

June 2005

IMMIGRATION SERVICES

Better Contracting Practices Needed at Call Centers



Highlights of [GAO-05-526](#), a report to congressional requesters

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Better Contracting Practices Needed at Call Centers

Why GAO Did This Study

The U.S. Citizenship and Immigration Services (USCIS) bureau within the Department of Homeland Security (DHS) provides toll-free telephone assistance through call centers to immigrants, their attorneys, and others seeking information about U.S. immigration services and benefits. As the volume of calls increased—from about 13 million calls in fiscal year 2002 to about 21 million calls in fiscal year 2004—questions were raised about USCIS’s ability to ensure the reliability and accuracy of the information provided at call centers run by an independent contractor.

This report analyzes: (1) the performance measures established by USCIS to monitor and evaluate the performance of contractor-operated call centers; (2) how performance measures were used to evaluate the contractor’s performance; and (3) any actions USCIS has taken, or plans to take, to strengthen call center operations.

What GAO Recommends

To improve USCIS’s evaluation of contractor performance, GAO recommends that USCIS take steps to ensure that performance measurement provisions are finalized before awarding new contracts and that performance evaluation records are properly maintained. DHS generally agreed with GAO’s recommendations and indicated USCIS was taking steps to implement them.

www.gao.gov/cgi-bin/getrpt?GAO-05-526.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Paul Jones at (202) 512-8777 or jonespl@gao.gov.

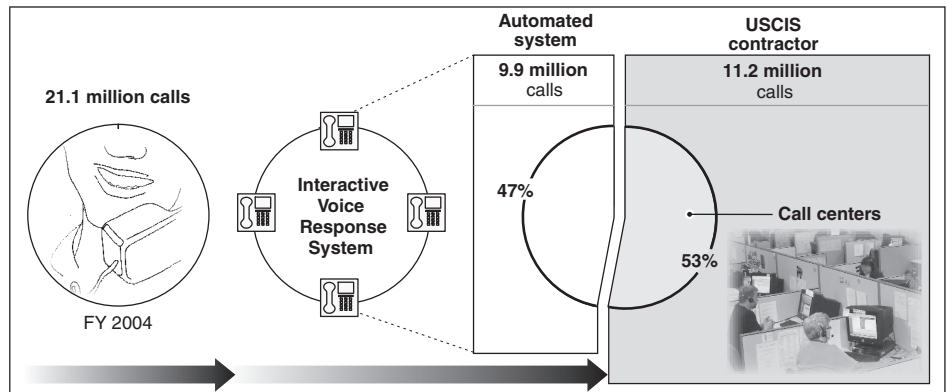
What GAO Found

USCIS developed seven performance measures intended to assess the performance and overall quality of responses provided by customer service representatives at contractor-operated call centers. These measures include how quickly calls were answered and the accuracy of information provided. The contract between USCIS and its contractor stipulated that the contractor could earn financial incentive awards if the average monthly performance met or exceeded the standards on a quarterly basis at each of four call centers. Conversely, financial deductions could be made if the standards were not met.

USCIS did not finalize the terms regarding how the contractor’s actual performance would be calculated, or scored, before awarding the contract. This limited USCIS’s ability to exercise performance incentives (positive or negative) because the parties could not reach agreement on performance terms. USCIS suspended the use of financial incentives while the parties negotiated the issue. Agreement was not reached after 16 months, however, USCIS determined that the contractor had failed to meet standards for 4 of the 7 performance measures in the fourth quarter of 2004 and took action to reduce its payments for services. The contractor objected, citing the lack of agreement on the performance measurements and the impact of workload increases, but USCIS disagreed and stated it would reduce payment. In a separate but related matter, USCIS failed to meet contractual, regulatory, and GAO standards pertaining to how the contractor’s performance would be documented—especially with respect to any deficiencies. Finally, USCIS exercised its option to extend the call center contract through May 2006, to allow time to solicit and award new call center contracts. USCIS said it intends to finalize performance measurement terms in the new contracts.

USCIS used contractor performance data it collected over the course of the contract to identify opportunities to improve customer service and call flow, among other things. Several initiatives were launched as a result.

USCIS Call Flow and Call Volume for Fiscal Year 2004



Source: Developed by GAO from USCIS data.

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Abbreviations

USCIS	U.S. Citizenship and Immigration Services
COTR	contracting officer's technical representatives
CSR	customer service representative
DHS	Department of Homeland Security
FAR	Federal Acquisition Regulation
IIO	immigration information officer
INS	Immigration and Naturalization Service
NCSC	National Customer Service Center
OFPP	Office of Federal Procurement Policy
PRS	Performance Requirements Summary
VA	Department of Veterans Affairs

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United States Government Accountability Office
Washington, DC 20548

June 30, 2005

Congressional Requesters:

The U.S. Citizenship and Immigration Services (USCIS) bureau within the Department of Homeland Security (DHS) provides telephone assistance to customers calling about U.S. immigration services and benefits. USCIS customers—immigrants and their attorneys or family members, employers, and others—can call toll-free for information on such topics as how to become U.S. citizens, obtain work visas, initiate the naturalization process, obtain legal forms, and determine the status of applications for benefits. This telephone assistance service helps customers avoid making visits to USCIS offices, which could require customers to take time off from work and travel long distances. Telephone calls for assistance to USCIS have increased in recent years, from about 13 million in fiscal year 2002 to about 21 million in fiscal year 2004. These calls are handled in a variety of ways: by an interactive voice response system;¹ by four call centers managed by a private contractor (Pearson Government Solutions) engaged by USCIS; and by two call centers operated directly by USCIS.

You expressed interest in how USCIS monitors and evaluates contractor-operated call centers to ensure that they operate reliably and provide accurate information to their growing number of customers. This report addresses the following: (1) What performance measures did USCIS establish to monitor and evaluate the performance of contractor-operated call centers? (2) How were these performance measures used to evaluate the contractor's performance? (3) What actions, if any, did USCIS take or plan to take to strengthen call center operations?

To address these objectives, we obtained and analyzed information from USCIS officials in Washington, D.C., from contractor officials in Arlington, Virginia, and at one of four contractor-operated call centers.² At these locations, we interviewed officials and collected and analyzed pertinent documentation, including descriptions of monitoring and evaluation programs, contract requirements for call center operations, and summaries of call center evaluation results. We assessed the reliability of

¹An automated voice system with a touch-tone menu.

²The contractor considers the locations of its call centers to be proprietary information.

telephone call volume data provided to USCIS by a telecommunications vendor, as well as USCIS and contractor staffing data. To carry out our data reliability assessments, we (1) reviewed information about the data, systems that produced the data, and data quality control procedures, and (2) interviewed USCIS and contractor officials knowledgeable about the data as necessary. We determined that these data were sufficiently reliable for purposes of this report.

We conducted our work between May 2004 and May 2005 in accordance with generally accepted auditing standards. (See app. I for details about our scope and methodology.)

