DEPARTMENT OF TRANSPORTATION

1**INFORMATION COLLECTION**
SUPPORTING STATEMENT
Notice of Requirements and Procedures for Grant Payment Request Submission
[2105-XXXX]

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) renewed three-year approved clearance for the information collection entitled, "Proposed Information Collection Request; Notice of New Requirements and Procedures for Grant Payment Request Submission".

Part A. Justification

1.   Circumstances that make the collection of information necessary. 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 overriding concept driving the request of this information from the public is the security of our financial system, Delphi, based upon the COTS Oracle Federal Financials applications. The Delphi eInvoicing module will enable the electronic submission of payment requests from Grantees and Suppliers. The primary guidance causing this collection is OMB M-04-04, E-Authentication Guidance for Federal Agencies, 12/16/03. Specific direction comes from NIST Special Publication 800-63-1, 12/08/08, and DOT CIO Guidance 2009-0002, e-Authentication and Access Control 05/04/09.

The implementation of Delphi eInvoicing supports the DOT Strategic Goal of Organizational Excellence. By allowing Suppliers and Grantees to enter payment requests, the Department can achieve workload efficiencies, provide better service and better control over budget execution, a better approval workflow, and allow better adherence to payment due dates. For the end-user, they will have a more robust and efficient interaction with the Department, by uploading their invoices directly to our system, having visibility to available funds, request approvals, and payment information.

2.   How, by whom, and for what purpose is the information to be used. INDICATE HOW, BY WHOM, AND FOR WHAT PURPOSE IS 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.

The information collected from the public for access to the system will be used to establish the identity of the applicant. Security mandates that each individual having access to a system have a unique system login. This enables auditability and traceability of individual transactions and helps to prevent fraud and abuse. The specific form requested through this effort will establish the identity of an individual. The information provided by the applicant will be used to support

the creation of a Delphi user account. The information on the form will only be used for this purpose, and for potential future audit.

3.   **Extent of automated information collection. 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.**

We have chosen a moderate level of technology to support the collection effort. This option is easy for the user, meets regulatory requirements, and is very low cost. Grantees can fill the form from within the PDF form, or they can print the form and fill it in by hand. This standard PDF form will be available to download via a link on the applicant's email invitation. The form will be notarized and mailed back to DOT. One alternative would be an entirely manual process, where a physical form would be mailed to the applicant, and then mailed back to DOT. This would be far too slow to add a new user to the system.

The other end of the spectrum would be an entirely automated process, where the applicant would be presented with a combination of challenge questions that only they would know from online records. While perhaps slightly easier for the user applicant, this option would require an outside service to provide the registration process and approval, and would require integration between the service and the COTS process in Delphi, which might cause a customization. This would be a higher cost and higher risk option, and would lengthen the development time significantly.

1.   **Describe efforts to identify duplication.   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.**

The name and address and identifying information of a system user applicant might be available in other government systems, however it would not link that user to the DOT supplier number, which is key to system authorization of roles and data visibility. The applicant's invitation will have a unique PIN which they will transfer to the form, to limit the invitation to the specific applicant.

There is no known government-wide system that allows Agencies to establish electronic identities of non-government users (other than contractors), so the Delphi eInvoicing project must establish this information in order to provide secure access to the system.

5. <u>**Efforts to minimize the burden on small businesses**</u>. **IF THE COLLECTION OF INFORMATION IMPACTS SMALL BUSINESSES OR OTHER SMALL ENTITIES, DESCRIBE ANY METHODS USED TO MINIMIZE BURDEN.**

The specific data collection is from individuals, and is the same regardless of the size of the entity they represent. The user applicant form is very simple and does not require any data collection or calculation.

6. <u>**Impact of less frequent collection of information**</u>. **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.**

The collection of this data is necessary only one time. If the collection is not completed, we cannot establish the identity of the user, and we cannot allow them into the system.

7. <u>**Special Circumstances**</u>. **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;**
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> **- 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;**
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> **- 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 A 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.

