hourly wage) (Note 5)	\$67
Total annual cost to public (Note 6)	\$209,174
Cost per Response	\$33.50

Notes:

(1) According to the DTIC database for fiscal years 2017 through 2019, an average of 69 contractors (respondents) submitted IR&D project information using the online portal.

(2) According to the DTIC database for fiscal years 2017 through 2019, contractors submitted at average of 6,244 projects to the online portal. As a result, the average number of responses per respondent is 90.49 (the number of projects divided by the number of respondents, rounded to the nearest whole number).

(3) The projected number of hours per response is a judgmental estimate and reflects the average amount of time required to gather, organize, and input the required data into the DTIC

IR&D database. The actual response time for an individual contractor may vary depending on a number of factors such as accessibility of the data. The current estimate remains unchanged from the 2018 estimate of 0.5 hour per response.

(4) The estimated hours are calculated by multiplying the number of responses by the estimated hours per response.

(5) The fully burdened rate of \$67.50 was developed using the Office of Personnel Management (OPM) 2020 basic hourly salary (for the rest of U.S. locality) of \$49.54 for a General Schedule (GS) 13, step 5, employee, plus a burden of 36.25 percent (per OMB Circular A-76, Attachment C), which equals \$67.50, rounded to \$67.

(6) The total annual public burden is calculated by multiplying estimated hours by the cost per hour.

13. Estimated nonrecurring costs.

There are no nonrecurring costs, i.e., capital and start—up, or operation and maintenance costs for contractors.

14. Estimated cost to the Government.

The total Government hourly and cost burden to receive, review, and analyze the information submitted by contractors is estimated as follows:

Estimation of Government Burden Hours: DFARS 231.205-18	
Number of responses (Note 1)	6,244
Hours per response (Note 2)	0.5
Estimated hours (Note 3)	3,122
Cost per hour (hourly wage) (Note 4)	\$67
Annual public burden (Note 5)	\$209,174

Notes:

(1) See methodology for obtaining total number of responses summarized in paragraph 12. of this supporting statement.

(2) The estimated 30 minutes per response is based on the average time required for the Government to receive, review, and analyze the information submitted by the contractor. This is unchanged from the previous estimate. The inputs to DTIC follow a template that is provided at the website, so there is consistency in the responses engendered by providing a standardized format to follow to provide the information. While a new statement will be added to the IR&D project reporting to affirm that the Chief Executive Officer (CEO) determined that the

expenditures will advance the needs of DoD, the additional time required for the Government to ascertain that the statement is made is negligible. Therefore, no new burden hours are calculated for review of the CEO determination.

(3) The estimated number of hours is calculated by multiplying the number of responses by the estimated hours per response.

(4) The fully burdened rate of \$67.50 was developed using the Office of Personnel Management (OPM) 2020 basic hourly salary (for the rest of U.S. locality) of \$49.54 for a General Schedule (GS) 13, step 5, employee, plus a burden of 36.25 percent (per OMB Circular A-76, Attachment C), which equals \$67.50, rounded to \$67.

(5) The total annual Government burden is calculated by multiplying estimated hours by the cost per hour.

15. Reasons for changes in burden.

The change in burden is the result of: (1) using actual data from the DTIC database for the three most recent fiscal years for which contractor data entry is considered complete; and (2) using the current OPM GS hourly labor rates for fiscal year 2020 to calculate the cost per hour. The change in burden is as follows:

Change in Respondent Burden: 0704-0483			
Totals	2021	2018	Change
Number of respondents	69	77	-8
Responses per respondent	90.49	87.0	-
Number of responses	6,244	6,699	-455
Hours per response	0.5	0.5	-
Estimated hours	3,122	3,350	-228
Cost per hour (hourly wage)	\$67	\$65	-
Annual public burden	\$209,174	\$217,718	-\$8,544

16. Publication.

Results of this information collection will not be published.

17. 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 Act Submissions.”

There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in this information collection.