Results in Brief

USCIS developed seven performance measures that were intended to assess the performance of and overall quality of responses provided by customer service representatives at contractor-operated call centers. These measures were described in a contract signed by both parties in January 2002. Two performance measures, for example, were to assess the accuracy of information provided to callers and how quickly calls were answered. Based on provisions in the contract, the contractor could earn financial incentive awards if certain standards or goals set for each performance measure were met or exceeded on a quarterly basis at each of the call centers—for instance, if callers waited an average of 30 seconds to 36 seconds for their calls to be answered. Conversely, the contract provided for negative financial incentives (penalties), whereby USCIS could deduct from payments owed to the contractor on a quarterly basis if the standards were not met.

USCIS collected data on the contractor's performance on a monthly basis since June 2002, when the contract was awarded. However, these data were not used for the purpose of applying financial incentives (either positive or negative) until the fourth quarter of 2004. The use of financial incentives was suspended because USCIS awarded the contract without finalizing how the contractor's actual performance would be calculated, or scored, for the various performance measures. The two parties negotiated on this issue over a period of about 16 months after the contract was awarded before abandoning the effort. Thereafter, USCIS determined that, for the fourth quarter of 2004, the contractor had failed to meet standards for four of the seven performance measures, and announced its intention to reduce payments to the contractor for services. The contractor objected to USCIS's decision on the grounds that the performance measurements had not been finalized and that changes in call center workloads affected the basis for applying financial incentives. USCIS disagreed and stated it

would reduce payment to the contractor. Although this dispute had not been resolved, USCIS exercised its option to extend the current call center contract through May 2006 to allow time to solicit and award new call center contracts. The exercise of this option has no effect on the contract's performance measurement terms, which is the source of the parties' disagreement. In a separate but related matter, USCIS failed to meet contractual, regulatory, and GAO standards pertaining to how the contractor's performance was documented—especially with respect to any deficiencies. For example, USCIS's failure to obtain the contractor's written acknowledgement of USCIS-identified performance deficiencies did not meet the notification procedures established by the contract, documentation requirements of the Federal Acquisition Regulations, and GAO's standards for internal control. Consequently, USCIS did not maintain a complete and reliable record of the contractor's performance needed to ensure accountability.

USCIS used the contractor performance data it collected monthly over the course of the contract to identify opportunities to improve customer service, help better respond to customer inquiries, and manage the flow of calls into call centers. Several initiatives have been launched as a result. For example, USCIS has implemented new call-routing procedures designed, in part, to route customers' calls to service representatives more quickly and reduce delays (on-hold time) that arise when call volume is heavy. These and other initiatives were undertaken by USCIS concurrent with its efforts to negotiate contract differences with the contractor. It is too early to assess the impact of these initiatives.

To improve USCIS's efforts for evaluating contractor performance and encourage quality services at call centers, we recommend that the Secretary of Homeland Security require the Director of USCIS take the following two actions: (1) finalize contract terms related to specific performance measurement requirements, before awarding new performance-based call center contracts; and (2) maintain readily available written records of performance assessments and performance evaluation meetings with the contractor.

DHS and the contractor provided formal comments and technical comments on a draft of this report, which we have incorporated, as appropriate. DHS generally agreed with our recommendations. The contractor said the report accurately summarizes the complex nature of CIS's call center program and several challenges created by significant post-award changes to that program.

Background

The Homeland Security Act of 2002 established USCIS within DHS.³ USCIS is responsible for several functions transferred on March 1, 2003, from the former Immigration Services Division of the Immigration and Naturalization Service (INS) under the Department of Justice.⁴ These functions include providing services or benefits to facilitate entry, residence, employment, and naturalization of legal immigrants; processing applications for U.S. citizenship/naturalization; and rendering decisions about immigration-related matters.

Call Center Operations

The USCIS Information & Customer Service Division is responsible for operating the National Customer Service Center (NCSC), which was established in 1997 to provide nationwide assistance by telephone to customers calling about immigration services and benefits. When a customer calls the NCSC toll-free number (1-800-375-5283), the call is received by the interactive voice response system. The system features automated, self-service options 24-hours a day, 7 days a week. If the system cannot address a customer's concerns or needs or if a customer requests live assistance, then the call is generally routed to one of the four NCSC contract call centers, known as Tier 1.⁵ These four centers are operated by the contractor, Pearson. If a question posed by a customer is particularly complex or otherwise cannot be answered at the Tier 1 level, the call is transferred to one of the two USCIS-operated call centers, known as Tier 2.⁶ Figure 1 shows the organization of NCSC, including the call centers.

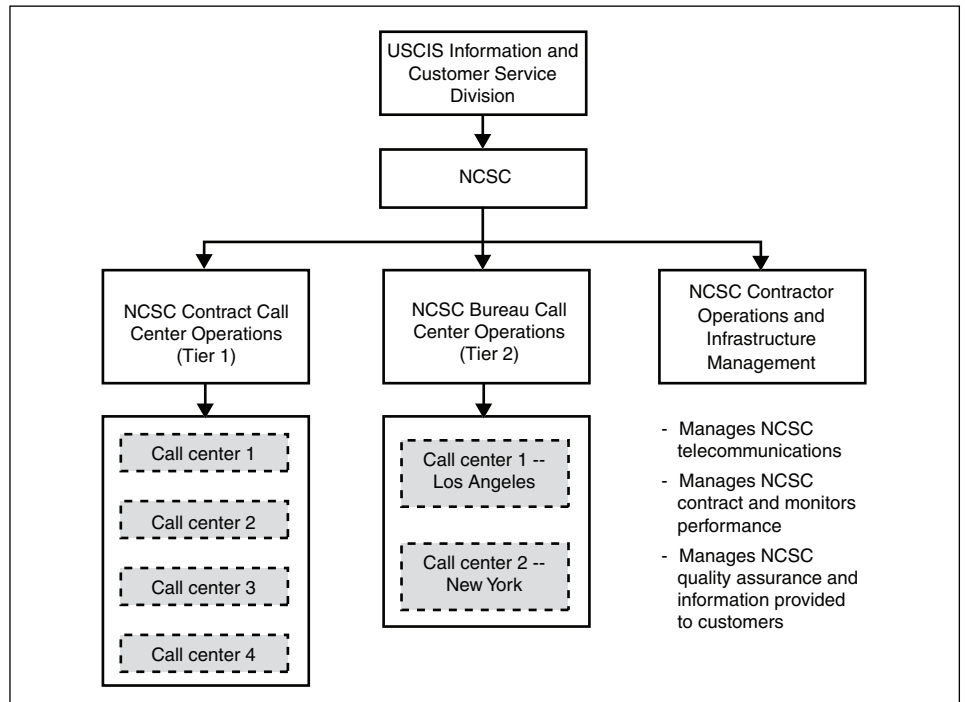
³Pub. L. No. 107-296, § 451 (Nov. 25, 2002).

⁴Throughout this report, we use USCIS to refer to both the new USCIS and the former Immigration Services Division of INS.

⁵If a customer attempts to obtain live assistance outside normal business hours, the customer is told when to call back to obtain the assistance.

⁶In some cases, customers' calls are routed directly from the interactive voice response system to Tier 2, bypassing Tier 1.

Figure 1: Organization of USCIS's National Customer Service Center and Call Centers



Source: Developed by GAO from USCIS data.

