SUPPORTING STATEMENT—PART A

OMB Control Number 0704-0253: Defense Federal Acquisition Regulation Supplement (DFARS) Part 244, Subcontracting Policies and Procedures

Summary of Changes from Previously Approved Collection

* There is no change in the estimated burden. The only change is in the estimated cost due to use of 2023 rates.

1. Need for the Information Collection

 a. This justification supports renewal of OMB Control Number 0704-0253. This information collection concerns Defense Federal Acquisition Regulation Supplement (DFARS) subpart 244.3, Contractors’ Purchasing Systems Reviews, which prescribes the use of the following clause and its alternate clause:

 i. DFARS clause 252.244-7001, Contractor Purchasing System Administration—Basic, which is prescribed for use in solicitations and contracts containing the clause at FAR 52.244-2, Subcontracts.

 ii. DFARS clause 252.244-7001, Contractor Purchasing System Administration—Alternate I, which is prescribed for use in solicitations and contracts that contain the clause at 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System, but do not contain FAR 52.244-2, Subcontracts.

 b. The basic clause and its alternate identify the criteria necessary for contractors to establish an acceptable purchasing system and imposes the following information collection requirements:

 i. Paragraph (d) of the clauses requires the contracting officer to provide an initial determination to the contractor, in writing, of any significant deficiencies in the contractor’s purchasing system. “Significant deficiency,” as defined at paragraph (a) of the clauses, means “a shortcoming in the (contractor’s) system that materially affects the ability of officials at the Department of Defense to rely upon information produced by the system that is needed for management purposes.” The initial determination will describe the deficiency in sufficient detail to allow the contractor to understand the deficiency. Paragraph (d)(2) requires the contractor to respond within 30 days to the contracting officer’s written initial determination that significant deficiencies exist in the contractor’s purchasing system. If the contractor disagrees with the initial determination, the contractor must state, in writing, its rationale for disagreeing.

 ii. Paragraph (e) of both the clause and its alternate requires the contractor to respond within 45 days to the contracting officer’s final determination that significant deficiencies exist, and to either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions.

 iii. The requirements of paragraphs (d)(2) and (e) are necessary to the extent the contracting officer (in consultation with the purchase system specialist or auditor) determines that initial/final system determinations are necessary. The requirements of paragraphs (d)(2) and (e) do not otherwise apply, i.e., where the contractor’s purchasing system is acceptable and approved, and no significant deficiencies exist.

2. Use of the Information

 The contracting officer uses the information provided in the contractor’s responses as a basis for either approving or disapproving the contractor’s purchasing system; the contracting officer evaluates the contractor's response to an initial written determination that significant deficiencies exist and notifies the contractor, in writing, of the contracting officer's final determination concerning—

 a. Remaining significant deficiencies;

 b. The adequacy of any proposed or completed corrective action; and

 c. System disapproval (if the contracting officer determines that one or more significant deficiencies remain).

3. Use of Information Technology

 Information technology is used to collect the information (100%). Contractors typically submit corrective action plans electronically via email. The contractor must sign the plan; however, electronic signature is accepted.

4. Non-duplication

 As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) and DFARS to determine whether adequate language already exists. This information collection does not duplicate any other requirement.

5. Burden on Small Business

 This collection is not expected to impose a burden on small businesses, because contractor purchasing system reviews generally apply only to contractors whose sales to the Government (excluding sales under contracts awarded using FAR part 14 sealed bid procedures and under contracts for commercial products and commercial services awarded using FAR part 12 procedures) are expected to exceed $50 million annually.

6. Less Frequent Collection

 The collection of this information is necessary to allow the contracting officer to decide whether to approve or disapprove a contractor’s purchasing system. Less frequent collection of the information would not permit contracting officers to render a sound and timely purchasing system approval. In addition, review and approval of the contractor’s purchasing system in accordance with FAR 44.3 allows the “consent to subcontract requirements” at FAR 44.2 to be waived, thereby eliminating the requirement for the contracting officer’s written consent for prime contractors to enter into particular subcontracts. If the requirement for consent is not waived, the contractor may not be able to meet contract terms, adversely impacting both the Government and the contractor.

