

Supporting Statement for
Department of Veterans Affairs (VA) Acquisition Regulation (VAAR) Part 813
Approved OMB No. 2900-0393

A. Justification.

1.

a. This Paperwork Reduction Act (PRA) submission requests the extension of Office of Management and Budget (OMB) Paperwork Reduction Act (PRA) Control No. 2900-0393 that covers Department of Veterans Affairs (VA) competitive acquisition activities under VA Acquisition Regulation (VAAR) Part 813. The collection of procurement information is an integral part of the Federal acquisition process. VA cannot award contracts, issue purchase orders, or enter into blanket purchase agreements (BPAs) or other contract actions without the collection of information. The Federal Acquisition Regulation (FAR) contains PRA control numbers for the collection of information under FAR Parts 14, Sealed Bidding, and 15, Contracting by Negotiation. All VA invitation for bid (IFB) (i.e., sealed bid) and request for proposal (RFP) (i.e., negotiated) acquisitions exceeding \$100,000 (or exceeding \$5 million for commercial items) are conducted in accordance with FAR Parts 14 or 15 and are covered by the FAR PRA control numbers. In addition, many of VA's commercial item acquisitions between \$100,000 and \$5 million are also conducted in accordance with FAR Parts 14 or 15. Therefore, the OMB PRA control numbers assigned to the FAR already cover VA acquisition activities under FAR Parts 14 and 15 and VAAR Parts 814 and 815. There are no separate collections of information in VAAR Parts 814 and 815 that are over and above those already required by the FAR. Therefore, there is no need for VA to request or be assigned PRA control numbers for its acquisition activities conducted under VAAR Parts 814 and 815. However, the FAR does not have an OMB PRA control number for Part 13. Thus, this VAAR PRA number 2900-0393 covers VA's acquisition activities conducted under FAR Part 13 and under VAAR Part 813, since those activities are not covered by a PRA number assigned to the FAR. This request for an extension covers the competitive acquisition of commercial and non-commercial goods or services conducted under the simplified acquisition procedures of FAR Part 13 and VAAR Part 813.

b. The FAR requires competition to the maximum extent practicable. Thus, VA is required to collect information from multiple firms that may wish to sell supplies, services, and construction to VA. Such firms must submit quotations stating prices, terms, and conditions and must provide other information relating to those quotations.

c. However, not all contract actions conducted under VAAR Part 813 are subject to the PRA, depending on the dollar value of the acquisition. The PRA defines the collection of information as "the obtaining or soliciting of

facts.....calling for.....answers to identical questions posed to.....ten or more persons.....” The FAR at 13.104 states that, for acquisitions not requiring synopsis in the Commerce Business Daily (generally, those not exceeding \$25,000), the solicitation of three quotations meets the requirement for competition to the maximum extent practicable. Such acquisitions would normally not impose collection of information requirements on ten or more persons and would, therefore, not be subject to the PRA. In addition, solicitations conducted on a sole source basis, where only one source is requested to submit a quotation, would likewise not be subject to the PRA. Thus, this request covers only competitive acquisitions conducted by VA under FAR Part 13 and VAAR Part 813 that exceed \$25,000.

2. Acquisition information is collected by VA contracting officers from firms and individuals who wish to sell supplies, services, and construction to VA or who wish to establish blanket purchase agreements (BPAs) or other contractually related agreements with VA. The information is used by VA contracting officers to evaluate the quotations received and to determine which quotation offers the best value to VA in terms of price and other factors. The information is collected for each acquisition and VA uses the information collected to determine to whom to award contracts or with whom to enter into BPAs or other contractually related agreements.

3. VA uses electronic data interchange (EDI) to collect information to the extent that firms and individuals are capable of using EDI to submit quotations. VA currently has approximately 1,400 vendors using EDI. However, the majority of quotations submitted to VA for contract actions in excess of \$25,000 are submitted by mail, express package delivery, or by hand delivery. A single Government-wide point of entry (GPE) (FedBizOpps) has been developed where vendors can obtain copies of requests for quotation (RFQs) electronically via e-mail. VA, along with all other Federal agencies, is working to develop bid submission capability for the GPE so that vendors can submit quotations electronically, but that system is not yet operational.