In fiscal year 2004, almost half of 21.1 million calls made to NCSC were handled and completed by the interactive voice response system and the rest were generally routed to Tier 1. Customer service representatives (CSR) at Tier 1 respond to inquiries in English or Spanish. The CSRs focus primarily on providing administrative information to customers by using a series of scripts provided by USCIS. For example, if a customer needs what USCIS considers basic information, such as USCIS local offices' hours of operations, eligibility requirements, and procedures to follow, such questions are to be answered by CSRs at Tier 1 call centers using specific scripts. In addition, CSRs are to refer customers to USCIS service centers and local offices, for such things as changes of address and appointment scheduling at USCIS application support centers. (Some of these tasks may alternatively be performed by customers through the USCIS Web site—www.uscis.gov.) As of April 2005, the four Tier 1 call

centers employed over 450 CSRs.⁷ Figure 2 shows CSRs processing calls at a Tier 1 call center.

Figure 2: Tier 1 Customer Service Representatives Processing Immigration-Related Calls at a Contractor-Operated Call Center



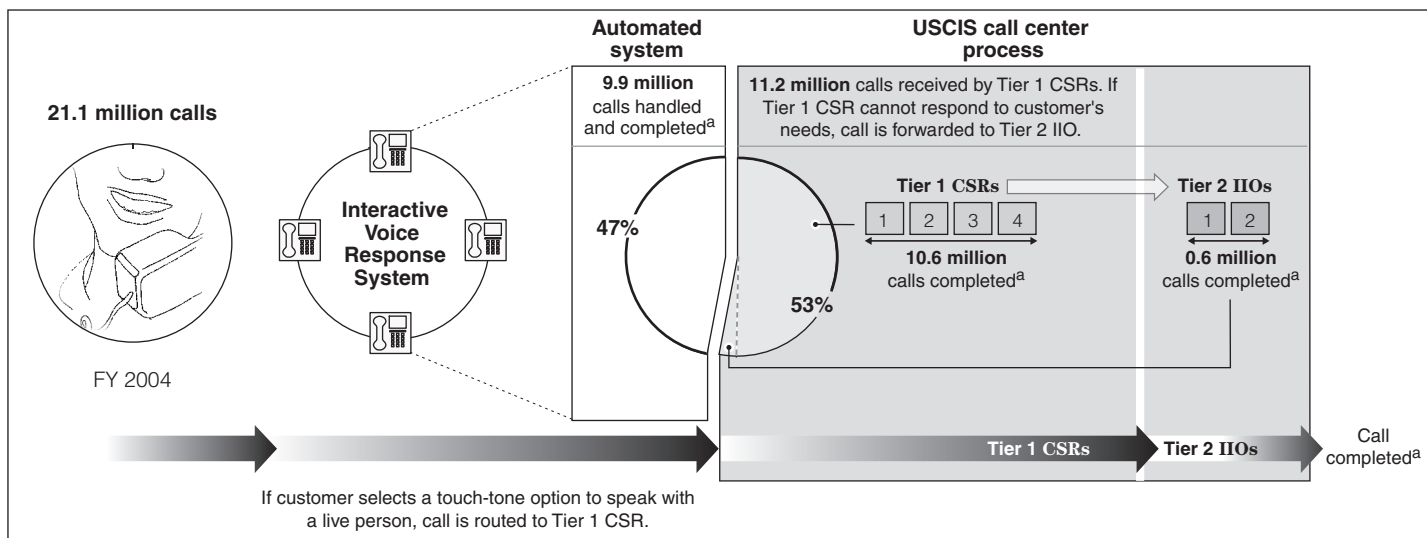
Source: USCIS contractor.

At the two USCIS-operated Tier 2 call centers, calls are handled by immigration information officers (IIO)—immigration specialists with in-depth knowledge of immigration laws, non-immigrant visas, naturalization, asylum and refugee status, and other related policies and procedures. As of April 2005, the Tier 2 call centers operated by USCIS had 111 IIOs. About 5 percent, or about 590,000, of the calls going to Tier 1 CSRs were

⁷The contractor considers the precise number of CSRs at its call centers and their locations to be proprietary information.

rerouted to Tier 2 IIOs in fiscal year 2004. Figure 3 shows the call volume handled by the interactive voice response system, Tier 1 call centers, and Tier 2 call centers during fiscal year 2004.

Figure 3: USCIS Call Flow and Call Volume for Fiscal Year 2004



Source: Developed by GAO from USCIS data.

^a“Completed calls” refer to calls that have ended, not necessarily to calls where customers’ questions or issues have been resolved.

Performance-Based Service Contract

In January 2002, USCIS awarded a performance-based service contract for the management of four Tier 1 call centers.⁸ In making this award, USCIS obtained acquisition services from the Department of Veterans Affairs (VA), and the contracting officer who signed and was responsible for administering the contract was a VA employee working on behalf of USCIS.⁹ The contracting officer’s technical representative (COTR), a USCIS employee, was also responsible for administering the contract. In commenting on a draft of this report, DHS noted that by agreement of both the VA and USCIS, on April 20, 2005, USCIS assumed responsibility for administering the contract. The contract was awarded for a base year,

⁸The term “contract” in this report refers specifically to “Delivery Order No. 591,” which was awarded to the contractor following a competitive procedure through the General Services Administration’s Federal Supply Schedule.

⁹ The contract was awarded before DHS was established while what is now USCIS was part of INS.

beginning on June 1, 2002, plus 4 option years (1-year renewable extensions of the contract, three of which have been exercised as of June 2005). Through calendar year 2004, USCIS paid \$64.6 million to the contractor for the Tier 1 call center operations.

According to the Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget, performance-based service contracts are designed to focus on results.¹⁰ Their purpose is to ensure that contractors are given the freedom to determine how to meet the government's performance objectives, that appropriate quality levels are achieved, and that payment is made only for services that meet these levels. This type of contract is to emphasize standards for customer service and measurement of performance and may offer financial incentives, both positive and negative, to encourage quality performance. According to OFPP, call centers are suited to this type of contract because, among other things, they emphasize achieving results by meeting customer service standards. According to OFPP, with performance-based service contracts, incentive payments made to an independent contractor are to be contingent on the contractor's ability to meet the government's performance standards; the contract does not specify how those standards are to be met. Thus, the contractor retains discretion in determining how to meet performance standards specified in the contract, for example, how many CSRs to hire to ensure calls are answered within a contractually specified time. Other elements suggested for using a performance-based service contract include (1) identifying the agency's needs and addressing those needs with performance requirements that describe required service results; (2) establishing performance standards that describe the required performance level; and (3) establishing a quality assurance plan for assessing contractor performance in order to ensure that the contractor has performed in accordance with the standards.

¹⁰OFPP and the National Performance Review coordinated a federal interagency working group to develop generic performance-based concepts for government agencies to use in the procurement of call center services. The group developed a reference source to help program and acquisition officials draft performance requirements and standards related to call center performance-based contracts: *Performance Based Concepts for Telephone Call Center Contracting*, Office of Federal Procurement Policy (May 27, 1997).

