

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS <i>OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30</i>				1. REQUISITION NUMBER REQ-4100-16-0009		PAGE OF 1 7		
2. CONTRACT NO. CPSC-D-15-0004		3. AWARD/ EFFECTIVE DATE	4. ORDER NUMBER 0011		5. SOLICITATION NUMBER		6. SOLICITATION ISSUE DATE	
7. FOR SOLICITATION INFORMATION CALL:		a. NAME Cassandra Sterba			b. TELEPHONE NUMBER (No collect calls) 301-504-7837		8. OFFER DUE DATE/LOCAL TIME ET	
9. ISSUED BY CONSUMER PRODUCT SAFETY COMMISSION DIV OF PROCUREMENT SERVICES 4330 EAST WEST HWY ROOM 523 BETHESDA MD 20814				CODE FMPS	10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE: % FOR: <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS <input type="checkbox"/> SMALL BUSINESS PROGRAM NAICS: <input type="checkbox"/> EDWOSB <input type="checkbox"/> 8(A) SIZE STANDARD:			
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE		12. DISCOUNT TERMS Net 30		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) <input type="checkbox"/>		13b. RATING		
15. DELIVER TO CONSUMER PRODUCT SAFETY COMMISSION DIRECTORATE FOR ECONOMIC ANALYSIS 4330 EASTWEST HIGHWAY ROOM 723-02 BETHESDA MD 20814				CODE EC	16. ADMINISTERED BY CONSUMER PRODUCT SAFETY COMMISSION DIV OF PROCUREMENT SERVICES 4330 EAST WEST HWY ROOM 523 BETHESDA MD 20814			
17a. CONTRACTOR/OFFEROR INDUSTRIAL ECONOMICS INCORPORATED 2067 MASS AVE STE 4 CAMBRIDGE MA 02140				CODE	18a. PAYMENT WILL BE MADE BY CPSC Accounts Payable Branch AMZ 160 P. O. Box 25710 Oklahoma City OK 73125			
TELEPHONE NO.				CODE	18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER								
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES				21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	DUNS Number: [REDACTED] COR: Bill Zamula Phone: 301-504-7709 Email: WZamula@cpsc.gov Task order 11 to CPSC-D-15-0004 is hereby issued for the Final Regulatory Flexibility Analysis for Inclined Sleepers, in accordance with the attached Statement of Work and the contractor quote (dated July 12, 2016) for the period of performance of August 2, 2016 through August 1, (Use Reverse and/or Attach Additional Sheets as Necessary)							
25. ACCOUNTING AND APPROPRIATION DATA 0100A16DSE-2016-1412500000-EXHR004100-252H0					26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$31,219.54			
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA					<input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.			
<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA					<input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.			
<input type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED.					<input type="checkbox"/> 29. AWARD OF CONTRACT: OFFER DATED _____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:			
30a. SIGNATURE OF OFFEROR/CONTRACTOR					31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 			
30b. NAME AND TITLE OF SIGNER (Type or print)			30c. DATE SIGNED		31b. NAME OF CONTRACTING OFFICER (Type or print) Eddie Ahmad		31c. DATE SIGNED 8/2/16	

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
0001	2017. Delivery: 08/01/2017 CPSC-D-15-0004, Task Order 11 Final Regulatory Flexibility Analysis for Inclined Sleepers The total amount of award: \$31,219.54. The obligation for this award is shown in box 26.	1	EA	31,219.54	31,219.54

32a. QUANTITY IN COLUMN 21 HAS BEEN

RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
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32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE	

33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER
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38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY
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41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY (<i>Print</i>)	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		41c. DATE	
		42b. RECEIVED AT (<i>Location</i>)	
		42c. DATE REC'D (YY/MM/DD)	42d. TOTAL CONTAINERS

CPSC-D-15-0004, Task Order 11
Final Regulatory Flexibility Analysis for Inclined Sleepers

A. BACKGROUND INFORMATION

The Danny Keysar Child Product Safety Notification Act, section 104 of the Consumer Product Safety Improvement Act of 2008 (CPSIA), requires the U.S. Consumer Product Safety Commission (CPSC or the Commission) to: (1) examine and assess voluntary safety standards for durable infant or toddler products, and (2) promulgate mandatory consumer product safety standards that are substantially the same as the voluntary standards or more stringent than the voluntary standards if the Commission determines that more stringent standards would further reduce the risk of injury associated with these products.

