

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
OMB CONTROL NO. 9000-0075
Government Property**

FAR sections affected: 52.245-1(f) & (j); 52.245-9(d)(1); and Standard Forms 1428, and 1429

A. Justification.

1. Administrative requirements. This justification supports an extension of OMB Control No. 9000-0075.

This clearance covers the information that contractors must submit to comply with the following Federal Acquisition Regulation (FAR) requirements:

- a. FAR clause 52.245-1, Government Property
 - i. Paragraph (f)(1)(ii) requires contractors to document the receipt of Government property.
 - ii. Paragraph (f)(1)(ii)(A) requires contractors to submit a written statement to the Property Administrator containing all relevant facts, such as cause or condition and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.
 - iii. Paragraph (f)(1)(iii) requires contractors to create and maintain records of all Government property accountable to the contract, including Government-furnished and Contractor-acquired property. Property records shall, unless otherwise approved by the Property Administrator, contain the following:
 - (1) The name, part number and description, National Stock Number (if needed for additional item identification tracking and/or disposition), and other data elements as necessary and required in accordance with the terms and conditions of the contract.
 - (2) Quantity received (or fabricated), issued, and balance-on-hand.
 - (3) Unit acquisition cost.

- (4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).
- (5) Unit of measure.
- (6) Accountable contract number or equivalent code designation.
- (7) Location.
- (8) Disposition.
- (9) Posting reference and date of transaction.
- (10) Date placed in service (if required in accordance with the terms and conditions of the contract).

When approved by the Property Administrator, contractors may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.

- iv. Paragraph (f)(1)(iv) requires contractors to periodically perform, record, and disclose physical inventory results during contract performance, including upon completion or termination of the contract.
- v. Paragraph (f)(1)(vii)(B) requires contractors, unless otherwise directed by the Property Administrator, to investigate and report all incidents of Government property loss as soon as the facts become known. Such reports shall, at a minimum, contain the following information:
 - (1) Date of incident (if known).
 - (2) The data elements required under paragraph (f)(1)(iii) (A) of FAR 52.245-1.
 - (3) Quantity.
 - (4) Accountable contract number.
 - (5) A statement indicating current or future need.
 - (6) Unit acquisition cost, or if applicable, estimated sales proceeds, estimated repair or replacement costs.
 - (7) All known interests in commingled material of which includes Government material.
 - (8) Cause and corrective action taken or to be taken to prevent recurrence.
 - (9) A statement that the Government will receive compensation covering the loss of Government property, in

the event the Contractor was or will be reimbursed or compensated.

(10) Copies of all supporting documentation.

(11) Last known location.

(12) A statement that the property did or did not contain sensitive, export controlled, hazardous, or toxic material, and that the appropriate agencies and authorities were notified.

- vi. Paragraph (f)(1)(viii) requires contractors to promptly disclose and report Government property in its possession that is excess to contract performance.
- vii. Paragraph (f)(1)(ix) requires contractors to disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.
- viii. Paragraph (f)(1)(x) requires contractors to perform and report to the Property Administrator contract property closeout.
- ix. Paragraph (f)(2) requires contractors to establish and maintain Government accounting source data, particularly in the areas of recognition of acquisitions, loss of Government property, and disposition of material and equipment.
- x. Paragraphs (j)(2) and (3) require contractors to submit inventory disposal schedules to the Plant Clearance Officer using the Standard Form (SF) 1428, Inventory Disposal Schedule and if needed the SF 1429, Inventory Disposal Schedule-Continuation Sheet. Paragraph (j)(2)(iv) requires contractors to provide the following information:
 - (1) Any additional information that may facilitate understanding of the property's intended use.
 - (2) For work-in-progress, the estimated percentage of completion.
 - (3) For precious metals in raw or bulk form, the type of metal and estimated weight.
 - (4) For hazardous material or property contaminated with hazardous material, the type of hazardous material.

(5) For metals in mill product form, the form, shape, treatment, hardness, temper, specification (commercial or Government) and dimensions (thickness, width, and length).

b. FAR 52.245-9, Use and Charges. Paragraph (d)(1) of this clause requires contractors submitting a government property rental request to: (1) identify the property for which rental is requested, (2) propose a rental period, and (3) compute an estimated rental charge by using the Contractor's best estimate of rental time in the formulae described in paragraph (e) of this clause.

2. Uses of information. This information is used to facilitate the management of Government property in the possession of the contractor.

3. Consideration of information technology. Federal agencies use 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 addition, the forms are available online, screen fillable, and digital signature capable.