4. VA has had an on-going program to consolidate acquisition activities. Most, if not all, of the Veterans Health Administration’s 21 Veterans Integrated Service Networks (VISNs) have an actual or virtually consolidated acquisition organization whereby one entity procures supplies, services, and construction and establishes BPAs for all of the medical centers within the VISN. This has reduced duplication and allows vendors to submit one quotation rather than multiple quotations to multiple locations within the VISNs for the same or similar supplies or services. In addition, VA has an on-going effort to standardize its supplies for use across VA, thus reducing the need for multiple small contracts.

5. The paperwork requirements under this request could have a significant economic impact on small business. If a small business doesn’t submit a quotation and the required associated paperwork, it is not going to be awarded a contract. No Federal agency is going to award a contract to a small business, or to any business,

unless the business is willing to tell the agency what goods and services it is offering to sell and the terms and conditions of that sale. If a small business decides not to submit an offer that could have a negative impact on that small business because it would not be awarded a contract. Even if the small business submits the requested information, there is no guarantee that the small business will be awarded a contract. However, the VAAR imposes no additional burdens on small business not already required by the FAR. Any offeror, whether large or small, is required to submit the same data (e.g., the price at which the firm is offering to sell the goods or services to VA, the firm's name and address, the size of the firm, the firm's tax identification number, the terms and conditions of the sale, etc.). All of this information is required in order to determine, among other things: which firm has the best offer, price and other factors considered; whether the firm is eligible for award (in the event of a small business set-aside); and where the purchase order and the payment should be sent; and any other information that may be needed in order to award a contract. All of the information is needed from all offerors in order to make an award and it would not be possible to minimize the burden for small businesses.

6. The impact on VA if collection of this information is not conducted or if the collection is conducted less frequently would be that VA might be unable to award contracts and thus obtain the goods and services necessary to operate the agency. Another impact might be that VA would be unable to solicit quotations from a sufficient number of vendors and would have to award contracts at a higher cost to the Department. The greater the level of competition and the more quotations received, the more likely the cost of the supplies, services, or construction will be fair and reasonable. The Department is required by law and regulation to seek competition to the maximum extent practicable. Limiting the number of firms that could submit quotations in order to reduce the paperwork burden might be a violation of that requirement and would deprive vendors of the opportunity to sell goods or services to the Department.

7.

a. Not applicable. Respondents are required to submit information only once for each request.

b. Respondents who wish to compete on acquisitions may be required to submit information is less than 30 days. FAR 5.203 provides that solicitations shall be published on the GPE at least 15 days before the solicitation is issued, except that, for commercial items or services, this time period may be reduced and, for combined solicitations/GPE notices, this time limit does not apply at all. The FAR provides that, following publication on the GPE, for acquisitions greater than \$25,000 but not exceeding \$100,000 or, for commercial items or services not exceeding \$5 million, offerors must be given a reasonable time to respond to the solicitation. The total time period may be less than 30 days, depending on the complexity, commerciality, and urgency of the acquisition. Requests for

information covered by this PRA control number will be conducted in accordance with the FAR. The VAAR does not impose any reduced time periods for response.

c. Solicitations generally only require offerors to submit an original copy.

d. Solicitations do not require respondents to retain records other than Government contract-related records.

e. The collection of information is not related to a statistical survey.

f. The collection of information does not require the use of a statistical data classification.

g. The collection of information does not include a pledge of confidentiality that is not supported by authority established in statute (e.g., the Privacy Act, the Freedom of Information Act).

h. Any proprietary trade secrets or other confidential information collected would be covered by and protected by the Freedom of Information Act.