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. Public Notice

 i. Public comments were solicited in the *Federal Register* on March 30, 2023 ([88 FR 19098](https://www.govinfo.gov/content/pkg/FR-2023-03-30/pdf/2023-06529.pdf)). 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 June 23, 2023 ([88 FR 41090](https://www.govinfo.gov/content/pkg/FR-2023-06-23/pdf/2023-13399.pdf)).

 b. Consultation

 Subject matter experts at the Defense Contract Management Agency (DCMA) were consulted regarding the renewal of this information collection.

9. Gifts or Payment

 DoD will not provide a payment or gift to respondents under this information collection requirement, other than remuneration to contractors under their contracts.

10. Confidentiality

 This information is disclosed only to the extent consistent with statutory requirements, current regulations, and prudent business practices. 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. The collection of information does not include any personally identifiable information; therefore, no Privacy Impact Assessment or Privacy Act System of Records Notice is required.

11. Sensitive Questions

 No sensitive questions are involved.

12. Respondent Burden and its Labor Costs

 The estimated respondent burdens and labor costs are shown in the following table. The number of respondents (22) is based on the number of contractors whose purchasing systems are currently in a disapproved status (12) plus the average number of contractor purchasing systems that are reviewed and ultimately disapproved each year (10).

|  |
| --- |
| Estimation of Respondent Burden: 252.244-7001 (Basic and Alternate) |
| Number of respondents | 22 |
| Responses per respondent | 2 |
| Number of responses | 44 |
| Hours per response | 8 |
| Estimated hours (number of responses multiplied by hours per response) | 352 |
| Cost per hour (hourly wage) | $61 |
| Cost per response | $488 |
| Annual public burden (estimated hours multiplied by cost per hour) | $21,472 |

*Note: The cost per hour is based on the Office of Personnel Management (OPM) General Schedule (GS) hourly rate of $44.98 for a GS-12, step 5, employee (for calendar year 2023) plus the 36.25% civilian personnel full fringe benefit rate from Office of Management and Budget (OMB) memorandum M-08-13 ($44.98 + $16.31 = $61.29) (rounded to $61).*

13. Respondent Costs Other Than Burden Hour Costs

 DoD does not estimate any annual cost burden apart from the labor burden in Item 12 above.

14. Cost to the Government

 The estimated cost to the Government is shown in the following table. It is estimated that it will take the Government one hour to review and verify the information contained in each response. This estimate was developed by the DCMA specialists involved in the management of contract purchasing system reviews, and was based on current activity.

|  |
| --- |
| Estimation of Cost to the Government: 252.244-7001 |
| Number of responses | 44 |
| Hours per response | 1 |
| Estimated hours (number of responses multiplied by hours per response) | 44 |
| Cost per hour (hourly wage) | $61 |
| Annual public burden (estimated hours multiplied by cost per hour) | $2,684 |

*Note: The cost per hour is based on the OPM GS hourly rate of $44.98 for a GS-12, step 5, employee (for calendar year 2023) plus the 36.25% civilian personnel full fringe benefit rate from OMB memorandum M-08-13 ($44.98 + $16.31 = $61.29) (rounded to $61).*

15. Reasons for Change in Burden

 The hourly rate is based on the GS-12 step 5 rate for 2023. DCMA subject matter experts state that workload is primarily administered by individuals at the GS-12 level. A summary of the revision is provided in the following table:

|  |
| --- |
| 0704-0253 |
| Change in Burden | 2020 | 2023 | Difference |
| Number of respondents | 22 | 22 | 0 |
| Total annual responses | 44 | 44 | 0 |
| Total Hours | 352 | 352 | 0 |
| Total Cost | $19,980 | $21,472 | $1,492 |

16. Publication of Results

 Results of this information will not be tabulated or published.

17. Non-Display of OMB Expiration Date

 DoD does seek approval to not display the expiration dates 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.