USCIS Established Performance Measures to Assess Contractor's Call Center Performance

USCIS used a multi-faceted approach to monitor and evaluate the quality of information and service provided by CSRs to customers calling contractor-operated Tier 1 call centers.¹¹ This approach used seven performance measures. USCIS obtained performance data from the contractor's monitoring of selected telephone calls; customer satisfaction surveys; and a telecommunications vendor (telephone company).¹² In addition, USCIS used an independent consulting firm to monitor CSRs' telephone calls and conduct a "mystery shopper" program assessing CSRs' responses to customers.

USCIS Set Call Center Performance Measures for the Contractor to Meet

In order to monitor and evaluate the performance of the four contractor-operated Tier 1 call centers, USCIS planned to use seven performance measures. These measures were to evaluate the quality of customers' telephone interactions with CSRs; the accuracy of information provided to callers over the telephone; the accuracy of callers' information recorded by CSRs; callers' levels of satisfaction; how quickly CSRs handled calls (two measures); and the number of calls abandoned by customers put on hold. According to USCIS officials, USCIS established the performance measures based on a review of industry standards for both government and private-sector call center operations. The measures were described in a section of the contract called the Performance Requirements Summary (PRS).

Under the PRS, these performance measures comprised one of three components upon which the contractor's performance score was based. The other two components were the standard, or goal, set for each measure, identifying the performance levels the contractor was expected to meet (e.g., callers will wait an average of 30 to 36 seconds before their calls are answered), and the performance calculation that USCIS would use to analyze performance data (e.g., total delay of all calls divided by the total number of calls).¹³ The PRS listing of the seven performance measures included a "sample calculation" for each of the measures, and

¹¹USCIS monitors and evaluates operations at both Tier 1 and Tier 2 call centers. This report focuses on USCIS's evaluation of Tier 1 contractor-operated call centers.

¹²This telecommunications vendor is also responsible for providing the interactive voice response system and routing customers' telephone calls from this system to Tier 1 and Tier 2 call centers.

¹³In this report, we collectively refer to these three components as "performance measurement requirements."

stated that “actual calculations [are] to be determined during Contract negotiations.”¹⁴ USCIS officials said they intended to negotiate and finalize the calculations after a 4- to 6-month phase-in period, and the contract was awarded with this provisional language.

As to the performance measures and their related standards or goals, three of USCIS’s performance measures are *call quality monitoring*, *accuracy of information provided*, and *accuracy of capturing information*. Data on these measures are to be collected by the contractor’s quality assurance staff, who are to randomly monitor two calls per day for each CSR. (CSRs are not to know when they are being monitored.) The data collected are to be reported to USCIS on a monthly basis. Details on these three measures follow:

- *Call quality monitoring*. Calls are to be monitored by the contractor’s quality assurance staff to assess the CSRs’ “soft skills,” that is, their ability to interact with customers, establish customer rapport, maintain composure during a call, speak with clarity and professionalism, and other factors. Call quality monitoring data are to be captured on a standardized form. CSR responses for each of nine different “soft skills” are scored as percentages, with scores for the most highly valued skills, such as “active listening”—that is, whether the CSR was deemed to be attentive when listening to the customers—given more weight than the scores for other skills. The nine scores (i.e., percentages) are combined for a total “soft skills” score, with 100 percent as the highest possible score. The performance standard stated in the PRS for this measure is that all calls monitored achieve an average score of 90 percent to 95 percent after the nine “soft skills” scores (i.e., percentages) for each call are combined. (See app. II for additional details on the criteria and methodology used to determine soft skills scores.)
- *Accuracy of information provided*. Calls are to be monitored by the contractor’s quality assurance staff to determine, among other things, whether CSRs provided accurate and complete responses. Using a

¹⁴The “sample” terms of the contract were never finalized, leading to a dispute between USCIS and the contractor that remains unresolved (see p. 15). Examples of “sample calculations” listed for different measures in the PRS were “total delay of all calls divided by total number of calls” for determining the average length of time it takes before calls are answered, and “total number of points achieved divided by total number of points available for all quality monitoring scores” for determining call quality. One sample calculation was listed for each measure.

standardized form, the staff score CSRs on five different efforts, such as whether the CSR used software tools appropriately and whether, when the callers were asked directly, they indicated that their needs had been satisfied. The five efforts are scored as percentages, with more weight given to the scores for certain efforts, such as “provides complete response.” The scores are then combined for a total “accuracy of information provided” score, with 100 percent as the highest possible score. The performance standard stated in the PRS for this measure is that all calls monitored achieve an average score of 95 percent to 97 percent after the five accuracy scores (i.e., percentages) for each call are combined. (See app. II for additional details on the criteria and methodology used to determine accuracy of information provided.)

- *Accuracy of capturing information.* Calls are to be monitored by the contractor’s quality assurance staff to determine, among other things, whether CSRs accurately record and verify the callers’ information. The staff assess this measure by scoring four efforts, including whether a referral to a local USCIS service center or local office was completed appropriately and correctly. The four efforts are scored as percentages, with more weight given to the scores for certain efforts, such as “verifies caller’s information.” The scores are then combined for a total “accuracy of information provided” score, with 100 percent as the highest possible score. The performance standard stated in the PRS for this measure is that all calls monitored achieve an average score of 95 percent to 97 percent after the four accuracy scores (i.e., percentages) for each call are combined. (See app. II for additional details on the criteria and methodology used to determine accuracy of capturing information.)

A fourth performance measure of call quality—customer satisfaction—was assessed by an independent consulting firm. Customer satisfaction surveys were conducted on a monthly basis to determine if customers were satisfied with the service that CSRs provided.¹⁵ At least 375 callers are to be randomly selected to be interviewed each month from a population of 10,000 randomly identified callers who called within the 30 days prior to the survey. To measure satisfaction with CSRs, customer responses to four interview questions about CSRs are compiled, and the overall percentage of respondents indicating satisfaction is calculated. The

¹⁵The customer satisfaction surveys ask about customer satisfaction with the interactive voice response system and IIOs, as well as CSRs.

performance standard stated in the PRS for this measure is 80 percent to 85 percent of the customers surveyed indicating overall satisfaction with the CSRs' service. (See app. III for additional details on the criteria and methodology used to determine customer satisfaction.)

Three other performance measures involve the collection of statistical data by the telecommunications vendor for determining how quickly calls are answered. The performance measures and standards in the contract for assessing how quickly CSRs answered customers' calls are as follows:

- *Service level.* The telecommunications vendor under contract with USCIS is to collect information on the number of calls answered by CSRs in 20 seconds or less, that is, the number of callers who spoke to a CSR within 20 seconds after getting through the interactive voice response system. The performance standard stated in the PRS for this measure involves two factors: half-hour increments and the length of time it took CSRs to answer calls. The standard is that for 80 percent to 85 percent of the half-hour increments measured, 80 percent of the calls are to be answered in 20 seconds or less.
- *Average speed of answer.* The telecommunications vendor under contract with USCIS is to collect information on the length of time it takes for CSRs to answer customers' calls after they are routed to Tier 1 by the interactive voice response system; that is, how long callers are on hold before a CSR answers their call. The performance standard stated in the PRS for this measure is that, for all calls routed to Tier 1, callers will wait an average of 30 seconds to 36 seconds.
- *Abandoned calls.* The telecommunications vendor under contract with USCIS is to collect information on the number of calls abandoned by customers after getting through the interactive voice response system and waiting for a CSR to answer, that is, the number of times that customers hang up the telephone while waiting for a CSR. The performance standard stated in the PRS for this measure involves two factors: half-hour increments and how frequently callers abandon their calls. The standard is that for 85 percent to 95 percent of the half-hour increments measured, 1 percent to 2 percent of the calls are expected to be abandoned before a CSR answers.

