

SUPPORTING STATEMENT - PART A

OMB Control Number 0704-0216 — Defense Federal Acquisition Regulation Supplement (DFARS) Part 228, Bonds and Insurance, and related clauses at 252.228

Summary of Changes from Previously Approved Collection

- The use of updated data and current rate information resulted in an increase in the estimated total annual burden hours and cost to the public for this renewal period.

1. Need for the Information Collection

This justification supports an extension of the information collection requirement currently approved under OMB Control Number 0704-0216. This information collection requirement pertains to information that a contractor must submit to the Department of Defense (DoD) in response to the requirements of the clauses in 48 CFR Chapter 2, Defense Federal Acquisition Regulation Supplement (DFARS), subpart 228, Bonds and Insurance, and the related clauses at 252.228. Specific circumstances requiring information collection are as follows:

- a. DFARS 252.228-7000, Reimbursement for War-Hazard Losses, requires the contractor to provide notice and supporting documentation to the Government regarding claims or potential claims under the clause.
- b. DFARS 252.228-7005, Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles, requires the contractor to report promptly to the administrative contracting officer all pertinent facts relating to each accident involving an aircraft, missile, or space launch vehicle being manufactured, modified, repaired, or overhauled in connection with the contract.
- c. DFARS 252.228-7006, Compliance with Spanish Laws and Insurance, requires the contractor to provide a written representation that the non-Spanish contractor and any non-Spanish subcontractor have obtained the required types of insurance in the minimum amounts specified in the contract. This information is obtained only from non-Spanish concerns under service or construction contracts to be performed in Spain.

2. Use of the Information

Contracting officers use the information provided by contractors under clause 252.225-7000 to assess the amount and extent of potential claims, open claims, and settlements providing war-hazard benefits to contractor employees. If this information is not provided, the contractor would not be reimbursed for such claims. Administrative contracting officers review the information provided under 252.225-7005 to determine the extent of an accident and whether an investigation into the incident is warranted. Contracting officers use the information provided by contractors under clause 252.228-7006 to assess whether or not a non-Spanish contractor or subcontractor, performing a service or construction contract in Spain, has insurance adequate to cover the risk assumed by the contractor. The contractor must provide the insurance information to the contracting officer prior to commencing work under the contract.

3. Use of Information Technology

Contractors are encouraged to submit their reports in electronic format, and 100 percent of the responses are anticipated to be collected electronically.

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

Contractor information is provided to report an accident, to support filing of a claim against the Government, or to demonstrate adequate insurance coverage. These reports are on a case-by-case basis as required under the specific contract clause. Less frequent collection would impede contracting officers in performing their administrative functions in an effective and efficient manner and result in increased risk for the Government.

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 June 21, 2022, at [87 FR 36832](#). 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 August 31, 2022, at [87 FR 53461](#).

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 252.228-7000

1. Estimation of Respondent Burden

The hours under DFARS 252.228-7000, Reimbursement for War-Hazard Losses, remain unchanged based on a review of Department of Labor (DOL) data from the Office of Workers' Compensation Programs for Defense Base Act Cases by Nation. The DOL data revealed a total of 13 incidents over the last three fiscal years, resulting in an average of about 5 incidents per year, but because 10 respondents comprise the minimum number of respondents for an information collection, the estimate of 10 respondents was used for DFARS 252.228-7000.

Estimation of Respondent Burden Hours: 252.228-7000	
Number of respondents	10
Number of responses per respondent	1
Number of total annual responses	10
Hours per response	40
Annual respondent burden hours	400

2. Labor Cost of Respondent Burden

The hourly rate of \$59 is based on using current FY 2022 General Schedule salary rates published by the Office of Personnel Management (OPM) for a GS-12, Step 5 salary, Rest of U.S. salary (\$43.10), plus 0.3625 overhead burdens, for a total of \$58.72, rounded to \$59.

Labor Cost of Respondent Burden: 252.228-7000	
Number of total annual responses	10
Hours per response	40
Cost per hour (hourly wage)	\$59
Labor burden per response	\$2,360
Annual Labor Burden	\$23,600

b. DFARS 252.228-7005

1. Estimation of Respondent Burden

A decrease occurred in the number of incidents reported under DFARS 252.228-7005, Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles, as the number of reportable mishaps dropped from an average of 30 per year to 20 during fiscal years 2019 through 2021, according to data provided by Defense Contract Management Agency cognizant personnel.

