Supplier Self-Services (SUS)

SUPPORTING STATEMENT – PART A

A. JUSTIFICATION

   1. Need for the Information Collection

Currently, DFARS 252.232-7003(b) requires federal vendors input or upload invoice data that is required for payment verification directly into Wide Area Workflow (WAWF). This data is then interfaced to the Enterprise Central Component (ECC) of the Army's ERP system, General Fund Enterprise Business System (GFEBS), where it is matched to an existing obligation to ultimately generate payment to the vendor. Unfortunately, this interface process creates many errors (~40% failure rate[1]) that subsequently require costly manual correction, rework, interest penalties, and potentially a delay in payment to vendors.

As an alternative, WAWF created a DoD-portal known as "OneStop" to facilitate the interaction between WAWF and ERPs. WAWF utilizes "OneStop" to route vendors seamlessly to the Supplier Self-Services (SUS) interface while maintaining WAWF as the mandated single point of entry.[2] SUS, a GFEBS module, systematically pre-populates invoices with pre-validated contract data that is interfaced to GFEBS ECC from Army Contracting's Standard Procurement System (SPS). By pre-populating fields with accurate, up-to-date contract information, vendors are required to input significantly less data. Additionally, the information that vendors do input is validated immediately against the existing contract, ensuring the invoicing process is more accurate, payments to vendors are faster, and costly interest penalties are avoided.

   2. Use of the Information

Once a contract has been awarded to a vendor for performing services or supplying goods to the Army, the awarded contract data in SPS interfaces with GFEBS to post a funding obligation. When vendors create and submit invoices to the Army, those invoices must match the aforementioned obligation in GFEBS ECC to facilitate accurate payment certification.

In the past, vendors have submitted invoice data directly into WAWF that is not pre-populated or pre-validated with the obligation, often causing failures when the data is interfaced to GFEBS. Contract information found in Electronic Document Access (EDA) that is populated in WAWF is not updated when contract modifications occur and allows

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[1] DFAS eSolutions Update March 2013 Data, Lynne Hammerstrom, Acting Director eSolutions, April 24, 2013
1 DFARS 252.232-7003(b) Electronic Submission of Payment Requests and Receiving Reports (Appendix F)

vendor edits without validation. SUS requests that vendors validate contractual information that has been pre-populated from GFEBS ECC and submit invoice details such as quantity and delivery date within the parameters of the contract. Vendor-submitted information generates a pre-validated invoice which ensures that conflicts do not occur when the invoice is transmitted to GFEBS for payment, thus preventing costly manual intervention.

All information collection will be conducted by leveraging a WAWF-developed innovation known as "OneStop". As mandated,[3] vendors will continue to log in to WAWF and will be routed seamlessly to the SUS interface. SUS, an online, interactive GFEBS module will impose a lesser burden on vendors with regard to time and difficulty than they are subject to in the current environment.

3. <u>Use of Information Technology</u>

100% of responses will be submitted online via SUS, an online, interactive GFEBS module. There, vendors will submit roughly 5 mandatory data elements rather than the approximately 20 elements they have historically been required to submit. SUS utilizes information that vendors and Army Contracting have already provided throughout the contract award process to pre-populate remaining fields with validated information, thus maximizing the use of provided information and imposing a lesser burden with regard to both time and difficulty. In addition, the information provided has been pre-validated, reducing the risk that vendors will have to later resubmit invoice data.

4. <u>Non-duplication</u>

Information requested of vendors in SUS is incident-specific and is the first and only submission of data recording delivery of goods or services. Rather than requiring vendors to input redundant data, SUS allows the Army to utilize vendor and contract information that is collected during the contract award process to minimize vendor input during the invoicing process. As a result, vendors utilizing SUS are no longer required to submit data elements such as item description, unit of measure, total contracted units, per unit price, etc. as those elements have been pre-populated from GFEBS ECC.

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3 DFARS 252.232-7003(b) Electronic Submission of Payment Requests and Receiving Reports (Appendix F)

5. Burden on Small Business

A portion of vendors that utilize SUS will be considered small business. There is currently no indicator in GFEBS that tracks what proportion of vendors are small businesses, but it is estimated to be approximately equal to the levels reported by the Department of Health and Human Services Small Business Program which suggests 22% of federal contracts are awarded to small businesses.[4]

Vendors that are classified as small businesses will particularly benefit from SUS implementation in two ways – it requires less time and effort to submit invoices than is required in the current environment, and the time from submission of invoice to vendor payment is often much shorter. Submission of invoices by the vendor is required for payment, and SUS was designed to make that process as straightforward and easy as possible. During the SUS pilot, data collection took an average of six minutes per response (invoice) and is not anticipated to heavily burden any business, large or small. SUS pilot site, Ft. Jackson estimated 5-7 hours per week saved addressing vendor invoice questions and concerns.