The contract stated that the contractor would be eligible to earn financial incentive awards if the average monthly performance met or exceeded the

standards on a quarterly basis at each call center, and allowed USCIS to make deductions from payments to the contractor if the average monthly performance fell below the standards.¹⁶ According to the contract, the contractor is not eligible for an incentive award for a particular quarter if one of the performance standards is not met by one call center, and USCIS may make a deduction from payments to the contractor in that case. In addition, USCIS may, at its sole option, elect to include or waive financial incentives as it deems appropriate.

USCIS Carried Out Additional Quality Assurance Efforts

In addition to the performance data collected by the contractor's own quality assurance staff, an independent consulting firm, and the telecommunications vendor, USCIS took two additional steps to measure call center performance for quality assurance purposes. First, to help ensure that the contractor's scoring of call-quality performance measures was reliable, USCIS used another independent consulting firm to validate the results of the contractor's efforts by monitoring two calls per month for each CSR. Data were gathered and provided to USCIS on a monthly basis. (See app. IV for additional details on the criteria and methodology used by the independent consulting firm to conduct call monitoring.)

Second, in April 2003, USCIS engaged the same independent consulting firm to carry out a "mystery shopper" program to assess the completeness and accuracy of CSRs' answers to callers. Under this program, an independent consultant places random calls—1,200 each month—to Tier 1 call centers using various scripts provided by USCIS. As of April 2005, the scripts used in these calls covered 32 different scenarios, or types of calls, and 100 new scenarios were being developed. The calls are conducted in English and Spanish. (See app. V for an example of a mystery shopper scenario.)

¹⁶Up to 10 percent of payments can be added to or deducted from the contractor's billed amounts, depending upon whether or not the performance standards are met.

USCIS Evaluated Contractor's Performance but Suspended Use of Financial Incentives for More Than 2 Years Due to Performance Measurement Dispute

USCIS did not reach agreement with the contractor on how to apply the performance measurement requirements described in the PRS before awarding the performance-based service contract. USCIS suspended all financial incentives, positive or negative, while the parties negotiated this issue over a period of about 16 months without reaching agreement. After negotiations were abandoned, USCIS determined that, for the fourth quarter of 2004, the contractor had failed to meet four of seven performance measures and merited a payment deduction. The contractor disagreed on the grounds that the performance measurements had not been finalized and that changes in call center workloads affected the basis for applying financial incentives. In a separate matter, USCIS failed to ensure that all contractual, regulatory, and GAO standards pertaining to the documentation of the contractor's performance were fulfilled.

USCIS Awarded the Call Center Contract without Finalizing Performance Measurement Requirements

The performance measurement requirements described in the PRS were not completely finalized before the contract was awarded. The language referring to "sample" calculations for determining how performance would be measured remained in the contract after it was in force. In commenting on a draft of this report, DHS said that at the time of the contract award, USCIS management believed it was appropriate to let the winning vendor have some input into the performance measurement methodology since this contract represented a transition to performance-based contracting for call center operations.

The negotiations between USCIS and the contractor on this issue began in January 2003 (after a phase-in period) and continued intermittently until April 2004, when they were abandoned. While negotiations were taking place and after they were abandoned, USCIS obtained monthly data relating to the contractor's performance on the seven performance measures and compared those data to the standards.¹⁷ USCIS considered the measures and standards themselves to be nonnegotiable; the contractor, on the other hand, considered them as part of the "sample calculations" and, thus, negotiable. For over 2 years, USCIS did not use any of the resulting performance scores for the purpose of calculating financial incentive awards or payment deductions under the contract because the terms of the PRS remained unresolved between the parties.

¹⁷USCIS started collecting data on the contractor's performance in June 2002, the first month of the contractor's operations. We are not presenting the performance data used by USCIS because the performance measurement terms of the PRS were unresolved between USCIS and the contractor as of April 2005.

The contractor maintained that the performance scores were “potential scores” and were to be used by the parties in reaching an agreement on how to structure the PRS.

On September 1, 2004, the contracting officer, representing USCIS, sent a letter to the contractor advising that USCIS would begin evaluating the contractor’s performance and determining a financial incentive award or payment deduction for the fourth quarter of the calendar year (October 1 through December 31). USCIS officials told us they decided to take this action because they had concluded that negotiations with the contractor were unlikely to result in an agreement on the PRS. The contractor objected to USCIS’s decision to carry out this evaluation. By letter dated November 29, 2004, the contractor stated that, under the terms of the contract, USCIS could not unilaterally determine the performance measurement requirements because all aspects of the requirements were negotiable, including the performance standards.

The contractor further stated that an evaluation of its performance must take into account certain changes that took place to the work required under the contract. For example, the contractor stated that the number of USCIS-provided scripts, containing information for CSRs to address callers’ inquiries, had grown to more than 2,300 pages from approximately 400 script pages in June 2002.¹⁸ According to the contractor, these changes significantly increased the average amount of time needed to handle a call and affected the contractor’s ability to meet the performance standards imposed by USCIS. According to the contractor, USCIS’s unilateral imposition of performance measurement requirements that did not account for the changed work requirements was inconsistent with Federal Acquisition Regulation (FAR) 16.402(g), which provides that “[i]t is essential that the Government and contractor agree explicitly on the effect that contract changes (e.g., pursuant to the Changes clause) will have on performance incentives.”

Nevertheless, by letter dated February 11, 2005, USCIS’s contracting officer notified the contractor of the evaluation results for the period of October through December 2004. The results showed that the contractor met the standards for three of the seven performance measures and did

¹⁸USCIS revised the scripts to provide new and updated immigration-related information on a variety of topics. In its technical comments on a draft of this report, DHS said that the contractor had been compensated for the increased script content and average call duration.

not meet the standards for the other four measures. USCIS determined that, as a result of this performance, payments due to the contractor for services would be reduced. The letter noted that the contractor could submit its own data regarding performance during this period. Following the review of any data submitted, USCIS would take action to make the appropriate payment deduction, waive the payment deduction, or pay an appropriate incentive award.

The contractor requested, by letter dated February 25, 2005, that USCIS waive implementation of the financial incentives, both positive and negative. The contractor reiterated its position that USCIS's unilateral implementation of the performance measurement requirements as currently written in the contract, without sufficient regard for substantial changes to the contract and the changing nature of the program, was not appropriate. The contractor stated that it was ready to resume negotiations on this subject so that fair and equitable financial incentives would be established. The contractor further stated that it had determined the payment deduction was incorrectly calculated by USCIS.

USCIS's contracting officer responded, by letter dated April 15, 2005, that the government would not agree to waive implementation of the financial incentives and a deduction would be made from the next payment to the contractor. The letter stated that USCIS did not unilaterally create and impose the performance measurement requirements, which were included in the negotiated contract that USCIS and the contractor agreed to. Regarding the contractor's assertion that the average amount of time needed to handle calls had significantly increased, the letter noted that the performance measurement requirements would apply regardless of the average length of calls at any given time.

