

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**National Institute of Standards and Technology**  
**Malcolm Baldrige National Quality Award (MBNQA)**  
**OMB Control No. 0693-0006**

**A. JUSTIFICATION**

**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 (MBNQA). The purposes of the MBNQA 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 MBNQA. 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.”

The applicant organization (business, health care, education, or nonprofit) submits via certified mail an 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 Excellence Framework 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. (The purpose of this last rule was to send less-mature organizations first to their state or sector programs where they can receive more hands-on improvement help; MBNQA is the national award and as such attracts the most mature, best-qualified organizations where they can be best served.)

On the guidance of the Baldrige Board of Overseers, additional eligibility considerations have been added to make the award accessible to more high-performing organizations. An

organization may now be eligible if it meets one of the following. (1) In the last four years, your organization applied for the national Baldrige Award, and the total of the process and results band numbers assigned in the feedback report was 8 or higher. (2) In the last four years, your organization applied for the national Baldrige Award and received a site visit. (3) There is no Alliance for Performance Excellence award program available for your organization. (4) Your organization will submit additional eligibility screening materials (i.e., a complete Organizational Profile and two results measures for each of the five Criteria results items). Further, the Overseers recommended that subunits be eligible to apply no matter their size as long as they could respond to the seven categories of the Criteria and that there be no limit on the number of subunits of an organization that may apply for the Baldrige Award within the same year. The Baldrige Program uses the materials to determine if the organization is eligible to apply for the MBNQA.

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 Award Application for the MBNQA. The applicants provide detailed information on seven areas of their performance management system using the *Baldrige Excellence Framework: A Systems Approach to Improving Your Organization's Performance* as the application. These areas are: (1) Leadership; (2) Strategy; (3) Customers; (4) Measurement, Analysis, and Knowledge Management; (5) Workforce; (6) Operations; and (7) Results.

In parallel, highly qualified experts from across the nation apply to become members of the MBNQA Board of Examiners. The selection process ensures that outstanding individuals from each of the sectors in which the MBNQA 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.**

### **MBNQA Organizational Applicants**

Once per year, for-profit and nonprofit organizations from the business, education, nonprofit, and health care sectors of the economy, including government, apply for the MBNQA. The applications contain information and quantitative data voluntarily provided by MBNQA 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 MBNQA. The President of the United States or his delegate presents the MBNQA.

Because proprietary and confidential information may be included in MBNQA applications, they are kept strictly confidential. Only BPEP staff who have a need to know have access to the applications. Applications are kept in a locked file drawer. Absolutely no information from the applications, including the names of the organizational applicants, may be e-mailed, unless using

a secure file-sharing system (such as NIST's "N-files"). Examiners receive a hard copy of the MBNQA applications; they do not receive electronic copies, partly because of fear that automatic backup systems on examiners' computers will make copies of organizations' applications and because organizations, especially in competitive industries, do not feel comfortable submitting their proprietary information electronically.

If an applicant organization becomes an Award recipient, its application form will be disseminated to the public by posting on the Baldrige website as a secured PDF file—after the MBNQA 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. Many organizations from the United States and around the globe use the award application summaries of Baldrige Award recipients as documents to find best practices and benchmarks.

If an applicant does not become an Award recipient, all information in its application form remains confidential. In fact, the names of nonwinners are never revealed.

### **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.

The collection and dissemination complies with the NIST Chief Information Officer (CIO) Information Quality Guidelines and Standards.

NIST has no plans to disseminate or release this information. If this situation changes, NIST will ensure that the information complies with the NIST 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.**

The Board of Examiner Application is completed and submitted entirely electronically over a secure site created at NIST called the Baldrige Online Scorebook Solution (BOSS).

The MBNQA eligibility and application forms are downloaded from the Internet and submitted

as hard copy or on a compact disk. All organizational applicants submit one page, either manually or as a scan, that contains the original signature of the applicant's highest-ranking official.

There is no dissemination of any part of MBNQA applications using any technology, including e-mail. There has been much discussion over the years of creating a way for organizational applicants to submit electronically; however, many applicant organizations, especially those in competitive and the defense industries, do not trust electronic submission of their proprietary information. In addition, examiners as citizens, although they sign a conflict of interest statement and code of conduct, may not always realize when they open electronic applications on their computer networks that backup copies are being made, or examiners may forget and e-mail an application. Because of these worries--and because a secure, online MBNQA application-submission system is not financially possible at this time--the MBNQA process uses no technology—with the exceptions of applicant organizations being able to save their applications to CD and securely mailing those CDs.

The Baldrige 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 Baldrige Panel of Judges to deliberate, to ensure the integrity of the MBNQA selection process, and to recommend MBNQA recipients.

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 (Baldrige Award Application Forms) are downloadable only from the Internet.

#### **4. Describe efforts to identify duplication.**

There is no duplication or repetitive information requested of applicants for the MBNQA 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 MBNQA Board of Examiners.

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

The Baldrige Excellence Framework, which serves as the basis for the MBNQA application and examiner Application, were developed with extensive input and regular review by private- and public-sector experts. The framework and supporting MBNQA process are evaluated and updated biennially (framework) or annually (award and examiner application processes) through a variety of feedback mechanisms, including applicant input, to eliminate burdensome

requirements.

