

**Supporting Statement for the  
Procurement Solicitation Package  
(FR 1400; OMB No. 7100-0180)**

## **Summary**

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the Procurement Solicitation Package (FR 1400; OMB No. 7100-0180)<sup>1</sup>. The Board uses the FR 1400 to assist in the competitive process of soliciting proposals from vendors of goods and services. The FR 1400 family of reports is comprised of the:

- Vendor Database (FR 1400A)
- Solicitation Package (Solicitation, Offer, and Award Form; Supplier Information Form, Past Performance Data Sheet; and Past Performance Questionnaire) (FR 1400B)
- Vendor Risk Management Offeror Questionnaire (FR 1400C)
- Subcontracting Report (FR 1400D)

To assist the Board's competitive vendor solicitation process, the Board revised the FR 1400 by (1) reformatting and updating the Solicitation Package (FR 1400B), (2) added the Vendor Risk Management Offeror Questionnaire (FR 1400C), and (3) revised the Subcontracting Report (FR 1400D) to improve clarity and gather specific information in accordance with the Board's subcontracting goals. Lastly, the Board discontinued the use of the Request for Price Quotation Form (RFP and RFPQ)<sup>2</sup>. The solicitation documents are typically used in the procurement of goods, services and construction that are not off-the-shelf items. This information collection is necessary to collect data on prices, specifications of goods and services, and qualifications of prospective vendors. The estimated total annual burden for the FR 1400 family of reports is 21,950 hours. The proposed revisions resulted in a net increase of 2,990 hours, for a new estimated total annual burden of 24,940 hours.

## **Background and Justification**

The Procurement Solicitation Package and its associated documents collect information used in evaluating the competitive bids and contracts submitted by vendors (also referred to as offerors). Depending upon the goods and services for which the Board is seeking bids, the vendor is requested to provide a document (proposal) covering not only prices, but also the means of performing a particular service and a description of the qualification of the staff of the offeror who will perform the service. In accordance with the evaluation criteria and proposal instructions established in the Solicitation Package (FR 1400B), the vendor may be requested to provide past performance and information regarding certain applications. The entire proposal submitted by the vendor will be utilized by the Board staff to evaluate the solicitation package documents and select the offer providing the best value.

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<sup>1</sup> This collection was previously titled the Request for Proposal and Request for Price Quotations (RFP and RFPQ).

<sup>2</sup> The purpose of the RFPQ form would be absorbed into the FR 1400B.

In addition, depending upon the vendor selected for the contract award, the vendor is required to submit the Subcontracting Report (FR 1400D), per the frequency outlined in the solicitation clause. In order to comply with the mandate of Section 342(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), the Subcontracting Report collects information regarding the vendor's subcontracting commitments toward diversity and inclusion of minority-owned and women-owned vendors in subcontracting activities.

## **Description of Information Collection**

The Board is continuously seeking vendors who are interested in doing business with the Board through various outreach events, minority/diversity conferences, meetings, and events targeted to either a specific industry classification of vendors or an upcoming acquisition. Vendors are encouraged during these efforts to register in the Board's database of interested vendors (FR 1400A). A vendor searching the Internet can also find the database via the Board's public website<sup>3</sup> and elect to register<sup>4</sup>. In order to register in the Board's database, the vendor is required to provide information including, but not limited to, firm size, status, contact information, and capabilities. This information is then used by Board staff to select vendors who will receive an upcoming solicitation.

Board staff uses various resources to select appropriate potential vendors for providing a particular good or service. In addition to source lists from the Board's database, Board staff uses the internet, Federal Supply Schedule lists, the Federal Business Opportunity website, and lists from other government agencies that have acquired similar goods or services.

In announcing an acquisition, Board staff contacts vendors registered in the Board database<sup>5</sup> via electronic mail or by telephone, and provides the documents and applicable attachments<sup>6</sup> included in the Solicitation Package (FR 1400B).

The Solicitation Package (FR 1400B) includes:

- A cover letter,
- A Solicitation, Offer, and Award Form (Attachment A) which outlines pertinent dates for the vendor as well as requires the vendor to input contact information and a summary of proposed pricing,
- A Supplier Information Form (Attachment N) that requires vendor contact information, demographic, and payment information so that the vendor can be properly established in

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<sup>3</sup> The online registration form can be found on the Board's public website: <https://www.federalreserve.gov/secure/vendorregistration/>.

<sup>4</sup> The FR 1400A was first introduced in 2012, serving as a modified, electronic version of the Supplier Information Form (Attachment N of the SOA / Procurement Package).

<sup>5</sup> Rarely, and only when the Board does not have a capable vendor for a particular opportunity, it can also post the acquisition on the Federal Business Opportunities website (<https://www.fbo.gov/>).

<sup>6</sup> Not all of the attachments included with the Solicitation Package constitute information collections under the Paperwork Reduction Act (44 U.S.C, Chapter 35, Subchapter I, Section 3502). Attachment A (Solicitation, Offer, and Award Form), Attachment I (Past Performance Data Sheet and Past Performance Questionnaire), and Attachment N (Supplier Information Form) are considered information collections and are being cleared collectively under FR 1400B.

the contract writing system and receive payment upon the receipt of a proper and valid invoice,

- A description of the goods or services desired,
- How the Board will evaluate the prospective vendors,
- How the Board will evaluate the proposal,
- Solicitation instructions (how to prepare and submit the proposal, 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
- Representations and certifications vendors make on their own behalf.

