

**Supporting Statement for the
Request for Proposal and Request for Price Quotation
(OMB No. 7100-1080)**

Summary

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the Request for Proposal (RFP) and Request for Price Quotations (RFPQ) (OMB No. 7100-0180). The Federal Reserve Board uses the RFP and the RFPQ as needed to obtain competitive proposals and contracts from approved vendors of goods and services. This information collection is required to obtain benefits and collects data on prices, specifications of goods and services, and qualifications of prospective vendors. Vendors are expected to submit 120 RFPs and 1,200 RFPQs per year. Total annual burden is estimated to be 8,400 hours.

The Federal Reserve Board's RFP document for the procurement of goods, services and construction that are not "off-the-shelf" items is called the *Solicitation, Offer, and Award*. When procuring off-the-shelf goods and services using the RFPQ, the Federal Reserve Board staff partially completes a Purchase Order that is sent to prospective vendors. Prospective vendors then fill in the price column and return the Purchase Order to the Federal Reserve Board.

Background and Justification

The RFP and the RFPQ collect information used in evaluating the competitive bids and contracts submitted by vendors (offerors). Depending upon the goods and services for which the Federal Reserve Board is seeking bids, the offeror is requested to provide either prices for providing the goods or services (RFPQ) or a document covering not only prices, but the means of performing a particular service and a description of the qualification of the staff of the offeror who will perform the service (RFP). The Federal Reserve uses this information to analyze the proposals and select the offer providing the best value.

Description of Information Collection

The Federal Reserve uses various resources to select appropriate potential offerors for providing a particular good or service. The Federal Reserve compiles a source list of approved vendors for the goods and services that the Federal Reserve Board requires in its operations. The Federal Reserve interviews vendors who express interest in doing business with the Federal Reserve Board, and adds to the source lists those vendors that prove to be satisfactory. In addition to source lists, the Federal Reserve uses the national *Thomas Register*, the internet, the yellow pages, and lists from other government agencies that have acquired similar goods or services.

In announcing either a RFP or a RFPQ, the Federal Reserve contacts, via postal mail, the internet, or telephone, vendors selected from the relevant source list. For the purchase of a simple, standard item, the Federal Reserve usually gathers prices over the telephone. For more complex goods and services, the Federal Reserve sends the RFP or RFPQ to vendors.

The RFP includes a cover letter and sections that describe:

- the goods or services desired,
- how the Federal Reserve Board will evaluate the prospective offerors,
- how the Federal Reserve Board will evaluate the offers,
- solicitation instructions (how to prepare and submit the offer, including all deadlines),
- contract terms (work standards, inspections, work delays, work change orders, payment, taxes, and compliance with various small business and labor laws), and
- presentations and certifications offerors make on their own behalf.

This information allows the Federal Reserve to fairly and accurately assess the merits of offerors' proposals and to select the proposal most advantageous to the Federal Reserve Board, taking into account price and other factors.

The RFPQ describes the goods or services desired, requests the price of the goods or services, and may request a sample of the goods or services. The Federal Reserve uses the sample to evaluate the quality of the product, and thus is able to identify the offer that is most advantageous to the Federal Reserve Board.

Time Schedule for Information Collection

When the Federal Reserve requests bids, prospective offerors are told when the product is needed or when the service is to be performed, and are given deadlines for inquiries concerning the RFP or RFPQ as well as for submitting offers. When possible, the RFP or RFPQ specifies the date by which the Federal Reserve will award the contract. When the Federal Reserve has decided which contract to accept, all offerors are notified of the decision.

Legal Status

The Board's Legal Division has determined that the RFP and RFPQ are required to obtain a benefit and are authorized by law (12 U.S.C. §§243, 244, and 248(l)).

The information obtained in evaluating a contract bid or price quotation is not regarded as confidential unless offeror requests confidentiality by marking the cover sheet of the proposal with text specified in the Federal Reserve's RFP and by marking pages containing proprietary or otherwise confidential information with the label "RESTRICTED DATA."¹ A request for confidentiality is not sufficient; the Federal Reserve must review each request received under the Freedom of Information Act (FOIA; 5 U.S.C. §552) to determine if the information may be withheld pursuant to applicable FOIA exemptions.

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

1. See RFP (attached), General Instructions and Information, Proposal Submission, Section L.13, paragraph f.

Estimate of Respondent Burden

As shown in the table below, the current reporting burden for this information collection is estimated to be 8,400 hours per year, based on actual usage during the past three years. The Federal Reserve Board experienced growth in the number of procurements required over the past three years. Most of the additional procurements were for security projects resulting from post September 11, 2001 requirements. The Federal Reserve continues to streamline its procurement process where possible, in an effort to reduce burden. In recent years the Federal Reserve Board expanded its use of purchase cards to the maximum extent possible. A purchase card allows Federal Reserve Board staff to contact vendors directly for supplies and services and eliminates the vendor's requirement to complete an RFP or RFPQ.² The total estimated annual burden represents less than 1 percent of total Federal Reserve System reporting burden.

| | <i>Estimated number of respondents</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|--------------|--|-----------------------------|---|--|
| RFP | 120 | 1 | 50 | 6,000 |
| RFPQ | 1,200 | 1 | 2 | <u>2,400</u> |
| <i>total</i> | | | | <u>8,400</u> |

Based on a rate of \$20 per hour for RFPQ responses and a rate of \$25 per hour for RFP responses, the estimated current annual cost to the public of collecting this information is \$198,000.

Estimate of Cost to the Federal Reserve Board

The total annual cost to the Federal Reserve Board for obtaining and evaluating the RFPs and RFPQs is estimated to be \$1,730,691. This cost is a combination of the cost of staffing the Procurement Function (approximately 75 percent) plus labor costs of technical staff in other Board functional areas who prepare statements of work and related requirements documents (approximately 25 percent).

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

² The Board participates in a government-wide purchase card program that allows the purchases of supplies and services with a total cost of \$5,000 or less, without soliciting competitive quotations if the cardholder determines the price is reasonable. Purchases are made in accordance with the Acquisition Policy and these procedures.