According to FAR and OFPP guidance¹⁹ on performance-based service contracting, the precise method for measuring performance should have been agreed upon between USCIS and the contractor before the contract was signed and implemented. FAR § 16.401 states that performance-based service contracts should establish "reasonable and attainable [performance] targets that are clearly communicated to the contractor." According to OFPP, performance measurement techniques (i.e., how performance will be assessed to determine whether standards have been

¹⁹*Performance Based Concepts for Telephone Call Center Contracting*, Office of Federal Procurement Policy (May 27, 1997).

met) are essential elements of performance-based service contracting and should be clearly stated. In addition, according to OFPP, performance-based service contracts emphasize that all aspects of an acquisition be structured around the purpose of the work to be performed, that appropriate performance quality levels are achieved, that payment is made only for services that meet these levels, and that financial incentives are awarded to encourage quality performance.

USCIS Plans to Solicit New Tier 1 Call Center Contracts with Changes to Improve Performance

Although the disagreement between the two parties had not been resolved, USCIS exercised its option to extend the current call center contract for another year through May 31, 2006, to allow time to solicit and award new call center contracts.²⁰ The exercise of this option has no effect on the contract's performance measurement terms, which is the source of the parties' dispute. USCIS officials said they plan to award new performance-based service contracts for Tier 1 operations to two vendors, with the two vendors fully operational by June 2006, to improve the handling of customers' calls to Tier 1.²¹

USCIS officials told us they intend for the new contracts to include certain changes meant to improve Tier 1 call center operations and to incorporate OFPP guidance on performance-based contracting. USCIS officials told us that, unlike the current contract, the new PRS will clearly specify how contractor performance will be assessed and will not leave any terms open for post-award negotiation. In addition, USCIS officials said the new contracts will include independent call monitoring and the mystery shopper program as performance measurement tools to assess the quality of the Tier 1 CSRs' responses to customers, including the accuracy and reliability of the information provided. At the time of our review, USCIS officials said that the solicitation was going through DHS's contract review process and DHS had not issued the solicitation for a new contract containing these changes. DHS said in its comments on a draft of this report that the solicitation was with the DHS Procurement Office for review and issuance.

²⁰USCIS officials said that DHS will conduct the acquisition and USCIS will administer the contract, without seeking inter-agency assistance from the VA as it previously did with the current call center contract.

²¹The current contractor may compete for the new contracts.

USCIS and Contractor Did Not Fully Document Quality Assurance Activities

As part of its quality assurance responsibilities under the current contract, USCIS is to keep written records of observations about the contractor's performance based on periodic evaluations comparing performance data to standards in the PRS. USCIS's contracting officer's technical representative (COTR), who is responsible for administering the contract, is to use these written observations to notify the contractor if there are deficiencies—specifically, if the contractor does not meet the performance standards. The contractor is required to sign and date such observations to acknowledge that the COTR apprised it of any deficiencies.

USCIS and contractor officials said they met at least quarterly (monthly, since October 2004) to discuss performance, performance data, and other items. USCIS officials said they provided the contractor with documentation containing performance and other data to discuss at these meetings. USCIS officials said some of this documentation identified performance deficiencies. However, contractor officials said they viewed the performance data as “potential scores” to be considered during negotiations. To the extent that USCIS considered the performance data as notification of deficiencies, it did not follow contractual procedures requiring the COTR to obtain the contractor's signature acknowledging notification of the deficiencies. In addition, neither USCIS nor the contractor kept minutes of these meetings.

According to FAR § 46.104(c), the government should maintain, as part of the performance records of a contract, suitable records reflecting the nature of its contract quality assurance actions. With respect to any performance deficiencies, the government's records should include, among other things, the number and type of defects observed and any actions to correct deficiencies. Further, according to GAO's standards for internal control in the federal government, for an agency to run and control its operations, it must have relevant, reliable information relating to internal events.²² All transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination. This information should be recorded and communicated to management and others within the agency who need it to carry out their responsibilities. GAO's standards provide a framework for establishing and maintaining internal control and for identifying and addressing major

²²GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999); *Internal Control Management and Evaluation Tool*, [GAO-01-1008G](#) (Washington, D.C.: August 2001).

performance challenges. Appropriate and effective internal control is a key factor in helping agencies better achieve program results.

The contract also requires the contractor to provide a quality assurance plan. The plan that was developed by the contractor describes the contractor's approach and strategy for ensuring the delivery of high-quality service. As part of the plan, the contractor is to conduct formal, biweekly internal performance review meetings to help with the identification and correction of performance deficiencies. These meetings are to be attended by contractor and USCIS officials, with contractor staff reporting on quality performance issues, and are to be in addition to the quarterly (now monthly) meetings discussed above. Minutes of the meetings are to identify action items, responsibilities, and solution time frames, and the minutes are to be published for USCIS review. However, a contractor official said that these meetings never took place. According to both contractor and USCIS officials, the quarterly meetings were used to discuss operations and performance and to focus senior management attention on any performance issues.

Under FAR § 37.602-2, the government's quality assurance surveillance plans should include actions to help ensure that the contractor carries out its quality control obligations. By failing to ensure that the contractor held and documented performance review meetings as required by the contractor's quality assurance plan, USCIS did not meet its quality assurance obligations under FAR § 37.602-2 and GAO's internal control standards. In addition, USCIS's failure to obtain the contractor's written acknowledgment of USCIS-identified performance deficiencies did not meet the notification procedures established by the contract, documentation requirements of FAR § 46.104(c), and GAO's standards for internal control.

In its comments on a draft of this report, DHS noted that the contract was administered by a component of the VA until April 20, 2005, and DHS said the VA was provided with documentation discussed at quarterly and monthly performance assessment meetings between USCIS and the contractor. According to DHS, the lack of a clear understanding between USCIS and the VA regarding their roles contributed to the fact that formal documentation and evaluations were not always properly maintained and formally transmitted to the contractor. DHS acknowledged that the agency procuring a service is ultimately responsible for the contract and, thus, USCIS should have clarified its and the VA's roles.

USCIS Has Used Results of Monitoring Efforts to Identify Opportunities to Improve Customer Service and Call Flow at All Call Centers

USCIS used contractor performance data, including the results of surveys, call monitoring, and the mystery shopper program, to identify opportunities to improve customer service, including improving call-response times, help CSRs and IIOs better respond to customer inquiries, and manage the flow of calls into call centers. Following are examples of initiatives that USCIS recently implemented, or was planning to implement, as of April 2005. It is too early to assess the impact of these initiatives.

