

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

Abstract

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). This data collection request allows the Baldrige Performance Excellence Program to run the MBNQA.

The purposes and benefits 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 MBNQA is a voluntary award open to any U.S. organization across the sectors of manufacturing, service, small business, education, health care, and nonprofit.

Applicants for MBNQA—those that have received the award and those that haven't—say the Baldrige evaluation process is one of the best, most cost-effective, most comprehensive performance assessments an organization can find.

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

In accordance with The Malcolm Baldrige National Quality Improvement Act of 1987, Public Law 100-107, the applicant organizations that voluntarily participate in the award process submit

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. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

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 comply 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 comply 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 collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

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. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

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 impacts small businesses or other small entities, describe any 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 consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

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 would cause an information collection to be conducted in a manner: requiring respondents to report information to the agency more often than quarterly; requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; requiring respondents to submit more than an original and two copies of any document; requiring respondents to retain records, other than health, medical, government contract; grant-in-aid, or tax records, for more than three years; in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study; requiring the use of a statistical data classification that has not been reviewed and approved by OMB; that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The MBNQA requires thirty (30) paper copies of the MBNQA application and a compact disk of the application. The 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 25 to 30 so that the Baldrige Program can avoid excessive printing costs and time delays, and ensure the quality of the copies. Copies are given to examiners around the country who are securely assessing applications during three assessment periods, respectively. If examiners are unable to complete their assessments, they are dropped from teams and must return their applications; however, new examiners need applications fast to begin their work and eliminate excessive time delays for the applicant organization. Federal staff and contractors have often needed to make copies of applications, which has led to poor quality copies. Therefore, applicants are now asked for five additional copies.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments

on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A 60-day Federal Register Notice soliciting public comment was published on April 19, 2022 (Vol.87, Number 75, pages 23167-23168). No comments were received.

A 30-day Federal Register Notice soliciting public comment was published on July 28, 2022 (Vol. 87, Number 144, pages 45297-45298).

In addition to the Federal Register Notice process which enables both the public and Baldrige Participants to comment on the Program, there are other avenues for comments and feedback to be submitted.

- Each Baldrige Award applicant organization representative and Examiner Applicant (both selected and non-selected) is given the contact information of the Baldrige Program Director. Feedback is encouraged at all times.
- Each Baldrige Applicant is assigned a Baldrige Program Staff Member. Through a scheduled phone call or site visit, the staff member is trained to seek feedback from the applicant organization representative about the process.
- Examiners, during the MBNQA process, have direct access to a Baldrige Program staff member who is assigned to each application. Feedback and comments are encouraged during this point of the process.

9. Explain any decision to provide any payment or gift 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 the assurance in statute, regulation, or agency policy. If the collection requires a system of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

Because some personally identifiable information will be collected and stored in a system of records, appropriate notice in the form of a Privacy Act Notice and SORN notification will be given.

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 justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

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 estimates of the hour burden of the collection of information.

- 30 Award applicants x 30 minutes for MBNQA eligibility form = 15 hours
- 30 Award applicants x 74 hours for MBNQA application = 2,220 hours
- 550 Examiner applicants x 30 minutes for Board of Examiner application = 275 hours

TOTAL: 580 Applicants and 2,510 burden hours

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet).

Our estimate of the total annual cost burden resulting from the collections is as follows:

Eligibility Certification fee (nonrefundable): \$400 (all sectors)

Manufacturing & Service applications: \$20,200

Small Business applications: \$10,800

Education (Nonprofit): K-12: \$4,800

Education (Nonprofit): Higher education: \$10,800

Education (For-Profit): ≤500 Faculty/Staff

Health care: ≤500 Staff

Nonprofit: ≤500 Staff: \$10,800

Education (For-Profit): >500 Faculty/Staff

Health care: >500 Staff

Nonprofit: >500 Staff: \$20,200

Note: If an organization is chosen to receive a site visit, there are additional fees between \$17,000 and \$69,000, depending on the size and sector of the organization.

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

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 reported on the burden worksheet.

An increase in burden hours due to change in anticipated amount of time needed to complete award application.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

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 that display would be inappropriate.

No such approval is requested.

18. Explain each exception to the topics of the certification statement identified in “Certification or Paperwork Reduction Act Submissions.”

No exception to the certification statement is requested.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methods.