Section 104(f) of the CPSIA defines “durable infant or toddler products” as “durable products intended for use, or that may be reasonably expected to be used, by children under the age of 5 years.” While a number of sleep products were specifically mentioned as a durable infant or toddler product in section 104(f)(2), including cribs and bassinets, inclined sleepers were not.

Inclined sleepers are products primarily intended and marketed to provide sleeping accommodations for children up to five months old that have at least one position with an incline greater than 10 degrees, but less than 30 degrees.

Staff anticipates submitting a briefing package for the Commission to consider for publication as a notice of proposed rulemaking (NPR) in September 2016 with publication in the *Federal Register* to follow shortly thereafter. The public will then have 75 days to submit comments. At that point, CPSC staff will start reviewing comments and preparing a final briefing package for the Commission.

As part of the final briefing package, the Directorate for Economic Analysis (“EC”) is required to prepare a final regulatory flexibility analysis (“FRFA”) of the proposed final mandatory standard. The Regulatory Flexibility Act (“RFA”) requires that proposed rules be reviewed for their potential economic impact on small entities, including small businesses. Section 604 of the RFA requires that CPSC staff prepare a FRFA when the Commission promulgates a final rule, unless the head of the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The FRFA must describe the impact of the rule on small entities and identify any alternatives that may reduce the impact. Specifically, the FRFA must contain:

- a succinct statement of the need for, and objectives of, the rule;
- a summary of the significant issues raised by the public comments in response to the initial regulatory flexibility analysis, a summary of the assessment of the

agency of such issues, and a statement of any changes made in the proposed rule as a result of such comments;

- a description of and an estimate of the number of small entities to which the rule will apply or an explanation of why no such estimate is available;
- a description of the projected reporting, recordkeeping and other compliance requirements of the rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record; and
- a description of the steps the agency has taken to minimize the significant economic impact on small entities consistent with the stated objectives of applicable statutes, including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.

B. OBJECTIVES

The period of performance is twelve months from the date the task is awarded. The contractor shall conduct a conference call with CPSC staff within one week after receipt of the proposed task order.

Subtask 1: Response to comments on the inclined sleeper NPR

The contractor shall review, summarize, and respond to all public comments on the economic impacts of the proposed standard. Comments focused around a common theme may be best dealt with in one comment/response.

The number of comments directed at the notice of proposed rulemaking for section 104 rules varies widely. Frequently no comments are received, while for more important rulemakings (such as the retroactive cribs proposal) upwards of two dozen have been received. Based on recent comment levels for 104 rulemakings, staff does not expect more than 5 comments related to the inclined sleeper initial regulatory flexibility analysis (“IRFA”).

Subtask 2: Market Research

The contractor shall prepare a spreadsheet and other supporting documentation for the FRFA as part of this subtask. It shall also prepare and submit a market research methodology memorandum.

The supporting documentation shall include the name and (where possible) website address for each firm identified as supplying inclined sleepers to the U.S. market. Additional information on each firm shall include: (1) the type of firm (importer, manufacturer, and in some cases wholesaler or retailer); (2) the location of each firm (foreign/domestic) and, where relevant, information about any parent/subsidiary

relationship(s) that may exist; (3) the size of each firm; (4) the number of inclined sleeper models supplied to the U.S. market by each firm; and (5) an evaluation of the significance of inclined sleepers to their product line. Criteria for determining firm type will be provided by CPSC, with input from the contractor. Size determinations will be made based on sales revenue and employment information from financial databases according to SBA guidelines. It is possible that one or more items may not be available for some firms. CPSC will assist the contractor in determining if and when to leave the element unknown.

The contractor shall use the market research conducted as part of the IRFA as a base for the FRFA market research and update it as needed. Only inclined sleepers that are currently part of a suppliers' product line should be included as part of the market research; inclined sleepers that are no longer being manufactured/supplied will not require modifications to meet the staff-recommended mandatory rule.

The contractor shall also evaluate the degree of conformance of each firms' inclined sleepers with the ASTM voluntary standard, as well as their degree of compliance with the proposed mandatory standard, which could be the same thing if staff recommends that the Commission adopt the voluntary standard without modifications. As noted in earlier guidance documents, if one product model is compliant with the ASTM standard, their other product models are assumed to be as well. However, compliance with one ASTM standard does not necessarily indicate compliance with other ASTM standards. In the context of the inclined sleepers' task order, this means that if one of a firm's inclined sleepers complies with the ASTM standard, it can be assumed that all of the firm's inclined sleepers will comply, but compliance with the high chair standard does not necessarily mean anything for compliance with the inclined sleepers' standard. As outlined in the aforementioned guidance document, sources of information about compliance include: (1) whether the firm's inclined sleepers are certified as compliant by the Juvenile Products Manufacturers Association (JPMA); (2) whether the firm claims compliance with the ASTM standard on their website or possibly retailer websites; (3) the firm's involvement in the ASTM standard development process for inclined sleepers; and (4) possibly CPSC testing results, where available.