- USCIS implemented “intelligent call routing” for Tier 1. With “intelligent call routing” in place since February 2004, telephone calls routed from the interactive voice response system to Tier 1 are now routed to the next available CSR, at any of the four Tier 1 contractor-operated call centers. Previously, telephone calls to Tier 1 were routed to the next available CSR in the call center that resided in the same geographic region of the country as the caller. USCIS officials said that by June 2005 they will also have implemented “intelligent call routing” for calls transferred from Tier 1 to the next available IIO at either of the two Tier 2 call centers.
- USCIS implemented “overflow routing.” USCIS started its “overflow routing” initiative in October 2004, enabling certain general call types, identified as “English Other” and “Spanish Other,” to be routed directly from the interactive voice response system to Tier 2 USCIS-operated call centers, bypassing the Tier 1 contractor-operated call centers. Previously, all calls handled by IIOs at Tier 2 were first routed from the interactive voice response system to Tier 1, where CSRs then transferred the calls to Tier 2. USCIS officials said they expect the change will result in 1 to 5 percent of all calls being routed directly to Tier 2, which should help when Tier 1 CSRs cannot handle the call volume.
- USCIS implemented interactive voice response system routing of certain telephone calls to USCIS service centers. USCIS changed its automated interactive voice response system in December 2004 so that certain types of customers’ telephone calls—for example, certain issues concerning new permanent residents, cases already approved or denied, and pending cases—are now routed directly to USCIS service centers, bypassing CSRs at Tier 1. Previously, all customers’ telephone calls that needed to be handled by USCIS service centers were routed by the interactive voice response system to Tier 1. Then, after talking with the customers, the CSRs referred the customers to the service centers (whose employees have access to case paperwork) via e-mail. CSRs were allowed to transfer customers’ telephone calls to service

center personnel only when customers requested emergency and expedited handling of applications.

- USCIS implemented a portfolio management system. Private attorneys, paralegals, and other representatives can use the USCIS Internet Web site to check the status of their clients' immigration cases using a USCIS receipt number. Under the system, USCIS also notifies the representatives via e-mail when a case status changes; for example, when actions are taken, such as the approval or denial of an application. As of April 2005, over 300,000 customers, attorneys, and other representatives had used this system.
- USCIS said it is planning to implement a referral management system. Currently, Tier 1 CSRs send, via e-mail, service request referrals to USCIS service centers and local offices for customers who call wanting to change addresses, schedule and reschedule appointments at application support centers, order forms, and resolve problems. After a referral is made, NCSC does not know whether the service center or local office responded to the customer in a timely manner or even responded at all. To better monitor this process, USCIS plans to implement a referral management system, with such service request referrals placed in a database and assigned a tracking number. The system is to (1) determine the proper service center or local office to process the referral, (2) assign the case to an adjudicator, (3) update the case on a daily basis, and (4) report once a month on case status. The referral management system is planned to be accessible to customers on USCIS's Internet Web site so they can make and track their own service request referrals. In addition, customers without Internet access are to be able to call on the telephone and CSR's will access the USCIS Web site and create referrals for them. USCIS plans that the referral management system will be fully operational during the summer of 2005.
- USCIS is planning a customer service portal on USCIS's Web site. USCIS has a long-term goal of giving customers Internet access to information contained in the "scripts" used by Tier 1 CSRs to answer customers' questions. USCIS plans to establish a customer service portal on the USCIS Internet Web site, providing access to the information. The goal is to let customers with Internet access look up information themselves without having to call NCSC on the telephone, navigate the interactive voice response system, and wait for CSR's to answer. USCIS had not set a time frame for implementing this initiative.

Conclusions

Immigration call centers are a vital information referral source used millions of times by immigrants and other interested parties seeking to obtain needed documents, regulatory information, up-to-date status information on immigration-related benefits and applications, and other information. To ensure that it serves its customers effectively and efficiently, USCIS appropriately used a performance-based contract, but its failure to finalize all aspects of the performance requirements before the contract was awarded hampered its ability to exercise performance incentives in the contract. As a result, USCIS lost the opportunity during the life of the contract to help ensure that it received the maximum level of service from the contractor.

In addition, USCIS did not meet standards promulgated by federal acquisition regulations, GAO, and the contract itself pertaining to documenting the contractor's performance between 2002 and 2004, and adequately documenting notification of the contractor when the government perceived deficiencies in its performance. Failure to generate adequate documentation could impair USCIS's ability to conduct future contract negotiations and to preserve a complete and reliable record of contract performance needed to ensure accountability.

Recommendation for Executive Action

To improve USCIS's efforts for evaluating contractor performance and encourage quality services at call centers, we recommend that the Secretary of Homeland Security require the Director of USCIS take the following two actions: (1) finalize contract terms related to specific performance measurement requirements before awarding new performance-based call center contracts; and (2) maintain readily available written records of performance assessments and performance evaluation meetings with the contractor.

Agency Comments and Our Evaluation

DHS and the contractor provided formal comments and technical comments on a draft of this report, which we have incorporated, as appropriate. In its formal comments, DHS generally agreed with our recommendations. DHS said the draft solicitation for the new contracts specifically identifies performance requirements that are non-negotiable. DHS further stated that, as recommended by GAO, written records of performance assessments and performance evaluation meetings will be maintained and readily available for review by all interested parties. In its formal comments, the contractor provided additional language to further clarify this report. The contractor said the report accurately summarizes the complex nature of CIS's call center program and several challenges

created by significant post-award changes to that program. DHS's and the contractor's formal comments are shown in appendixes VI and VII, respectively.

We are sending copies to the Director of USCIS and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions regarding this report, please contact me at 202-512-8777 or jonesp@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix VIII.



Paul L. Jones, Director
Homeland Security and Justice Issues

List of Requesters

The Honorable John Conyers, Jr.
Ranking Minority Member
Committee on the Judiciary
House of Representatives

The Honorable Bennie G. Thompson
Ranking Minority Member
Committee on Homeland Security
House of Representatives

The Honorable Sheila Jackson Lee
Ranking Minority Member, Subcommittee on Immigration, Border
Security, and Claims
Committee on the Judiciary
House of Representatives

The Honorable Loretta Sanchez
Ranking Minority Member, Subcommittee on Economic Security,
Infrastructure Protection, and Cybersecurity
Committee on Homeland Security
House of Representatives

The Honorable Janice D. Schakowsky
House of Representatives

Appendix I: Scope and Methodology

To determine what performance measures the U.S. Citizenship and Immigration Services (USCIS) established to monitor and evaluate the performance of contractor-operated call centers, we interviewed USCIS headquarters officials in Washington, D.C.; Tier 1 contractor officials in Arlington, Virginia, and at a contractor-operated call center;¹ and an official representing an independent consulting firm under contract to USCIS and located in Fairfax, Virginia. We also collected and analyzed pertinent USCIS and contractor documentation. We collected and analyzed information on the various types of monitoring and evaluation programs used by USCIS, including internal call monitoring, independent call monitoring, customer satisfaction surveys, the mystery shopper program, and telephone call data provided by a telecommunications vendor.

To find out how USCIS used the performance measures to evaluate the contractor's performance, we interviewed USCIS headquarters officials in Washington, D.C., and Tier 1 contractor officials in Arlington, Virginia. We also collected and analyzed pertinent USCIS and contractor documentation.

To determine what actions, if any, USCIS took or planned to take to strengthen call center operations, we interviewed USCIS headquarters officials in Washington, D.C., and Tier 1 contractor officials in Arlington, Virginia, and at a contractor-operated call center. We also collected and analyzed pertinent USCIS and contractor documentation.