There were no special circumstances identified in the process.

8.   Compliance with 5 CFR 1320.8(d). 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 THOSE 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.

This notice was published in the Federal Register on November 10, 2011, volume 76, pages 70209 – 70210. We received and responded to five comments on the notice which are included below.

1. Please advise where to get the User Request Form for the Delphi eInvoicing system.
    DOT Response: The User Request Form is currently in draft and will be submitted to

the Office of Management and Budget (OMB) for review later this month. Once the form has been reviewed and approved by OMB, it will be made available to the public. The information being requested on the form is detailed in the "Background" section of the Federal Register Notice; however, the forms should be available sometime in April 2012. Please let me know if you have any other questions.

2. The Transbay Joint Powers Authority is very much in favor of the plan to transition FRA payments to an electronic system. We currently submit invoices to FRA via the FAA email address in our grant agreement. Our understanding is that these emails are received in Oklahoma City offices and invoices are entered into an electronic payment system by OK City staff. The email system is very problematic, however. We have been told that emails with attachments up to 10MB in size will be accepted. But we have sent emails with attachments less than 10MB in size and they are not received—and we do not receive undeliverable messages. So we do not know that there is any problem until we begin to inquire about payment status—and then we find out that the invoice was never received. We don't understand why properly sized attachments don't go through or why the system can't be set up to send undeliverable messages to external parties, but in any case, as regular users of FTA's ECHO system, we are very supportive of any transition to a similar electronic system where we have the ability to directly enter our invoice information and know that it has been received for processing.
DOT Response: Thank you for taking the time to comment.   We feel that the transition to the Delphi eInvoicing system will address your concerns. First, there are no size limitations on attachments in the Delphi eInvoicing system and you will be able to validate that an invoice and attachment has been received as soon as you submit it. In addition, the system will allow you to review the status of your payment requests at all stages of review. We will be providing additional information, including training and account setup over the next couple of months.

3. I have access to Oracle already to login to FMIS and RASPS. The Program Billing Branch processes KYTC payments from FHWA through RASPS. Will I still need to complete the form to access the register in the Delphi eInvoicing system? We also process FMSCA, NHTSA, FAA and other grants that were listed. Will we need additional clearance to process them?
DOT Response: Only the payments processed through RASPS are excluded from this effort. All payments for FMCSA, NHTSA and FAA will transition to the Delphi eInvoicing system later this year. Due to the security requirements of the system, all users will need to be registered in the eInvoicing system. However, you will only need to complete this process once for the Department as a whole.   You will then be provided one login id and password that will allow you to access the system and bill the Department for any FMCSA, NHTSA or FAA grant.

4. First, the Federal Register Notice references grantees that will complete and submit payment requests in the new system. We would highly recommend differentiating

between grantees and those allowed to submit payment requests on behalf of a grantee. Our experience has shown that some who would request payments on behalf of a grantee could possibly do so with limited or no oversight in regards to federal and/or state auditing standards, eligibility or allowability of project costs, work items or materials specified in a contract, etc. We recommend that the relationship between the grantee and those allowed access to their funds be given careful and thorough consideration during the process of testing, initiation, and introduction of the new system with the goal of maintaining proper accounting controls over the draw down and disbursement of federal funds. Secondly, it is also our understanding that under the current system, payments requested before two o'clock are remitted to the grantee within twenty-four hours and that the time between request and remittance under the Delphi eInvoicing system will require forty-eight hours. It would be our desire that the new system could also remit payments within the same twenty-four hour period.

DOT Reponse: First, the system security requirements require that each individual user's identity be validated prior to receiving access to the system. A primary contact within each grantee organization must identify and approve the individuals that have access to view their records and the ability to submit invoices to the Department. Second, the transition to the Delphi eInvoicing system does not change the Department's current payment processes so there will be no change in payment remittance timeframes.