The Solicitation, Offer, and Award form (Attachment A of FR 1400B) is required with proposals offered in response to a solicitation issued by the Board. The form captures information regarding the effort and requirements as well as the vendor's information and proposed response in terms of price. If the vendor is selected for award, the Board will complete the remaining section of the form and sign the document so that the award is finalized. The Supplier Information Form (Attachment N of FR 1400B) is required for the entry of a vendor into the Board's contract writing and invoice payment system. The Board is the contracting authority for itself and the Federal Financial Institutions Examination Council (FFIEC), and this form is used to delineate which organization the vendor will be supporting, enabling internal database tracking, proper invoice payment, and tax reporting. Applicants and members of the Community Advisory Council (CAC) also use the Supplier Information Form to provide banking information for travel payments.

As a result of the criteria used by the Board to evaluate proposals, the Solicitation Package may also include the Past Performance Data Sheet and Past Performance Questionnaire (Attachment I of FR 1400B) if past performance is an evaluation factor. Typically, if past performance is considered an evaluation factor, the vendor is asked to submit information on up to three previous contracts whose effort is recent and relevant to the effort required by the solicitation. The Past Performance Data Sheet is completed by the vendor who is submitting a proposal to the solicitation and contains data on the previous contract, such as, period of performance when the work was completed, agency for whom work was performed, estimated total dollar amount of the effort, and a description of the work. The Past Performance Questionnaire is given to the point of contact for the previous contract by the vendor so that the point of contact may complete the questionnaire and provide feedback on the vendor's performance in regards to quality, timeliness, customer satisfaction, staffing, and cost control, as well as overall performance during the course of the previous contract. The Past Performance Questionnaire is submitted directly to the Board from the point of contact for the previous contract. The information in both past performance documents is used solely during the evaluation phase of the acquisition and aids in the designation of rating for the past performance evaluation factor.

In addition, for solicitations that have subcontracting opportunities and are expected to exceed \$100,000 (\$300,000 for construction), a non-covered company vendor is required to submit a subcontracting plan in its own format, with its proposal. Then, if the vendor is the chosen vendor and awarded a contract, the vendor is required to provide the quarterly Subcontracting Reports (FR 1400D) to the Board, which shall document the vendor's

participation achievement on a cumulative basis. Information from the Subcontracting Report is used to assist the Board in fulfilling the requirement in section 342(e) of the Dodd-Frank Act that requires the Board to submit to Congress an annual report regarding the fair inclusion of minorities and women in contracting.

Solicitations that require the vendor to process, store, or transmit data from the Board will contain the Vendor Risk Management Offeror Questionnaire (FR 1400C). The questionnaire will be specific to the security controls surrounding the vendor's proposed application that will be used to process, store, or transmit the data. Security controls will be defined and prioritized based on the Federal Information Security Modernization Act of 2014 (FISMA) and the National Institute of Standards and Technology (NIST) Special Publication 800-53 (Security Controls and Assessment Procedures for Federal Information Systems and Organizations).

All information outlined above is necessary for Board staff to fairly and accurately evaluate the merits of vendors' proposals and to select the proposal most advantageous to the Board, taking into account price and other key factors.

### **Proposed Revisions**

**Removal of Request for Price Quotation (RFP and RFPQ) Form.** The Board has discontinued the use of the RFPQ form and incorporated parts of the form into the FR 1400B.

**Revisions to FR 1400B – Solicitation Package.** The FR 1400B incorporated parts of the previously utilized Request for Price Quotation (RFP/RFPQ) form into the newly titled "Solicitation Package". A solicitation package, depending on the requirements of the acquisition, may include the Solicitation, Offer, and Award (SOA) form, the cover letter, Supplier Information Form, Past Performance Data Sheet, Past Performance Questionnaire, Vendor Risk Management Offeror Questionnaire, and Subcontracting Report.

The Solicitation Package does not change the information collected from vendors during the proposal phase. The SOA revisions included reformatting and updating the document for clarity and relevancy with current procurement trends and requirements. For example, this includes reorganizing sections of the SOA Form so that all sections which relate to the contract and administration are at the beginning of the document, and sections that are for the solicitation phase only are at the end of the document and can be easily removed upon contract award. Additionally, contract clauses needed to be modified to stay relevant with changes to current laws and procurement trends. As a result of these technical revisions, sections and titles within the cover letter are updated accordingly.

**Addition of FR 1400C – Vendor Risk Management Offeror Questionnaire.** The Board added a new form, the Vendor Risk Management Offeror Questionnaire (FR 1400C). The Vendor Risk Management Offeror Questionnaire is designed to capture required information from a vendor for evaluation of the vendor's application that will be used to either transmit, store, or process Board data. The questionnaire is specific to the security controls surrounding the vendor's proposed application that would be used to process, store, or transmit the data. This document and the security controls required are defined and prioritized based on the FISMA and

the NIST Special Publication 800-53 (Security Controls and Assessment Procedures for Federal Information Systems and Organizations).

