

**Supporting Statement for the  
Request for Proposal and Request for Price Quotation  
(RFP and RFPQ; OMB No. 7100-0180)**

**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 appropriate to obtain competitive proposals and contracts from approved vendors of goods and services. This information collection is required to collect data on prices, specifications of goods and services, and qualifications of prospective vendors.

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 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. The Federal Reserve Board estimates that vendors would submit 140 RFPs and 850 RFPQs per year. The total annual paperwork burden is estimated to be 8,700 hours.

**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 Board uses this information to analyze the proposals and select the offer providing the best value.

**Description of Information Collection**

The Federal Reserve Board uses various resources to select appropriate potential offerors for providing a particular good or service. The Federal Reserve has expanded its Diversity Program over the last three years. The Federal Reserve uses minority/diversity conferences and an internal vendor fair in combination with traditional source list to find and recruit new companies that are capable of providing goods and services to the Federal Reserve Board. 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*,<sup>1</sup> the internet, the yellow pages, and lists from other government

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<sup>1</sup>The Thomas Register of American Manufacturers is a multi-volume directory of suppliers of industrial products and manufacturers. [http://www.thomasnet.com/companyhistory/ThomasRegister\\_today.html](http://www.thomasnet.com/companyhistory/ThomasRegister_today.html)

agencies that have acquired similar goods or services.

In announcing either an RFP or an RFPQ, the Federal Reserve contacts, via U.S. 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 Board will award the contract. When 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 Sections 10(3), 10(4), and 11(1) of the Federal Reserve Act (12 U.S.C. §§243, 244, and 248(1)). Proposals from vendors that are not accepted and incorporated into contracts with the Federal Reserve Board would be protected from Freedom of Information ("FOIA") disclosure by (41 U.S.C. § 4702, which expressly prohibits FOIA disclosure of these proposals. Moreover, during the solicitation process, vendors are permitted to mark information contained in their proposals that is proprietary or confidential with the label RESTRICTED

DATA. For information so marked, the Federal Reserve Board also may determine on a case-by-case basis whether FOIA exemption 4, which applies to “trade secrets and commercial or financial information,” would protect information from disclosure pursuant to a FOIA request (5 U.S.C. §552(b)(4)).

### **Sensitive Questions**

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

### **Consultation Outside the Agency**

On February 1, 2012, the Federal Reserve published a notice in the *Federal Register* (77 FR 5015) requesting public comment for 60 days on the RFP and the RFPQ information collection. The comment period for this notice expired on April 2, 2012. The Federal Reserve did not receive any comments. On April 10, 2012, the Federal Reserve published a final notice in the *Federal Register* (77 FR 21560).

### **Estimate of Respondent Burden**

As shown in the table below, the current annual reporting burden for this information collection is estimated to be 8,700 hours, based on actual usage during the past three years. The number of new procurements are slightly down due to the use of multi-year contracts that still have option years. The Federal Reserve Board continues to make significant use of purchase cards and the General Services Administration Schedule.<sup>2</sup> This information collection represents less than 1 percent of total Federal Reserve System paperwork burden.

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<sup>2</sup> The Board participates in a government-wide purchase card program that allows the purchase 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.

	<i>Estimated number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
RFP	140	1	50	7,000
RFPQ	850	1	2	<u>1,700</u>
<i>Total</i>				8,700

The total cost to the public is estimated to be \$247,400.<sup>3</sup>

### **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 \$2,182,250. This cost is a combination of the cost of staffing the Procurement Function (approximately 75 percent) plus labor costs of technical staff in other Federal Reserve Board functional areas who prepare statements of work and related requirements documents (approximately 25 percent).

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<sup>3</sup> Total cost to the public was estimated using the following formula. Percent of staff time, multiplied by annual burden hours, multiplied by hourly rate: 100% (RFPQ) Procurement Clerk @ \$22 and 100% (RFP) Managerial Construction @ \$30. Hourly rate estimates for each occupational group are averages using data from the Bureau of Labor and Statistics, National Compensation Survey -Wages, Occupational Classification System Manual (OCSM): <http://www.bls.gov/ncs/ocs/ocsm/commain.htm>