5. One grantee submitted approximately 16 detailed questions regarding the Delphi eInvoicing system and business processes. Their comments ranged from the reporting capabilities of the system to the ability to attach files to a payment request. We communicated to the grantee that we are currently preparing responses to each of their questions, but we are working through the DOT grant offices as the majority of their comments relate to business processes and are not directly tied to the payment system. In addition, we communicated that training opportunities and additional process information will be made available to all grantees once OMB has had the opportunity to complete their review.

9.   Payment or gifts to respondents.   EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

There are no incentives provided to respondents.

10.   Assurance of confidentiality. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY.

No assurances of confidentiality are given. In the form's Privacy Act Statement, we express the intended use of the information, which is to establish the applicant's identity, and that it is intended solely for that purpose. However, we make no claims of pure confidentiality.

11.   Justification for collection of sensitive information. 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.

There are no systems of a sensitive nature that are included in this process.

12.   Estimate of burden hours for information requested. 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.**

> **- 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 collection requires a one-time response from each individual. During the initial implementation of Delphi eInvoicing, we are expecting approximately 11,000 users. In our

Federal Register Notice, we estimated 2 to complete the process (complete forms and obtain notary services).

From the cost perspective, there is a potential cost of a Notary Public to provide services. State Notary fees range between $0.50 to $10.00 per action, but average around $5.00 per action. However, many grantee organizations (universities, governments, local authorities) would likely have on-site Notary Services. In addition to potential Notary costs, there will be a cost to mail the form back to DOT. Using First Class USPS mail with a certified mail option is less than $5. Additionally, if there are multiple forms from the same organization, they can be grouped and sent in the same envelope.

We believe that any initial costs will be offset by the reduction in manual processes for both the grantee and the Department once system access is granted. By allowing Suppliers and Grantees to enter submit payment requests electronically, the Department can achieve workload efficiencies, provide better service and better control over budget execution, and allow better adherence to payment due dates. The end-user will have a more robust and efficient interaction with the Department, by having visibility to available funds, payment request approvals, and payment information. In addition, grantees would no longer incur mailing costs from the submission of paper invoices to the Department.

13. **Estimate of the total annual costs burden**. **PROVIDE AN ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION.**

>   **-THE COST ESTIMATES 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 COSTS 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 RANGES 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.

This is a one-time cost for each individual respondent. Cost to individual respondants should be less than $10 ($5 notary fees + $5 shipping fees) as described in item 13. Total costs for all respondents should not exceed $110,000 ($10 x 11,000 = $110,000.)

14. <u>Estimates of costs to the Federal Government</u>. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT. ALSO, PROVIDE A DESCRIPTION OF THE METHOD USED TO ESTIMATE COSTS, 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.

We determined that it would take our support staff (FAA Pay Band G) approximately 3 minutes to review and input a user registration form or 20 forms/hour. The hourly cost for our support staff is $49.83/hour, so the cost per registration form would be $49.83/20 = $2.49. Therefore, we estimate the total cost of support staff to the Federal Government to be $27,390 (11,000 users x $2.49/form).

15. <u>Explanation of the program change or adjustments</u>. EXPLAIN THE REASONS FOR ANY PROGRAM CHANGES OR ADJUSTMENTS REPORTED IN QUESTIONS 12 OR 13.

This is a program change resulting from a new information collection.

16. <u>Publication of results of data collection</u>. 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.

Results of the form collection will not be published. Information from the form will only be used to establish a user's identity, and then will be securely stored for possible audit.

17.   Approval for not displaying the expiration date of OMB approval. IF SEEKING APPROVAL TO NOT DISPLAY THE EXPIRATION DATE FOR OMB APPROVAL OF THE INFORMATION COLLECTION, EXPLAIN THE REASONS THAT DISPLAY WOULD BE INAPPROPRIATE.

Our office is not making a request not to display an expiration date.

18.   Exceptions to the certification statement. EXPLAIN EACH EXCEPTION TO THE CERTIFICATION STATEMENT "CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS."

We are not requesting any exceptions to the certification statement.