**Revisions to the FR 1400D - Subcontracting Report.** The Subcontracting Report has undergone grammatical and non-substantive changes to improve the clarity of questions asked and to aid in the reporting efforts of the successful vendor awarded a contract. The Board revised this form to include reporting to align with the subcontracting goals of the Board. The reporting would be required twice a year by the vendor to provide actual percentages of subcontracting efforts against goals it proposed during the solicitation phase.

### **Time Schedule for Information Collection and Publication**

The use and input of vendor information into the Board's vendor database (FR 1400A) is solely at the discretion of the vendor and may occur at any point in time. However, when Board staff issues a solicitation, prospective vendors are told when the product is needed or when the service is to be performed and are given deadlines for inquiries concerning the solicitation as well as for submitting proposals. All proposals submitted by the deadline shall include the SOA and Supplier Information Form (FR 1400B). Certain proposals submitted by the deadline, depending the requirements within the solicitation, shall include the Past Performance Data Sheet (FR 1400B), Past Performance Questionnaire (FR 1400B), or Vendor Risk Management Offeror Questionnaire (FR 1400C). When Board staff has selected a proposal and awarded the contract, all offerors are notified of the decision. The Subcontracting Report (FR 1400D) would be due following contract award and would be submitted electronically and quarterly by the prime contractor.

### **Legal Status**

The FR 1400 is authorized pursuant to sections 10 and 11 of the Federal Reserve Act (FRA) and section 342(c) of the Dodd-Frank Act. Sections 10(3) and 11 of the FRA (12 U.S.C. 243 and 248(l)) grant the Board full authority to manage its buildings and its staff. Section 10(4) of the FRA (12 U.S.C. 244) authorizes the Board to determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid. Therefore, the Board can solicit proposals and seek the information in FR 1400 from prospective vendors. Additionally, the FR 1400 is authorized by section 342(c) of Dodd-Frank (12 U.S.C. 5452(c)), which requires the Board to develop and implement standards and procedures for the review and evaluation of contract proposals and for hiring service providers that include a component that gives consideration to the diversity of a prospective vendor and the fair inclusion of women and minorities in the workforce of such vendor and any subcontractor.

The FR 1400A is voluntary. For prospective vendors that decide to submit proposals to the Board, the FR 1400B, 1400C, and 1400D are required to obtain a benefit, in order to be eligible for the award of a contract.

A vendor generally may request confidential treatment for information submitted during the solicitation process, and the Board will review the request to determine if the data may be kept confidential under exemption 4 of the Freedom of Information Act, which protects from

disclosure trade secrets and commercial or financial information (5 U.S.C. 552(b)(4)).

### Consultation Outside the Agency

There has been no consultation outside the agency.

### Public Comments

On September 28, 2018, the Board published an initial notice in the *Federal Register* (83 FR 49092) requesting public comment for 60 days on the extension, with revision, of the FR 1400. The comment period for this notice expired on November 27, 2018. The Board did not receive any public comments. On December 12, 2018, the Board published a final notice in the *Federal Register* (83 FR 63886).

### Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 1400 is 21,950 hours. The proposed revisions resulted in a net increase in burden of 2,990 hours. These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

<b>FR 1400</b>	<i>Estimated number of respondents<sup>7</sup></i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b>Current</b>				
RFP	350	1	50	17,500
RFPQ	2,200	1	2	4,400
Subcontract Report	150	1	0.33	<u>50</u>
	<i>Total</i>			21,950
<b>Proposed</b>				
FR 1400A	250	1	1	250
FR 1400B	300	1	81	24,300
FR 1400C	20	1	12	240
FR 1400D	75	4	0.50	<u>150</u>
	<i>Total</i>			24,940
	<i>Change</i>			2,990

<sup>7</sup> Of these respondents, 150 for FR 1400A, 180 for the FR 1400B, 12 for the FR 1400C, and 45 for the FR 1400D are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets), [www.sba.gov/document/support--table-size-standards](http://www.sba.gov/document/support--table-size-standards).

The estimated total annual cost to the public for these collections of information is \$1,436,544.<sup>8</sup>

### **Sensitive Questions**

The Dodd-Frank Act requires the Board to develop and implement standards and procedures to assess the diversity policies and practices in all business and activities of the agency at all levels, including procurement, insurance, and all types of contracts. In order to comply with the mandate and reporting of the Dodd-Frank Act, vendors are asked to submit information regarding the ownership of their company based on race and ethnicity in the Supplier Information Form. Also in the Supplier Information Form, vendors are asked to provide banking information to allow for electronic payment.

### **Estimate of Cost to the Federal Reserve System**

There is no cost associated for collecting this information to the Federal Reserve System.

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<sup>8</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$19, 45% Financial Managers at \$71, 15% Lawyers at \$69, and 10% Chief Executives at \$96). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2018*, published March 29, 2019, [www.bls.gov/news.release/ocwage.t01.htm](http://www.bls.gov/news.release/ocwage.t01.htm). Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/).