**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 the Baldrige Program, there is a small business category of the MBNQA. 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. Most importantly, the application for the MBNQA is strictly voluntary, as is the application to become a member of the MBNQA 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 MBNQA recipients, the Baldrige Program trains examiners and judges in special small business considerations for a quality system. The application and site visit fees (if chosen for a site visit) for small businesses are also reduced.

For the examiner application, 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.

**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 MBNQA, 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 nonprofit 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 MBNQA Board of Examiners are identical. Without the Board of Examiners, an evaluation of the applications for the MBNQA cannot be conducted.

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

The MBNQA requires either (1) twenty-five (25) paper copies of the MBNQA application and/or a compact disk of the application. Applicants have an extended deadline if they submit paper copies; if they submit only a CD, then the Baldrige Program needs more time to make copies. The additional copies are needed to share with the examiners and staff members assigned to the application; applications are given only to examiners/staff who need to know (e.g., if an examiner is not assigned to an application, then he/she does not have access to it).

The number of copies requested has been increased from 15 to 25 so that the Baldrige Program, which has no Federal funding, does not incur additional copying expenses. If an organizational applicant does not want to make copies, it has the option to submit a CD with an additional fee that covers the Baldrige Program making the copies.

**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 September 2, 2015 (Vol.80, pages 53114-53115).

One public comment was received from Jean Public on September 2, 2015. The comment has been uploaded into ROCIS. No action taken.

**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.**

In the Internet directions on how to apply for the MBNQA, text reads, “The Baldrige Program keeps this material confidential.” Applicants are assured of confidentiality as a matter of agency policy—such assurance can be found in the codes of conduct that both examiners and staff sign, as well. 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 website 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 Baldrige 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 organizational 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 **30** minutes for an estimated 30 organizational applicants and 30 minutes for an estimated 550 examiner applications.

- The total number of Award applicants is estimated at **30 x 30 minutes = 15 hours.**
- The total number of examiner applicants is estimated at **550 x 30 minutes = 275 hours.**
- The total estimated annual burden hours requested is **290 (15 + 275).**

**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 \$48,300 if we received 30 applications, or \$1,610 per applicant to begin the MBNQA process. Additional fees may be charged if an applicant organization is selected for a site visit, for which the organization has the option to decline.

This total annual cost results from the application fee, printing, binding, and shipping costs associated with the MBNQA applications.

- The total number of organizational applicant respondents annually is estimated at 30.
- The estimated total cost is \$360 (eligibility certification fee) plus \$1,250 (estimated application preparation) per Award applicant = \$1,610.
- The estimate of the total annual cost burden is  $30 \times \$1,610 = \$48,300$

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

NIST estimates that approximately 40 hours of time would be involved for the Program Analyst managing the efforts on this information collection. That estimated cost is \$1,860.00.

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

Fees are based on changes in the Consumer Price Index and are used solely to recover costs from producing the Baldrige Excellence Framework and running the MBNQA process. At this time, there are no plans to increase fees over each of the next three years, but that could change.

As explained in number 1 above, the Federal advisory body to the Baldrige Program is called the Baldrige Board of Overseers. The board has recommended that the Baldrige Program make its eligibility rules for organizational applicants to the MBNQA less strict to increase applications. Those new rules are spelled out in number 1 above. Adjustments that need to be made in the Eligibility Certification Form for MBNQA organizational applicants have been marked on the survey instrument, with detail spelled out in the Word form, to show where the new eligibility rules require changes in that form.

Changes in the Award Application Form and Examiner Application are minor tweaks for user-friendliness and are not substantive. Eligibility Certification Form also received some edits to make it more user-friendly.

Notes:

- The total number of estimated Award Application Forms to be received has decreased from 50 applicants to an estimated 30 applicants, which is a decrease of 20 applicants.
- The total number of estimated Examiner Application Forms to be received has decreased from 800 applicants to an estimated 550 applicants, which is a decrease of 250 applicants.
- The total number of estimated hours for the Award Application Forms has decreased from 74 hours to 30 minutes, as the Baldrige staff member preparer realized a mistake in the paperwork; applicants only use about 30 minutes to complete the actual forms. They then spend additional hours assessing their organizations against the Baldrige Criteria; that assessment is submitted to Baldrige examiners, but the Baldrige Criteria is not a survey tool. As a result of the decreased estimates, the estimated annual burden hours



will be decreased from 4,500 hours to 290 hours. These changes will result in a decrease of the total estimated annual cost burden for the applicant from \$80,500 to an estimated \$48,300.

In 2011, organizational applicants for the MBNQA decreased when news was shared that the Baldrige Program would no longer be fully federally funded through a Congressional appropriation. At that time, the Malcolm Baldrige National Quality Award Foundation, a 501c(3) charitable organization, provided a monetary gift to the U.S. Department of Commerce (DOC) that would allow the Baldrige Program to remain a federal program and all staff to remain federal employees. Since that time, additional monetary gifts have been received by the DOC to keep the Baldrige Program and all of its employees within the federal government, with oversight by the National Institute of Standards and Technology.

The number of examiners selected was also intentionally reduced to match the number of applications expected. This information was first communicated to potential examiners when they were sent the link to the secure application.

**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.**

No such approval is requested.

**18. Explain each exception to the certification statement.**

No exception to the certification statement is requested.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection of information does not employ statistical methods.