8. Notice regarding this collection of information was published in the Federal Register on January 14, 2011, pages 2758-2759. There were no comments received in response to this notice.

9. No payment or gift is provided to respondents for the submission of information. However, the firm submitting the best value offer may be awarded a contract to provide the goods or services requested in the solicitation.

10. No assurance of confidentiality is provided to respondents. The Freedom of Information Act provides a basis for protecting proprietary trade secrets or other confidential information.

11. The collection of information does not involve any questions of a sensitive nature.

12.a. Estimated number of respondents: 20,845.

b. The estimated frequency of responses: The frequency of the responses is once per each acquisition action.

c. The estimated average burden per collection: 60 minutes.

13. The primary cost to a vendor to prepare and submit a quotation to VA to sell goods or services would be for the labor hours necessary to look up or calculate the bid prices, prepare any required information on the vendor's capabilities, enter the prices on the quotation, and sign, seal, and mail the quotation to VA.

The simpler quotations (those below \$100,000, which constitute the vast majority of the actions covered by this PRA request) could be prepared by clerical staff. Quotations over \$100,000 (estimated to be 248 per year, based on FPDS data) might require more time and effort and more supervisory attention. On average, we estimate that the salary costs to prepare quotations would be \$20 per hour, based on a belief that most of the time involved would be clerical staff time, similar to a GS-5. Total cost to vendors would therefore be \$416,900 (\$20 times 20,845 hours). No other significant costs are involved.

14. The primary cost to VA would be for the labor hours necessary to assist the requestor in developing the specifications, prepare the solicitation, do market research, develop a mailing list, mail out the solicitation, post notice of the solicitation on the GPE, receive the quotations, evaluate the offers received, verify the offeror's responsibility, obligate the funds, make award, and issue award notices. On average, we estimate that the salary costs to award contracts under FAR Part 13 and VAAR Part 813 would be \$20 per hour (based on the salary of a GS-5 purchasing agent, including benefits). While some of the acquisitions exceeding \$100,000 are handled by GS-1102s, most of the acquisitions covered by this PRA request would be handled by GS-1105s. VA has 733 GS-1105 purchasing agents, but only a small portion of their time is spent on the 3,790 competitive acquisition awards made under FAR Part 813. The vast majority of each purchasing agent's time is spent on the other 3,660,000 acquisitions valued at less than \$25,000 that are awarded annually and that are not covered by this PRA request. Based on the 733 GS-1105s, with approximately 1,320,000 work hours available annually (approximately 1,800 hours per person), and with nearly 3,664,000 actions processed, that works out to less than .4 hours per transaction. However, the larger dollar value transactions covered by this PRA number will take more time than would the acquisitions valued at less than \$25,000. A study conducted a number of years ago by the procurement executives of nine Executive agencies estimated that, at that time, the cost to process a purchase order was approximately \$94. However, not all of that cost is related to the request for data, much of the cost is related to obligating the funds, receiving the goods or services, and paying the invoice. Based on this varied data, we estimate that it takes 4 hours of a GS-1105 purchasing agent's time to award and administer each of the 3,790 acquisitions included in this PRA request. The cost to VA will be \$303,200 (\$20 times 4 hours times 3,790 actions, based on the salary and benefits of a GS-1105). No other significant costs are involved.

15. There are no program changes.

16. The results of this collection of information will not be published.

17. This request seeks approval to not display the expiration date for OMB approval of the information collection on each request for information (request for quotation). VA uses a standard Government forms (Standard Form (SF) 18, Request for

Quotation, SF 1449, Solicitation/Contract/Order for Commercial Items), to solicit quotes. It would be impractical to overprint an OMB Control No. assigned to VA on each SF 18 or SF 1449 issued by VA. The assigned OMB Control No. will be published in 48 Code of Federal Regulations Chapter 8, the VAAR.

18. No exceptions apply.

B. Collections of Information Employing Statistical Methods.

Statistical methods will not be employed. Each request for information is unique and statistical methods cannot be used.