

## SUPPORTING STATEMENT - PART A

### OMB Control Number 0704-0250—Defense Federal Acquisition Regulation Supplement (DFARS) Part 242, Contract Administration and Related Clause in DFARS 252

#### Summary of Changes from Previously Approved Collection

- The number of responses increased from 261 to 292 due to the use of more recent data.
- The hourly labor rate increased from \$54 to \$59.

#### 1. Need for the Information Collection

DFARS contract clause 252.242-7004, Material Management and Accounting System, requires contractors to demonstrate that their material management and accounting system contains no significant deficiencies. DFARS subpart 242.72 prescribes the use of the clause. The requirements of this clause apply to any contract: (1) exceeding the simplified acquisition threshold; (2) for requirements other than commercial items; (3) not awarded to a small business, educational institution, or nonprofit organization; and (4) that is either a cost-reimbursement contract or fixed-price contract with progress payments made on the basis of costs incurred as the work progresses.

#### 2. Use of the Information

The information required by DFARS clause 252.242-7004 is used by contracting officers to determine if contractor material management and accounting systems conform to the established DoD standards.

#### 3. Use of Information Technology

Improved information technology is used to the maximum extent practicable. This request for information collection complies with the Government Paperwork Elimination Act (Pub. L. 105-277, Title XVII).

#### 4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

#### 5. Burden on Small Businesses

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

#### 6. Less Frequent Collection

The frequency of collection was reviewed by the DoD specialists who are most knowledgeable of the requirements and the need for the information. Every attempt has been made to keep the frequency of collection to a minimum, without jeopardizing the ability of the Government to assure that contractors are performing their contractual requirements. Less frequent collection of this information would impede contracting officers from performing their administrative functions in an effective and efficient manner.

#### 7. Paperwork Reduction Act Guidelines

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

#### 8. Consultation and Public Comments

##### a. Public Notice

i. A 60-day notice for the collection was published in the *Federal Register* on March 25, 2022, at 87 FR 17076. No comments were received during the 60-day comment period.

ii. A 30-day notice for the collection was published in the *Federal Register* on June 17, 2022, at 87 FR 36473.

##### b. Consultation

No additional consultation, apart from soliciting public comments through the *Federal Register*, was conducted for this submission.

#### 9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection, 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 Privacy Act Statement is not required for this collection because DoD is not requesting individuals to furnish personal information for a system of records. A System of Record Notice (SORN) is not required for this collection because records are not retrievable by personally identifiable information (PII). A Privacy Impact Assessment (PIA) is not required for this collection because PII is not being collected electronically.

#### 11. Sensitive Questions

No questions considered sensitive are being asked in this collection.

## 12. Respondent Burden and its Labor Costs

### a. DFARS 252.242-7004

#### 1. Estimation of Respondent Burden

Contractors are required to disclose and demonstrate any changes to their material management and accounting system (MMAS) and to respond to any contracting officer determinations of significant deficiencies. DoD, based on information available in the Procurement Business Intelligence Service (PBIS), estimates approximately 884 contractors (or business units) are required to maintain a MMAS. Of the approximately 884 contractors estimated to be required to maintain a MMAS, it is estimated that about one third of the contractors, or 292, will be required each year to redisclose and redemonstrate their MMAS. It is further estimated that it will take a contractor approximately 475 hours of effort to redisclose and redemonstrate.

Estimation of Respondent Burden Hours: 252.242-7004	
Number of respondents	292
Number of responses per respondent	1
Number of total annual responses	292
Hours per response	475
Annual respondent burden hours	138,700

#### 2. Labor Cost of Respondent Burden

The labor cost is based on the mid-point (step 5) of the General Schedule (GS) grade 12 hourly rate for 2022 plus 36.25% Civilian Position Full Fringe Benefit Cost Factor per OMB Memo M-08-13, dated March 11, 2008, rounded to the nearest dollar ( $\$43.10 \times 136.25\% = \$58.72$  or \$59).

Labor Cost of Respondent Burden: 252.242-7004	
Number of total annual responses	292
Hours per response	475
Cost per hour (hourly wage)	\$59
Labor burden per response	\$28,025
Annual Labor Burden	\$8,183,300

## 13. Respondent Costs Other Than Burden Hour Costs

There are no annualized costs to respondents other than the labor burden costs addressed in Section 12 of this document to complete this collection.

14. Cost to the Federal Government

a. Labor Cost to the Federal Government

1. DFARS 252.242-7004

The labor cost is based on the mid-point (step 5) of the GS-12 hourly rate for 2022 plus 36.25% Civilian Position Full Fringe Benefit Cost Factor per OMB Memo M-08-13, dated March 11, 2008, rounded to the nearest dollar ( $\$43.10 \times 136.25\% = \$58.72$  or \$59).

Labor Cost to the Federal Government: 252.242-7004	
Number of total annual responses	292
Hours per response	475
Cost per hour (hourly wage)	\$59
Cost per response	\$28,025
Total cost	\$8,183,300

b. Operational and Maintenance Costs: None

c. Total Cost to the Federal Government

Total labor burden	\$8,183,300
Total operational and maintenance costs	\$0
Total cost to the Federal Government	\$8,183,300

15. Reasons for Change in Burden

The changes to the estimates in paragraphs 12. and 14. above are primarily due to: (1) changing the number of respondents from using current data; and (2) using the 2022 OPM hourly rate. The following table summarizes the changes:

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Change in Burden	2019	2022	Difference
Number of respondents	261	292	31
Total annual responses	261	292	31

Total Hours	123,975	138,700	14,725
Cost per hour	\$54	\$59	\$5
Total Cost	\$6,694,650	\$8,183,300	\$1,488,650

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

DoD is not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to “Certification for Paperwork Reduction Submissions”

DoD is not requesting any exemptions to the provisions stated in 5 CFR 1320.9.