Estimation of Respondent Burden Hours: 252.228-7005	
Number of respondents	20
Number of responses per respondent	1
Number of total annual responses	20
Hours per response	1
Annual respondent burden hours	20

2. Labor Cost of Respondent Burden

The hourly rate of \$59 is based on using current FY 2022 General Schedule salary rates published by the Office of Personnel Management (OPM) for a GS-12, Step 5 salary, Rest of U.S. salary (\$43.10), plus 0.3625 overhead burdens, for a total of \$58.72, rounded to \$59.

Labor Cost of Respondent Burden: 252.228-7005	
Number of total annual responses	20
Hours per response	1
Cost per hour (hourly wage)	\$59
Labor burden per response	\$59
Annual Labor Burden	\$1,180

c. DFARS 252.228-7006

1. Estimation of Respondent Burden

The estimated burden for respondents under DFARS 252.228-7006, Compliance with Spanish Laws and Insurance, increased based on a review of data from the Federal Procurement Data System for fiscal years 2019 through 2021. The awards for contracts, purchase orders, task orders, delivery orders, and calls for non-Spanish vendors was averaged for the past three years and 50% added to account for any potential subcontractors.

Estimation of Respondent Burden Hours: 252.228-7006	
Number of respondents	281
Number of responses per respondent	1
Number of total annual responses	281
Hours per response	0.5
Annual respondent burden hours	140.5

2. Labor Cost of Respondent Burden

The hourly rate of \$59 is based on using current FY 2022 General Schedule salary rates published by the Office of Personnel Management (OPM) for a GS-12, Step 5 salary, Rest of U.S. salary (\$43.10), plus .3625 overhead burdens, for a total of \$58.72, rounded to \$59.

Labor Cost of Respondent Burden: 252.228-7006	
Number of total annual responses	281
Hours per response	0.5
Cost per hour (hourly wage)	\$59
Labor burden per response	\$29.50
Annual Labor Burden	\$8,290

d. Total for 252.228-7000, 252.228-7005, and 252.228-7006

1. Total Submission Burden

The total estimated burden hours for DFARS 252.228-7000, 252.228-7005, and 252.228-7006 are provided in the following table:

Estimation of Respondent Burden Hours: 0704-0216	
--	--

Total number of respondents	311
Total number of annual responses	311
Total burden hours	560.5

2. Overall Labor Burden

The total estimated labor cost of the respondent burden for DFARS 252.228-7000, 252.228-7005, and 252.228-7006 is provided in the following table:

Labor Cost of Respondent Burden: 0704-0216	
Total number of annual responses	311
Annual Labor Burden	\$33,070

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 252.228-7000

Labor Cost to the Federal Government: 252.228-7000	
Number of total annual responses	10
Hours per response	32
Cost per hour (hourly wage)	\$59
Cost per response	\$1,888
Total cost	\$18,880

2. DFARS 252.228-7005

Labor Cost to the Federal Government: 252.228-7005	
Number of total annual responses	20
Hours per response	32
Cost per hour (hourly wage)	\$59

Cost per response	\$1,888
Total cost	\$37,760

3. DFARS 252.228-7006

Labor Cost to the Federal Government: 252.228-7006	
Number of total annual responses	281
Hours per response	0.5
Cost per hour (hourly wage)	\$59
Cost per response	\$29.50
Total cost	\$8,289.50

4. Total for 252.228-7000, 252.228-7005 and 252.228-7006

Overall Labor Burden to the Federal Government	
Total number of annual responses	311
Total Labor Burden	\$64,929.50

b. Operational and Maintenance Costs

Equipment	\$0
Printing	\$0
Postage	\$0
Software Purchases	\$0
Licensing Costs	\$0
Other	\$0
Total Operational and Maintenance Costs	\$0

c. Total Cost to the Federal Government

Total labor burden	\$64,929.50
Total operational and maintenance costs	\$0
Total cost to the Federal Government	\$64,929.50

15. Reasons for Change in Burden

The estimate of public burden hours is increased as a result of using the most recent data available in the Federal Procurement Data System, DOL, and information provided by subject matter experts at the Defense Contract Management Agency. The estimate of total public burden hours has increased by 12.5 hours, from 548 hours to 560.5 hours. This resulted from a decrease in the number of reportable mishaps under DFARS 252.228-7005, Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles, from an average of 30 to 20 per fiscal year and an increase in the number of awards to non-Spanish vendors over the past three years. The use of more current rate information resulted in the estimated total annual cost to the public increasing from \$29,592 to \$33,070 for this renewal period.

0704-0216			
Change in Burden	2019	2022	Difference
Number of respondents	274	311	+37
Total annual responses	274	311	+37
Total Hours	548	560.5	+12.5
Cost per hour	\$54	\$59	+\$5
Total Cost	\$29,592	\$33,070	+\$3,478

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.