In both the current environment and in SUS, small, disadvantaged vendors are entitled to request accelerated payments. SUS invoices have been pre-validated, though, ensuring they post without error and result in quicker payments.

6. Less Frequent Collection

Data is collected each time a vendor submits an invoice for provided goods or services. Estimated burden is based on an assumption of one submitted invoice per month (average based on current data), but vendors do have the option in SUS to submit invoices less frequently. In this event, vendors would still be required to report to quantity of goods/services provided, but would create fewer, larger invoices.

7. Paperwork Reduction Act Guidelines

SUS information collection is consistent with 5 CFR 1320.5(d)(2) and does not impose any restricted burden.

8. Consultation and Public Comments

   a. **Federal Register** / 78 FRN 59010 / Wednesday, September 25, 2013 / Notices

During the 60-day comment period, one inquiry was received. It was submitted 4 October, 2013 and requested copies of the information collection proposal submitted to OMB. A copy was provided to the petitioner immediately upon submission of the ICR to OMB.

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[4] http://www.hhs.gov/about/smallbusiness/Small%20Business%20Program%20Manual/chapter1.html

b. *I*n accordance with the Paperwork Reduction Act, the SUS program was piloted with nine vendors. Feedback from the pilot vendors was overwhelmingly positive and repeatedly expressed their desire to expand the program to other locations.

9. Gifts or Payment

Respondents will not be provided gifts for the submission of data.

10. Confidentiality

Vendors do not submit any personal, proprietary, or confidential information via SUS.

11. Sensitive Questions

SUS does not request any sensitive information from users.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

Pilot vendors were timed during their data submission into SUS. On average, data collection took six minutes (or .1 hours) per submission. While no specific invoice timeframe is required, vendors submit an average of one invoice per month. ASA(FM&C) plans on a tiered implementation, averaging 1867 annual respondents, utilizing SUS twelve (12) times per year, totaling 22,404 annual responses at .1 hr each. Total estimated annual burden = 2240 hours.

b. Labor Cost of Respondent Burden

The estimated collection burden imposed by SUS reduces the larger burden currently imposed by WAWF for invoice input. In practice, vendors utilizing SUS will have to provide significantly less information than they do in the current environment thus incurring lower labor costs.

Vendor salaries range widely from company to company. We can assume that the individual at each vendor would be employed as a billing specialist or similar role earning an approximate average annual salary of $33,450 ($16/hr)[5]. If each invoice takes six minutes to submit and they do so twelve times per year, labor costs are estimated at $19.20 per vendor per year. $19.20 per respondent x 1867 annual respondents equates to a total labor cost of $35,846.40.

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[5] Median salary for "Billing and Posting Clerks", Bureau of Labor Statistics, Occupational Employment and Wages. http://www.bls.gov/oes/current/oes433021.htm

13. <u>Respondent Costs Other Than Burden Hour Costs</u>

   a. Respondents will not incur any capital or start-up costs as a result of the SUS information collection. The software utilized to collect responses is a free online portal and the computers required to run the software are already required in the current WAWF submission process.

   b. Respondents will not incur any operation and maintenance costs as a result of the SUS information collection. Information is submitted online and consists only of the quantity of goods or services provided to the Army, a metric that is already tracked internally by each vendor for invoicing.

14. <u>Cost to the Federal Government</u>

In order to process an invoice that a vendor has submitted for payment, a Goods Acceptor and a Payment Certifier must each perform a review. The work of the Goods Acceptor involves reviewing the invoice submitted and validating that the goods or services listed were in fact provided. Goods acceptors are GS-09s on average, earning ~$22.57/hour. The review takes approximately 5 mins/invoice totaling $1.88/invoice.

Payment certifiers perform a 13 point check ensuring invoices are valid prior to payment; this takes approximately 15 min/invoice. Certifiers are GS-05s on average, earning ~$14.90/hour or $3.73/invoice. Total annual federal labor costs = (1.88+3.73) x 22,404 annual responses = $157,105.81.

The operation and maintenance costs for SUS are $569,608 for secure hosting. There are no licensing costs.   Total annual federal costs for SUS =~$726,713.81. A thorough cost benefit analysis (CBA) was conducted to review the impacts of SUS implementation.

15. <u>Reasons for Change in Burden</u>

Although the estimated collection burden imposed by SUS *reduces* the larger burden currently imposed by WAWF for invoice input, the two systems are owned by different DoD entities and thus require separate OMB submissions. Legally, the burden appears to be new, but in practice, users (vendors) will have to provide significantly less information than they do in the current environment.

16. <u>Publication of Results</u>

The SUS information collection will be used for invoice processing rather than statistical compilation. Metrics will be recorded for continued program evaluation.

17. Non-Display of OMB Expiration Date

The Department is not seeking an exemption from the requirement to display the Expiration Date.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

The SUS information collection is requesting no exceptions to Item 19.a of OMB Form 83-1 and complies with 5 CFR 1320.9.