4. Efforts to identify duplication. These requirements are issued under the FAR, which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. If the collection of information impacts small businesses, describe 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 consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. Collection of information on a basis other than contract-by-contract is not practical.

7. Special circumstances for collection. Collection is consistent with guidelines in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the agency.

A. A 60-day notice was published in the *Federal Register* at 87 FR 9353, on February 18, 2022. No comments were received.

B. A 30-day notice was published in the *Federal Register* at 87 FR 24566, on April 26, 2022.

9. Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Not applicable.

10. Describe assurance of confidentiality provided to respondents. This information is disclosed only to the extent consistent with prudent business practices, current regulations, and statutory requirements.

11. Additional justification for questions of a sensitive nature. No sensitive questions are involved.

12 & 13. Estimated total annual public hour and cost burden.

The estimates for the public burden were coordinated with Government property management experts within the Federal Government. The Federal Procurement Data System (FPDS) shows 18,803 active awards made to 4,481 unique vendors for fiscal years 2017 through 2021 where the contract uses equipment or property furnished by the government.

SUMMARY	REPORTING						RECORDKEEPING	TOTAL
	FAR 52.245-1(f)(1)(ii)	FAR 52.245-1(f)(1)(ii)(A)	FAR 52.245-1(f)(1)(vii)(B)	FAR 52.245-1(f)(1)(viii) and (x), FAR 52.245-1(j)(2) and (3), and the SF 1428	FAR 52.245-1(f)(1)(ix)	FAR 52.245-9(d)(1)	FAR 52.245-1(f)(1)(iii) and (iv), and FAR 52.245-1(f)(2)	
Estimated respondents/yr	4,481	717	448	3,002	30	448	4,481	4,481 ¹
Responses/respondent	2,000.00	2.00	2.0	8.00	1.00	4.00	1,200.00	
Total annual responses	8,962,000	1,434	896	24,016	30	1,792	5,377,200	
Estimated hrs/response	0.25	0.5	1	2	2.0	1	0.4	
Estimated total burden hrs	2240500	717	896	48032	60	1792	2,150,880	4,442,877
Hourly rate*	\$49	\$49	\$49	\$49	\$49	\$49	\$49	
Estimated annual cost	\$109,784,500	\$35,133	\$43,904	\$2,353,568	\$2,940	\$87,808	\$105,393,120	\$217,700,973

¹ All other respondents are a subset of the universe of 4,481 unique entities.

Reporting Burden

(a) FAR 52.245-1(f)(1)(ii). On average, it is estimated that 4,481 contractors prepare 2,000 receiving reports each per year, and it takes 15 minutes to prepare each receiving report. It should be noted that creation of a receiving report is standard industry practice for property receipts.

Estimated number of respondents/yr.....	4,481
Responses per respondent.....	<u>x 2,000</u>
Total annual responses.....	8,962,000
Estimated hrs/response.....	<u>x 0.25</u>
Estimated annual burden hours.....	2,240,500
Hourly rate*.....	<u>x \$49</u>
Estimated annual cost to the public.....	\$109,784,500

(b) FAR 52.245-1(f)(1)(ii)(A). It is estimated that 16 percent² (16% of 4,481 = 717) of contractors prepare two discrepancy reports each per year, and it takes 30 minutes to prepare each discrepancy report.

Estimated number of respondents/yr.....	717
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	1,434
Estimated hrs/response.....	<u>x 0.5</u>
Estimated annual burden hours.....	717
Hourly rate*.....	<u>x \$49</u>
Estimated annual cost to the public.....	\$35,133

(c) FAR 52.245-1(f)(1)(vii)(B). It is estimated that 10 percent (10% of 4,481 = 448) of contractors reports lost or damaged property each year and, that each contractor losing property would make two reports per year. It is estimated that on average, it takes one hour for contractors to retrieve, prepare, and submit the information.

Estimated number of respondents/yr.....	448
Responses per respondent.....	<u>x 2</u>
Total annual responses.....	896
Estimated hrs/response.....	<u>x 1</u>
Estimated annual burden hours.....	896
Hourly rate*.....	<u>x \$49</u>
Estimated annual cost to the public.....	\$43,904

² This is estimated using the last extension ratio of 600/3,750 (16%) contractors.

