

SUPPORTING STATEMENT
U.S. Department of Commerce
National Institute of Standards and Technology
Malcolm Baldrige National Award and Examiner Applications
OMB CONTROL NO. 0693-0006

A. JUSTIFICATION

This submission is a revision and to extend the approval by the Office of Management and Budget.

1. Explain the circumstances that make the collection of information necessary.

The Malcolm Baldrige National Quality Improvement Act of 1987, Public Law 100-107, established an annual U.S. national quality award, the Malcolm Baldrige National Quality Award (Award). The purposes of the Award are to:

- 1) promote competitiveness and quality awareness,
- 2) recognize the performance achievements of U.S. companies, and
- 3) share successful strategies and practices.

The law explicitly states that “An organization may qualify for an award only if it permits a rigorous evaluation of the way in which its business and other operations have contributed to improvements in quality.” This rigorous evaluation starts with a thorough review by volunteer Baldrige Examiners of application packages submitted by organizations wishing to be considered for the Award. The law also states that the Director of NIST “...shall rely upon an intensive evaluation by a competent board of examiners.... The examination should encompass all aspects of the organization’s current practice of quality management.”

To save organizations paperwork, time, and effort, potential applicants establish their eligibility (self-certify) for one of the Award categories—business, which encompasses manufacturing companies or subsidiaries, service companies or subsidiaries, and small businesses; and education, health care, or nonprofit organizations. The applicant completes an online Eligibility Certification Form to prove its eligibility for the award by meeting these eligibility requirements:

- (1) It must be headquartered in the United States. (U.S. subunits of foreign organizations may apply for the award if the subunit is headquartered in the United States. For eligibility purposes, overseas U.S. military installations and embassies don't constitute U.S. territories.).
- (2) It has existed for at least one year.
- (3) The operational practices associated with all of its major organizational functions are available for examination in the United States or its territories.

(4) It can share information on the seven Baldrige Criteria for Performance Excellence categories at its organization's U.S. facilities and at [The Quest for Excellence® Conference](#).

(5) The organization must have received a top-tier award from an Alliance for Performance Excellence program (state or sector Baldrige-based program)--unless more than 25% of the organization's workforce is located outside its home state or an Alliance program is not available to the organization.

There is no score or assessment at this time. If the organization is deemed eligible based on meeting the eligibility requirements, then it is invited to submit an application.

Revision: Number Five above was added as an eligibility requirement in 2012. The new rule was developed with the Baldrige Program's Federal Advisory Committee, the Board of Overseers. It required that applicants for the national award first receive the top-tier award from a Baldrige-based state or sector program (i.e., the Alliance for Performance Excellence). This intentionally reduced the number of national applications in an effort to strengthen Baldrige-based programs and to better serve more-mature national applicants (this was proven in an increased Net Promoter Score by Baldrige applicants on the quality of feedback reports in the 2012 Judges' Survey). This intention supports the Baldrige Program's strategic plan to strengthen partnerships and leverage. It was also expected that the Baldrige Program would lose some staff members when the Federal funding was removed (as of March 2013, about 40% have left due to attrition); with less resources, the Baldrige Program expected that it would not be able to handle the same number of award applicants as it had in the past. The new eligibility rules therefore bring the most mature, best-qualified organizations to the national program where they can be best served. The Baldrige Program is not eliminating potential Baldrige Award recipients, but surveys have shown that lower-level applicants are better served by their states where they can receive more prescriptive guidance.

The intention is not to limit potential Baldrige Award recipients but to serve organizations early on their performance excellence journey at the state or sector Baldrige-based programs where the award requirements are not to be of U.S. role-model quality.

If eligible, Award applicants provide detailed information on seven areas of their quality management system. These areas are: (1) Leadership; (2) Strategic Planning; (3) Customer Focus; (4) Measurement, Analysis, and Knowledge Management; (5) Workforce Focus; (6) Operations Focus; and (7) Results.

In parallel, highly qualified experts from across the nation apply to become members of the Malcolm Baldrige National Quality Award Board of Examiners. The selection process ensures that outstanding individuals from each of the sectors in which the Award is given are chosen. The members of the Board of Examiners are appointed for a one-year period.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

Award Applicants

Each year, for-profit and non-profit organizations from the business, education, and health care sectors of the economy, and public and private non-profit organizations, including government, apply for the Malcolm Baldrige National Quality Award. The applications contain information and quantitative data voluntarily provided by Award applicants to be used as the basis for a rigorous evaluation by Baldrige Examiners. These evaluations determine each applicant's quality achievements and performance improvements, and which, if any, organizations will receive the Award. The President of the United States or his delegate presents the Award.

The application form consists of two pages; the report, which is an attachment to the form, consists of an organizational profile and response by the applicant to the seven areas just described. This report is based on the Baldrige Criteria for Performance Excellence.

