

**SUPPORTING STATEMENT FOR REQUESTS FOR APPROVAL UNDER
THE PAPERWORK REDUCTION ACT AND 5 CFR 1320
OMB No. 3316-0062 - TVA PROCUREMENT DOCUMENTS**

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Tennessee Valley Authority (TVA) is charged with broad responsibilities for planning the proper use, conservation, and development of the resources of the Tennessee River basin and adjoining territory. TVA's duties include the construction, operation, and maintenance of the Nation's largest electric power system, which is financed from power revenues and the proceeds of bonds sold by TVA.

Recognizing the uniqueness of TVA's responsibilities, Congress granted TVA substantial independence for procurement of materials and services from the private sector. Section 9(b) of the TVA Act (copy attached) contains a general requirement for competitive bidding and includes two provisions which encourage management initiative and judgment in procuring property necessary for the high technology power supply industry. Section 9(b) further provides that, subject only to the provisions of the TVA Act, TVA "is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it may deem necessary," and that TVA "shall determine its own system of administrative accounts and the forms and contents of its contracts and other business documents."

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

TVA's procurement of supplies and services differs from that of other federal government agencies in general, and TVA uses mainly its own procurement forms. Of course, TVA's discretion is limited by provisions in various statutes, regulations, and Executive Orders, many of which require TVA to obtain information from businesses. Such requirements include, but are not limited to, Miller Act bond provisions, Small Business Act representations, equal opportunity employment information under Executive Order No. 11246, procurement integrity information under Section 27 of the Federal Procurement Policy Act, and lobbying information under Public Law No. 101-121

The information is used by TVA's Procurement, Fuels, and other organizations to evaluate offers for supplying goods and services to TVA and in managing and improving TVA's supply chain process, including collecting information before and after the actual bid and offer process. If this information collection is not conducted, TVA would be severely hampered in fulfilling its responsibilities under section 9(b) of the TVA Act.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

TVA is taking steps to implement wider use of electronic commerce to the extent required and/or allowed by the Government Paperwork Elimination Act and the Electronic Signatures in Global

and National Commerce Act. Internal TVA staffs periodically review the procurement forms and the data requirements to determine whether any improvements can be made to make data collection easier and less time consuming. Presently, this method is the least burdensome to the respondents and the most cost effective to TVA, while supplying the most reliable information.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Due to the small number of offers submitted in response to a solicitation, duplicate responses are easily identified (see number 13 below).

5. If the collection of information impacts small business or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.

The procurement documents are designed so that small businesses can complete them as easily as large businesses.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This information collection solicits offers for specific goods or services as the need arises. If this information collection is not conducted, TVA would be severely hampered in fulfilling its responsibilities under section 9(b) of the TVA Act.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of

data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years—even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A copy of the 60-day Federal Register notice soliciting comments on this information collection is attached.

Consultations with persons outside TVA are usually necessary only when major revisions to the solicitation and related documents are required due to changes in federal regulations; then the consultation usually involves instructions and guidance in completing the documents as required by TVA and not as to the content of the documents. The documents are, however, reviewed by all TVA staffs that use the information.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

None.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The data from this information collection is used by TVA employees on a need-to-know basis. Access to the information is restricted within the limits of federal procurements regulations and the Freedom of Information Act. In addition, some solicitations contain language instructing offerors not to submit proprietary or confidential information with their offers.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection requires no sensitive information concerning sexual habits, attitudes, religious beliefs, or other matters commonly considered private.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside

parties for information collection activities should not be included here. Instead this cost should be included in Item 14.

This competitive bidding type of procurement-related information collection is required by most federal, state, and local government agencies. Because this information collection is a usual and customary part of the procurement process for federal agencies, the cost to the federal government is limited to preparing and submitting the documentation required by the Paperwork Reduction Act for submission to the Office of Management and Budget.

Respondents to this information collection are providing information which is usually and customarily submitted to other federal agencies. As noted in number 2 above, TVA's discretion is limited by provisions in various statutes, regulations, and Executive Orders which require TVA to obtain information from businesses. Therefore, there is no additional cost to the respondents.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- If cost estimates are expected to vary widely, agencies should present rates of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

None.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

- a) Number of respondents
- b) Frequency of response
- c) Number of responses
- d) Hours per response
- e) Annual burden

<u>Dollar Range</u>	<u>Typical Annual No. of Contracts</u>	<u>Avg. No. Offers per Award</u>	<u>No. of Responses</u>	<u>Hours per Offer</u>	<u>Total Hours Award Range</u>
<\$25K	9,523	2	19,046	0.5	9,523
>25K and <\$100K	785	3	2,355	2.0	4,710
\$100K-\$500K	529	3	1,587	6.0	9,522
\$500K-\$1M	99	4	396	9.0	3,564
>\$1M	217	4	868	25.0	21,700
Totals	11,153		24,252		49,019

NOTES: The above information is from Fiscal Year 1999 and have not changed.

Average burden hours per response is 0.49.

Includes Procurement and Fuels contracts.

Excludes releases, field purchase orders, and business card purchases.

Reflects anticipated improvements from new PassPort system application.

The estimated hourly wage (including benefits) for the TVA service area is \$19.00; therefore, the estimated respondent cost is \$931,361 (\$19 x 49,019 hours = \$931,361 total estimated annualized cost to respondents). The hourly wage information was obtained from the PEW Center on the States, a research organization administered by the University of Richmond. A sixty percent load for benefits was added to the \$12.00 from the PEW Center to reach the estimated hourly wage of \$19.00.

15. Explain the reasons for any program changes or adjustment reported in Items 13 or 14 of the OMB Form 83-I.

Not applicable.

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of this information collection will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

None.

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When item 17 on the Form OMB 83-I is checked "Yes," the following documentation should be included in the Supporting Statement to the extent

that it applies to the methods proposed:

Not applicable.

TVA is submitting the following representative procurement forms and formats for OMB review:

GENERAL PROCUREMENT AND SALES FORMS

- TVA Vendor Information, form TVA 17300
- Items for Sale, TVA Procurement, Investment Recovery, form TVA 9650-1
- Weekly Statement of Payroll Compliance (Contractors), form TVA 916
- TVA Sales Agreement, form TVA 17432

FOSSIL FUELS PROCUREMENT FORMS AND FORMATS

- Spot Coal Proposal, form TVA 9903
- Typical Coal Quality Analysis, form TVA 9903A
- Taxpayer Reporting Requirements, form TVA 9903C
- Disadvantaged Small Business Statement, form TVA 9903D
- Term Coal Proposal - Proposals Due, form TVA 9910
- Term Coal Requisition Summary of Offers, form TVA 17527
- Producer/Source Prequalification Questionnaire (Part A: Financial), form TVA 17528
- Broker Prequalification Questionnaire (Part A: Financial), form TVA 17529
- Small Business, Small Veteran-Owned Business, Small Disadvantaged Business, and Small Women-Owned Business Subcontracting Plan, form TVA 17530
- Small Coal Operators' Eligibility Statement for TVA's Small Coal Operators Assistance Program (SCOAP), form TVA 17531
- Coal Producer's Statement, form TVA 19708