(d) FAR 52.245-1(f)(1)(viii) and (x), FAR 52.245-1(j)(2) and (3), and the SF 1428. It is estimated that 67 percent³ (67% of 4,481 = 3,002) of contractors generate excess/surplus Government property each year requiring the submission of a SF 1428. It should be noted that use of the Plant Clearance Automated Reutilization Screening System (ostensibly an automated SF 1428) is standard practice for the Department of Defense and the National Aeronautics and Space Administration. On average, it is estimated that contractors submit eight inventory schedules each year and that it will take approximately two hours to store, retrieve, prepare, or correct, and submit the information.

Estimated number of respondents/yr.....	3,002
Responses per respondent.....	<u>x 8</u>
Total annual responses.....	24,016
Estimated hrs/response.....	<u>x 2</u>
Estimated annual burden hours.....	48,032
Hourly rate*.....	<u>x \$49</u>
Estimated annual cost to the public.....	\$2,353,568

(e) FAR 52.245-1(f)(1)(ix). It is estimated that 0.66 percent⁴ (0.66% of 4,481 = 30) of contractors submit an annual report identifying the need for major repair, replacement, and other capital rehabilitation work. These reports are extensive in nature, and it is estimated that it would take approximately two hours to store, retrieve, prepare, and submit the information.

Estimated number of respondents/yr.....	30
Responses per respondent.....	<u>x 1</u>
Total annual responses.....	30
Estimated hrs/response.....	<u>x 2</u>
Estimated annual burden hours.....	60
Hourly rate*.....	<u>x \$49</u>
Estimated annual cost to the public.....	\$2,940

(f) FAR 52.245-9(d)(1). Government property is provided to contractors on a rent-free use basis. However, it is estimated that 10 percent (10% of 4,481 = 448) of all contractors use property that requires rental payments. It is estimated that 448 contractors submit four quarterly reports, and that it takes one hour to store, retrieve, prepare, and submit the report.

Estimated number of respondents/yr.....	448
Responses per respondent.....	<u>x 4</u>
Total annual responses.....	1,792

³ This is estimated using the last extension ratio of 2,500/3,750 (67%) contractors.

⁴ This is estimated using the last extension ratio of 25/3,750 (0.66%) contractors.

Estimated hrs/response..... x 1
 Estimated annual burden hours..... 1,792
 Hourly rate*.....x \$49
 Estimated annual cost to the public.....\$87,808

Recordkeeping Burden

(g) FAR 52.245-1(f)(1)(iii) and (iv), and FAR 52.245-1(f)(2). All 4,481 contractors are required to keep property records. On average, it is estimated that each contractor maintains 1,200 items of property. Since the recordkeeping requirement varies per category of property, it is estimated that it will take on average 24 minutes to prepare each record.

Recordkeepers/yr.....4,481
 Records per recordkeeper.....x 1,200
 Total annual records.....5,377,200
 Review hours/record.....x 0.4
 Annual recordkeeping burden hours.....2,150,880
 Hourly rate*.....x \$49
 Annual recordkeeping burden cost to the public...\$105,393,120

* Based on the Office of Personnel Management (OPM) 2022 General Schedule (GS) 11/step 5 salary for the rest of the United States (\$35.96 per hour) plus a 36.25 percent fringe factor, rounded to the nearest whole dollar (\$49). The fringe factor used is pursuant to the rate provided in OMB memorandum M-08-13 for use in public-private competition.

14. Estimated cost to the Government.

The time required for Government review of the information submitted by the contractor is estimated to be approximately one hour.

Total annual responses.....8,990,168
 Review time per response (hours)..... x 1
 Review time per year (hours).....8,990,168
 Hourly rate*..... x \$49
 Estimated annual cost to the Government.....\$440,518,232

15. Explain reasons for program changes or adjustments reported in Item A.13 or A.14.

There are no program changes. The FAR requirements remain the same. This extension includes updates to the burden as follows:

- Adjustments made by using FPDS data for fiscal years 2017 through 2021 where the contract uses equipment or property furnished by the government.
- Removal of the references made in the previous extension (2019) to the SF 1423, Inventory Verification Survey, and the SF 1424, Inventory Disposal Report. The FAR does not require contractors to use the SF 1423 and the SF 1424, both forms are used by the Government (plant clearance officers).
- The estimated cost to the public and to the Government was updated based on use of calendar year 2022 OPM GS wage rates for the rest of the United States.

16. Outline plans for published results of information collections. Results will not be tabulated or published.

17. Approval not to display expiration date. Not applicable.

18. Explanation of exception to certification statement. Not applicable.

B. Collections of Information Employing Statistical Methods. Statistical methods are not used in this information collection.