The contractor shall also, to the extent possible, evaluate each firm's likely testing costs relative to their revenue. Revenue data may be available from the same financial databases that provide sales revenue and employment data. However, other sources may be used as well, and in some cases, particularly with smaller firms, revenue data may be unavailable. An estimate of the cost of testing to the voluntary standard and/or the proposed mandatory standard would most likely be collected from entities directly involved in the testing, such as manufacturer/importers, test laboratories, and JPMA. The contractor will work with CPSC staff to make the appropriate determinations.

Additionally, the contractor shall collect information on inclined sleeper product characteristics for each inclined sleeper model supplied by each firm to the U.S. market.

These characteristics include:

- (1) Price – Usually, this will be the manufacturer’s recommended retail price, but sometimes that is not readily available. In those cases, a range of prices quoted on-line would be an acceptable alternative. This data should be collected as a range of prices for the inclined sleepers in each firm’s product line.
- (2) Type of inclined sleeper – There are a variety of different types of inclined sleepers and inclined products that may be used for sleep that the contractor shall capture in their market research. Based on work performed under the IRFA, these now include: infant hammocks; play yard accessories; and stand-alone inclined sleepers.

The market research supporting documentation shall also include an estimate of national sales. Data that may be used to make this estimate will be provided to the contractor by CPSC. However, additional data may be independently collected by the contractor for this purpose as well.

Finally, the contractor shall assist CPSC in developing a summary table that breaks out all firms based on the following categories: foreign/domestic, manufacturer/importer, small/large, and degree of compliance (with an allowance for unknowns). This information shall be used to verify the numbers in the FRFA, as well as answer questions during the review process.

Subtask 3: Prepare a Final Regulatory Flexibility Analysis (“FRFA”)

The contractor shall provide a baseline analysis using information collected as part of the first two subtasks, as well as information provided by CPSC staff, team meetings, or as part of other inclined sleepers final briefing package memos. The contractor shall include the baseline analysis in their FRFA. A discussion of alternatives and actions taken by staff to minimize the impact of the regulation on small entities shall also be included. The contractor shall provide spreadsheets for the baseline analysis that will allow CPSC to conduct future sensitivity analyses about various assumptions.

Government Furnished Materials: Notes and information collected from internal and external meetings about the development of an inclined sleeper standard. Other memos prepared for the final briefing package (*e.g.* engineering, health sciences, human factors, epidemiology, etc.). Public comments and information about changes that may be made to the staff-recommended standard as a result. Financial reports as needed (and if available).

C. DELIVERY OR PERFORMANCE

The Contractor shall appoint a lead program manager with overall responsibility for performance under the contract. The lead program manager shall be the single point of interface with the government for all matters concerning technical progress and problems, performance, schedule, resources, and other work-related matters.

The following items shall be performed or delivered in accordance with the following schedule:

ITEM	QUANTITY	DELIVERY OR PERFORMANCE
(1) Conference call	1	Within 1 week after award of task order
(2) Draft comment summary and responses	1	Within 4 weeks of receiving public comments from CPSC
(3) Final comment summary and responses	1	Within 2 weeks of receiving comments from CPSC
(4) Draft market research – spreadsheet and other supporting documentation, and well as market research methodology memorandum	1	Within 8 weeks after receiving public comments from CPSC
(5) Draft FRFA, as well as updated draft supporting market research	2 copies	Within 2 weeks of receiving draft FRFA sections from CPSC
(6) Final FRFA, as well as final supporting market research	2 copies	Within 2 weeks after receiving comments on the draft FRFA from CPSC

CPSC staff will review the materials submitted by IEC within two weeks.

All supporting data used in the preparation of the reports shall be provided in either Excel spreadsheets or Word documents. Reports shall be delivered according to the schedule above. Reports shall be emailed to William Zamula (wzamula@cpsc.gov), preferably in some version of Microsoft Word. Technical questions or clarifications about the documents should be directed to William Zamula at 301-504-7709 (voice), 301-504-0109 (fax), or wzamula@cpsc.gov.