

Support Statement for the ESRD Network Business Proposal Forms

A. Background

Section 1881(c) of the Social Security Act establishes ESRD Network contracts. The regulations designated at 42 CFR 405.2110 and 405.2112 designated 18 End Stage Renal Disease (ESRD) Networks which are funded by renewable contracts. These contracts are on 3-year cycles. To better administer the program, CMS requires the contractors to submit a standardized business proposal package of forms so that cost proposing and pricing among the ESRD Networks will be uniform and easily tracked by CMS. Copies of these forms and instructions for completion are attached to this request and are described below:

CMS Form 684 - Business Proposal Summary

This form reports the summary of proposed costs for each year of the CMS ESRD Network Contract.

CMS Form 684-A - Direct Labor Costs

This form reports proposed direct labor costs to be incurred by all ESRD Network employees who may include a Project/Executive Director, Quality Improvement Manager, RN with Nephrology Experience, Office Manager/Bookkeeper, Data/Info Systems Manager, Data Entry & Tracking Clerical Support, Community Outreach Coordinator, Administrative Assistant/Secretary, Clerical Support and Patient Services Coordinator.

CMS Form 684-B - Program Consultants

This form reports proposed direct costs to be incurred by all program consultants.

CMS Form 684-C - Out of Area Travel

This form reports proposed out of area travel, which includes all non-ESRD Network specific national and/or regional meetings.

CMS Form 684-D - Area Travel

This form reports proposed area travel, which includes all travel expenses to be incurred for and identifiable with Network specific contract activities.

CMS Form 684-E - Subcontractors

This form reports proposed subcontractor information if applicable.

CMS Form 684-F - Other Direct Costs

This form reports the summary of proposed other direct costs which include storage, utilities, maintenance and repairs, depreciation, data processing, office supplies, postage and express mail, meetings and conferences, garage and parking spaces, dues and subscriptions, recruiting, temporary help, continuing education, legal fees, accounting/auditing fees, printing and reproduction, and any other direct costs.

CMS Form 684-G - Fringe Benefits

This form reports proposed allocated fringe benefit expenses for each direct contract activity type.

CMS Form 684-H - General and Administrative (G&A)

This form reports proposed general and administrative costs which includes rent, furniture and equipment, telephone expenses and insurance.

CMS Form 684-I - Annual Management Form

This form reports proposed information for direct labor and consultants. The form includes percentages of the level of effort/time that will be spent in each labor category (i.e., Administration, Quality Improvement, Information Management, Community Information, and Other).

B. Justification

1. Need and Legal Basis

The business proposal forms are useful in a number of important ways:

- The business proposal format standardizes the cost proposing and pricing process among all ESRD networks. The ESRD networks have collected this information since the contracts were awarded. However, the method of recordkeeping was not standardized. With well-defined cost centers and line items, proposals can be compared among ESRD Networks for reasonableness and appropriateness.
- The Government is better able to compare the costs reported by the ESRD Networks on the cost reports to the proposed costs noted on the business proposal forms. Cost reports are submitted quarterly during the life of the contract and in a format designed by CMS. This allows CMS to review, compare and project Network costs. Subsequent contract and modification negotiations are based on historic cost data. The business proposal forms are one element of the historical cost data from which we can analyze future proposed costs.

2. Information Users

This data is used by CMS to negotiate CMS contracts. CMS provided detailed information in Part A of this supporting statement.

3. Improved Information Technology

All ESRD Networks have computer capability for data generation and are required to use such capability to submit data to CMS electronically.

4. Duplication and Similar Information

These are the only forms used by CMS to collect this data. The forms do not duplicate any other data.

5. Small Business

This collection does not affect small businesses.

6. Less Frequent Collection

The data requested on the forms is collected every 3 years. The frequency of collection is not applicable since this data is required to negotiate and award contracts to the ESRD Networks on 3-year cycles or extensions as appropriate.

7. Special Circumstances for Information Collection

There are no special circumstances associated with this collection. This information collection is consistent with guidelines at 5 CFR 1320.6.

8. Federal Register and Outside Consultation

The 60-day Federal Register notice was published on October 6, 2006.

In the development of these forms and instructions, we considered correspondence received from the ESRD Networks.

9. Payment or Gifts

There are no payments or gifts associated with this collection.

10. Confidentiality

We do not pledge confidentiality.

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Estimate of Burden and Wages

The information requested is required from respondents two times (one original RFP submission and one best and final offer) every 3 years as part of the contracting cycle in order to negotiate, renew, or award contracts. As this information is furnished in response to a Request for Proposal, the number of respondents is unknown at this time. For the purposes of burden estimation, it is estimated that there will be 18 respondents.

Number of respondents	18
Number of responses per respondent (Original submission & best & final)	x2
Total annual responses	36
Hours per response	x30
Total reporting burden hours	1,080

The wage cost is estimated at an average of \$36 per hour, per respondent. The total wage cost per respondent is estimated at \$2,160 ($\$36 \text{ per hour} \times 60 \text{ hours} = \$2,160$).

The total wage cost for all respondents is estimated at \$38,880 ($\$36 \text{ per hour} \times 1,080 \text{ hours} = \$38,880$).

13. Capital Costs

None.

14. Cost to the Federal Government

The costs to process, evaluate, and negotiate the proposals are estimated at \$42 per hour. The time attributable to these activities is estimated at 120 hours per respondent. The total cost per respondent is \$1,260 ($\$42 \text{ per hour} \times 30 \text{ hours} = \$1,260$). The total cost for all respondents is \$22,680 ($\$1,260 \text{ per respondent} \times 18 \text{ respondents} = \$22,680$).

All costs incurred by the ESRD Networks are regarded as bids and proposal costs and treated as required by Federal Acquisition Regulations (FAR) 15.804-6.

15. Program or Burden Changes

There are no program or burden changes.

16. Publication and Tabulation Dates

There are no publication and tabulation dates associated with this collection.

17. OMB Expiration Date

CMS requests an exemption from displaying an expiration date. These forms are used on a continuing basis and it would waste many printed forms if we were to have to reprint them every three years with a new date.

18. Certification Statement

There are no exceptions to the certification statement.

C. Collections of Information Employing Statistical Methods

There are no statistical methods associated with this collection.