If an applicant organization becomes an Award recipient, its application form will be disseminated to the public by posting on the Baldrige Web site as a secured PDF file—after the Award recipient has the opportunity to remove proprietary information. It is disseminated to the public because Section 1, b(2) of the Malcolm Baldrige National Quality Award Act of 1987 (Public Law 100-107) requires “information [to be] disseminated about the successful strategies and programs” of Baldrige Award recipients. The collection and dissemination complies with the NIST Chief Information Officer (CIO) Information Quality Guidelines and Standards. If an applicant does not become an Award recipient, all information in its application form remains confidential.

Examiner Applicants

The information collected on the Examiners' application is used by the Baldrige Program to select highly qualified applicants for seats on the Board of Examiners.

In an effort to conserve paper resources both for applicants and the Baldrige Program and to be good stewards of the environment, instructions and examiner applications are Internet-based only. All information provided on applications is secured with a NIST-approved username and password; the personal information of applicants is kept confidential to the public.

NIST has no plans to disseminate or release this information. If this situation changes, NIST will ensure that the information complies with the NIST Chief Information Officer (CIO) Information Quality Guidelines and Standards.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

In an effort to conserve paper resources both for applicants and the Baldrige Program and to be good stewards of the environment, instructions and applications are downloadable only from the Internet. The Award eligibility and application forms are submitted as hard copy or on a compact disk. The Examiner Application is completed and submitted electronically via the Internet (to save applicants time and effort, returning Examiners are provided with the information submitted in prior years and need only amend the facts as needed).

The Program has made all necessary forms and instructions available and downloadable from the Baldrige Program Web site, <http://baldrige.nist.gov/>. The majority of applicants prefer to use the manual process due to the need for an original signature of the highest-ranking official. (Even if submitting electronically, all applicants submit one page, either manually or as a scan, that contains the original signature of the applicant's highest-ranking official.) It should also be noted that many small businesses, schools, and health care providers either do not have the capability to transmit their information in a safe and secure manner, or they prefer to transmit by hard copy to protect their proprietary information.

The Baldrige Performance Excellence Program continuously reexamines and improves the application procedures and requirements. The Program's goal is to keep to a minimum the amount of information and data requested. The information required is the minimum needed to allow the Examiners and the Panel of Judges to deliberate, to ensure the integrity of the Award selection process, and to recommend Award recipients.

TERMS OF CLEARANCE-March 18, 2010 - Commerce should consider an electronic means of submission when this collection is next submitted to OMB for approval.

TERMS OF CLEARANCE RESPONSE: The Program considered making it possible for Award applicants to submit applications via the Internet. The Program decided not to pursue this option because of concerns from applicants about sharing sensitive and proprietary information regarding their companies over the Internet. In addition, due to the passage of an appropriations bill in November 2011 that cut all federal funding for the Baldrige Program, it is unlikely the Program will have the funds to further pursue an Internet-based application submission process at this time.

4. Describe efforts to identify duplication.

There is no duplication or repetitive information requested of applicants for the Award or to become a member of the Board of Examiners since the information format in both cases is unique. The information is specific to the applicant organization and therefore unlikely to be

available from any other source. The information required is sufficiently detailed to allow an in-depth evaluation of the applicant's quality system by experts selected to serve on the Malcolm Baldrige National Quality Award Board of Examiners.

As with the Award application, the information requested in the Examiner Application is unique to the Board of Examiners. In either case, whether submitting an application for the Award or to be a member of the Board of Examiners, the applicant can modify and reuse any relevant information from prior applications.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

As small businesses are a high priority of NIST's Baldrige Performance Excellence Program, there is a small business Award. Small businesses are subject to the same evaluation criteria and review process as other applicants. As with all applicants, small businesses can submit a basic application report of any length up to 50 pages. Thus, a small business can limit its paperwork burden to whatever it wishes to produce. Also, since the report documents the organization's business results and its quality system and processes already in place, only current and trend information on hand is relevant. No new information is required. The applicant simply needs to organize existing information. Most importantly, the application for the Award is strictly voluntary, as is the application to become a member of the Malcolm Baldrige National Quality Award Board of Examiners. Therefore the burden falls only on those individuals and organizations who choose to submit applications. All Baldrige applicant instructional material is posted on the Internet to ensure ease of access. In addition, for the evaluation of small business Award recipients, the Baldrige Program trains Examiners and Judges in special small business considerations for a quality system.

For the Examiner application, this is not applicable

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

The consequences to the Federal program of not collecting the voluntary information are that (1) we would violate our statutory responsibilities; (2) the Baldrige Program would be unable to provide useful, objective, comprehensive written feedback to applicants; (3) organizations could not compete for the Award, thus losing the constructive benefits of the review by a team of outside Baldrige Examiners and the motivational and self-discovery aspects of the application report-writing process; (4) the President would be unable to present any Awards and therefore not confer the status of a world-class organization on any American organizations; and (5) ultimately the progress made in building the competitiveness of U.S. industrial, educational, health care, and non-profit organizations would suffer.

