

**SUPPORTING STATEMENT**  
**OMB Information Collection 0704-0481**  
**DFARS Part 246, Quality Assurance**  
**Warranty Tracking of Serialized Items**

**A. Justification**

1. Requirement. This justification supports extension of OMB Control Number 0704-0481, which is scheduled to expire May 31, 2014. DoD proposes that OMB extend its approval for use through May 31, 2017, with no substantive change in the collection. The information collection includes clause prescriptions at DFARS 246.710 for the use of the provision at 252.246-7005, Notice of Warranty Tracking of Serialized Items, and the clause at 252.246-7006, Warranty Tracking of Serialized Items, including the use of the warranty attachment prescribed at DFARS 246.710-70. The purpose of these materials is to enable DoD to track warranties for Item Unique Item Identification (IUID)-required items in the IUID registry. The identification and enforcement of warranties is essential to the effectiveness and efficiency of DoD's material readiness.

Providing visibility and accountability of warranty data associated with acquired goods, from the identification of the requirement to the expiration date of the warranted item, significantly enhances DoD's ability to take full advantage of warranties when they are part of an acquisition, resulting in-

- (a) Reduced costs;
- (b) Ability to recognize benefits included at no additional cost;
- (c) Ability to compare performance against Government-specified warranties; and
- (d) Sufficient durations of warranties for specific goods.

2. Purpose. This information collection requires contractors to provide data to facilitate the tracking of warranties, enabling DoD to comply with the Office of the USD/AT&L policy memorandum for warranty tracking. It also allows DoD to advance its efforts to support its mission-critical needs for material readiness and warranty enforceability.

3. Information Technology. Contractors are encouraged to submit their warranty data in electronic format.

4. Duplication. As a matter of policy, DoD reviewed the Federal Acquisition Regulation (FAR) and the Defense Federal

Acquisition Regulation Supplement (DFARS) to determine if adequate language already exists. This information collection requirement is unique and does not duplicate any other requirement.

5. Small Business. The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

6. Consequences for Non-Collection. The consequence of not collecting this data is that warranty management of mission-critical assets is not optimized, which may have significant impact during time of war or in response to contingencies. This capability enables the collection and sharing of warranty information by acquisition organizations to document and improve warranty management. The warranty information is collected in the Contract Writing System, in databases, or as specified by the agencies to enable automated data collection.

Every attempt has been made to keep the frequency of collection to a minimum without jeopardizing the ability of the Government to determine level of preparedness for military operations.

7. Special Circumstances. There are no special circumstances that require the collection of information to be conducted in any manner listed in 5 CFR 1320.5(d)(2).

8. Public Comments and Consultation. This information collection is consistent with the guidelines in 5 CFR 1320.5(d). DoD published a 60-day notice and solicited public comments in the Federal Register at [79 FR 10130](#) on February 24, 2014, as required by 5 CFR 1320.8(d). No comments were submitted in response to this information collection requirement notice. The 30-day Federal Register notice was published at [79 FR 26724](#) on May 9, 2014. No public comments were received in response to this notice.

9. Payment to respondents. No payment or gift will be provided to respondents.

10. Confidentiality. The information collected will be disclosed only to the extent consistent with prudent business practice, current regulations, and statutory requirements. No assurance of confidentiality is provided to respondents.

11. Sensitive Questions. No sensitive questions are involved.

12. Estimates of Public Burden Hours and Associated Annualized Cost. The data used for the initial information collection requirement was FY 2009 data. The subject-matter expert assures that the original estimates remain the best-available information. In FY 2009, DoD issued approximately 16,000 solicitations that use the warranty clauses. In response to those solicitations, 4.8 (on average) proposals are received in response to each solicitations (approximately 76,000 offers, with 66,000 from small businesses and 10,000 from other than small businesses). DoD estimates that the Government will provide the required warranty information for 50%, or 38,000, of these offers. With the Government providing 50% of the warranty information, DoD estimates the public burden to be 19,000 hours (0.5 hour per offer for 38,000 offerors (33,000 small businesses and 5,000 other than small businesses)).

Of the 16,000 contracts to be awarded (estimated 11,000 to small businesses and 5,000 to other than small businesses), DoD estimates 0.5 hour per response, for a total of 8,000 total public burden hours. This information collection requirement should not impose a significant burden on contractors as they will usually have warranty management information available as a normal part of the contract and will be required only to verify the Government-provided information. The benefit to the Government of having this information available is that the Government will be better able to realize the full benefit offered by these warranties for the upkeep of its equipment.

The total estimated burden to the public is 27,000 hours.

	<b>Provision 252.246-7005</b>	<b>Clause 252.246-7006</b>	<b>Total</b>
A. Number of respondents	38,000	16,000	38,000
B. Responses per respondent	1	1	1.4
C. Total annual responses	38,000	16,000	54,000
D. Hours per response	0.5	0.5	0.5
E. Total public burden hours	19,000	8,000	27,000
F. Cost per hour (1)			\$37.58
G. Total estimate of annual public burden			\$1,014.660

Note (1) Based on 2014 OPM rates for GS11 Step 5(\$27.58) plus .3625 burden (\$10) for a total of \$37.58.

13. Estimated Nonrecurring Costs. DoD does not estimate any burden hours apart from the hours estimated in items 12 and 14.

14. Estimated Annual Cost to the Government. The time estimates are based on receiving, reviewing, and analyzing the information submitted by the contractor. DoD estimates that the time associated with this task is one half hour per response.

A. Total annual responses	54,000
B. Hours per response	0.5
C. Total hours	27,000
D. Cost per hour (See note (1) above)	\$37.58
E. Total amount	\$1,014,660

DoD estimates that it will take the Government one half hour per response to review warranty data, and that the total annual cost is approximately \$1,014,660.

15. Program Changes. This is a request for extension of a currently approved collection. There are no program changes; the changes to Items 12 and 14, above, are due solely to the use of updated cost data.

16. Publication. Results of this information collection will not be tabulated or published.

17. Expiration Date. DoD does not seek approval to not display the expiration date for OMB approval of the information collection.

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

**B. Collections of Information Employing Statistical Methods**

Statistical methods will not be employed.