Also, it should be noted that the consequences to the Federal program of not collecting the voluntary information requested in the application to become a member of the Malcolm Baldrige National Quality Award Board of Examiners are identical. Without the Board of Examiners, an evaluation of the applications for the Malcolm Baldrige National Quality Award cannot be conducted.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

The Award Program requires either (1) fifteen (15) paper copies of the Award application plus a compact disk of the application; or (2) a compact disk of the application for distribution to the Board of Examiners in order to complete the review process in an expeditious manner.

8. Provide information of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the 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.

A Federal Register Notice soliciting public comment was published on December 31, 2012. No public comments were received from this notice.

The Baldrige Criteria for Performance Excellence, which serve as the basis for the Award application form, and Award process, including the Examiner Application, were developed with extensive input and regular review by private-sector. The Criteria and supporting Award process are evaluated and updated biennially (Criteria) or annually (Award and Examiner application processes) through a variety of feedback mechanisms, including applicant input, to eliminate burdensome requirements.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

No payments or gifts are given to respondents.

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

The respondents (applicants) are assured of confidentiality as a matter of agency policy. All forms, feedback reports, and any other materials submitted by or to the applicant during the assessment process, including a site visit, if applicable, are kept confidential. A secure file-sharing protocol, never standard e-mail, is used, and only staff or examiners who are in a need-to-know position will learn that the organization has even applied for the Baldrige Award. The only time materials may be shared is if the applicant becomes a Baldrige Award recipient; then the recipient is offered the chance to remove proprietary information and gives approval before a summary of its application is posted on the Baldrige Web site in accordance with Public Law 100-107. This assurance is made on the basis of the exemption under the Freedom of Information Act for proprietary information provided by a business to a government. All applicants and applications are treated as confidential. Further, Award recipients are not required to share proprietary information even if such information was part of their Award application.

The Examiners are assigned in such a way as to avoid conflicts of interest. All Examiners sign nondisclosure agreements. All Judges, members of the Board of Examiners, and NIST staff receive annual confidentiality training.

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 information collection does not include questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. However, the Secretary of Commerce and the Director of NIST are responsible for determining that an applicant would be an appropriate U.S. role model and therefore should be approved as a Baldrige Award recipient. For role-model determination, NIST conducts record checks on potential Award recipients to ensure compliance with legal and regulatory requirements.

12. Provide an estimate in hours of the burden of the collection of information.

Our estimate of the total burden of the collection of information is **4,500 hours (850 responses)**.

- The total number of Award applicants is **50 x 74 hours = 3,700 hours**.
- The total number of Examiner applicants is **800 x 1 hour = 800 hours**.
- The total annual hours requested is **4,500 (3,700 + 800)**.

13. Provide an estimate of the total annual cost burden to the respondents or record keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

Our estimate of the total annual cost burden resulting from the collections is **\$80,500**. This total annual cost results from application fee, printing, binding, and shipping costs associated with the Award applications.

- The total number of Award application respondents is 50.
- The total number of annual responses is 50.
- The estimated total cost is \$360 (eligibility certification fee) plus \$1,250 (application preparation) per Award applicant.
- The estimate of the total annual cost burden is $50 \times \$1,610 = \$80,500$

Not applicable to Board members.

14. Provide estimates of annualized cost to the Federal government.

There is no cost to the Federal government, as the passage of an appropriations bill in November 2011 cut all federal funding for the Baldrige Program.

In previous years, some Baldrige Program costs, including staff salaries, were covered by federal appropriations, with the majority of Award- and Examiner-related costs covered by the Foundation for the Malcolm Baldrige National Quality Award. However, with the passage of an appropriations bill that cut all federal funding for the Baldrige Program, the Program now needs to recover its costs, including the costs of developing and producing the Criteria for Performance Excellence, which are used as the basis of the Award application.

The eligibility certification fee (\$150) for Award applications has not changed, but Award application fees have been increased based on the sector of the applicant (e.g., manufacturers pay a higher fee than non-profit education organizations).

Fees are based on changes in the Consumer Price Index, posted on the Internet (http://www.nist.gov/baldrige/enter/award_fees.cfm), and are used solely to recover costs from producing the Criteria for Performance Excellence and running the Award process.

15. Explain the reasons for any program changes or adjustments.

Program Change: The new eligibility requirement was developed and applicants for the national award first receive the top-tier award from a Baldrige-based state or sector program (i.e., the Alliance for Performance Excellence). The rationale for this change is described in Question 1 above. It is assumed that this change will reduce the number of applications received at the national level, from about 100 per year to about 50 per year.

Decrease: Respondents/Responses: 100 to 50; Burden Hours: 8,200 to 4,500; Burden Cost: \$125,000 to \$80,500.

16. For collections whose results will be published, outline the plans for tabulation and publication.

There are no plans for publishing the results of the collected information.

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

Not applicable.

18. Explain each exception to the certification statement.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methods.