We assessed the reliability of telephone call volume data provided to USCIS by a telecommunications vendor, as well as USCIS and contractor staffing data. To carry out our data reliability assessments, we (1) reviewed information about the data, systems that produced the data, and data quality control procedures, and (2) interviewed USCIS and contractor officials knowledgeable about the data as necessary. We determined that the call volume and staffing data were sufficiently reliable for the purposes of this report.

¹The contractor considers the locations of its call centers to be proprietary information.

We conducted our work between May 2004 and May 2005 in accordance with generally accepted auditing standards.

Appendix II: Criteria and Methodology Used by Contractor to Measure Quality of Tier 1 Calls Monitored

Table 1: Call Quality Monitoring or “Soft Skills”

Criteria	Scoring range (0 – 3)	Section score (Percent)
Establish rapport	3	11.5
Maintain composure	3	12.0
Conversational style	3	11.5
Active listening	3	12.5
Efficient call flow	3	12.5
Opening	3	10.0
Call on hold	3	10.0
Call transferred	3	10.0
Closing	3	10.0
Percent compliant		100%

Source: USCIS contractor.

Table 2: Accuracy of Information Provided

Criteria	Scoring range (0 – 3)	Section score (Percent)
Uses software tools appropriately	3	9.0
Provides accurate response	3	28.0
Provides complete response	3	27.0
Provides USCIS content only	3	9.0
Satisfies caller’s needs	3	27.0
Percent compliant		100%

Source: USCIS contractor.

Table 3: Accuracy of Capturing Information

Criteria	Scoring range (0 – 3)	Section score (Percent)
Completes referral when appropriate	3	12.0
Completes referral record correctly	3	28.0
Captures caller’s information	3	30.0
Verifies caller’s information	3	30.0
Percent compliant		100%

Source: USCIS contractor.

Appendix III: Criteria and Methodology Used to Measure Customer Satisfaction with Customer Service Representatives

USCIS and an independent consulting firm jointly developed a telephone survey to measure customer satisfaction with the three levels of NCSC call center service—interactive voice response system, Tier 1 CSRs, and Tier 2 IIOs. To carry out the survey each month, representatives of the independent consulting firm call 375 randomly selected customers. To assess the customers' satisfaction with the CSRs, the representatives read several statements and ask questions for the customers to rate their experiences with CSRs. For the customer satisfaction performance measure required in the contract, USCIS collects and summarizes data on the customers' responses to the four statements below. The customers are asked to rate their agreement with each of the statements using a scale of 1 to 7 (1 is strongly agree and 7 is strongly disagree).¹

1. The representative seemed to fully understand my questions.
2. The representative was polite.
3. The representative did not rush me.
4. The representative answered my questions promptly.

¹The complete scale for the four statements is as follows: 1-Strongly agree; 2-Mostly agree; 3-Somewhat agree, 4-Mixed, Neither agree nor disagree; 5-Somewhat disagree; 6-Mostly disagree; and 7-Strongly disagree.

Appendix IV: Criteria and Methodology Used by Independent Consulting Firm to Measure Quality of Calls Monitored

An independent consulting firm scored CSRs on 23 separate quality assurance factors as follows.

Service orientation	Greeted customer Verified customer Established rapport Used customer name Expressed empathy Maintained composure Expressed commitment Offered additional assistance Terminated call appropriately
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Issue identification	Obtained information Listed actively
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Issue resolution	Took responsibility Provided thorough information Summarized actions
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Communications	Projected enthusiastic tone Conveyed confidence Spoke with clarity Used appropriate language
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Call management	Controlled call Used time efficiently Minimized "dead air" Extended hold courtesies Transferred call appropriately
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Appendix V: Mystery Shopper Scenario Example

U.S. Citizen Who Wants to Bring a Fiancé to the United States Script 1.1

You, the Customer/Shopper are:

- A U.S. citizen who wants to bring your fiancé to the United States to get married to him/her here. Your fiancé presently lives outside of the United States. You met in person a year ago. You have been married once before and got a divorce 4 years ago.

Inquiry You Have for the Customer Service Representative (CSR):

- My fiancé lives in (country of choice) and I would like to bring him/her here to get married. What do I need to do?

Questions the CSR Should Ask you:

- Are you a U.S. citizen? (Yes)
- Have you or your fiancé ever been married before? (Yes, I was married once before and got a divorce 4 years ago)
- Have you met your fiancé in person within the last 2 years? (Yes, a year ago)
- Where is your fiancé currently living? (Pick a country outside the U.S.)

CSR Answers Should Have the Following Elements:

- Since you are a U.S. citizen, you can file a fiancé(e) petition on behalf of your fiancé(e).
- In order for your fiancé to come to the U.S. to marry you, you will need to file the **Form I-129F** on your fiancé's behalf. You will also need to include a **Form G-325A**, one for you and one for your fiancé.
- You can either download the **Form I-129F** and the **Form G-325A** from our Web site at www.uscis.gov or we can send it to you in the mail.
- In your petition you must prove that:
 - You have met your fiancé(e) in person within the past 2 years (there are only very limited exceptions to this requirement); and
 - Both you and your fiancé(e) are legally free to marry; and
 - You and your fiancé(e) have already decided to marry one another. You simply want to have the ceremony conducted in the U.S., and plan to marry within 90 days after s/he enters the U.S.
 - Since you indicated you were previously married, you will also need to submit copies of documents showing that your previous marriage was legally terminated.
 - If CIS approves the **Form I-129F**, it will be sent to the U.S. Consulate/Embassy nearest your fiancé(e). They will contact your fiancé(e) so he/she can be interviewed for a fiancé(e) visa. If your fiancé(e) is granted the visa, he/she will be able to come to the U.S. for up to 90 days so that you can get married to each other.
 - Fiancé(e) status automatically expires after 90 days. It cannot be extended for any reason. If you don't get married within 90 days after your fiancé arrives, he/she must leave the U.S. or s/he will be in violation of his or her immigration status.

CSR Bonus Information

Bonus Information Should Have all of the Following Elements:

- When you get married within the 90 days, your fiancé becomes your spouse and can apply immediately for permanent resident status.
- After your fiancé enters the United States and you get married, if you need more information about applying for permanent resident status, please see our web site at www.uscis.gov or call us.

Black – Customer/Mystery Shopper/Aon Scenario

Blue – Customer/Mystery Shopper/Aon

Purple – CSR/Pearson

Green – Bonus Questions and Answers

Source: USCIS.

Appendix VI: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

June 17, 2005

Mr. Paul L. Jones
Director, Homeland Security and Justice Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Jones:

RE: Draft Report GAO-05-526, Immigration Services: Better Contracting Practices Needed at Call Centers (GAO Job Code 440318)

The Department of Homeland Security (DHS) appreciates the opportunity to review and comment on the Government Accountability Office's draft report. As the auditors noted, United States Citizenship and Immigration Services (USCIS) call centers are a vital information referral source used millions of times by immigrants and other interested parties seeking to obtain needed documents, regulatory information, status on immigration-related benefits and applications, and other information. The Department and USCIS appreciate that GAO recognized USCIS' use of contractor performance data, including the results of surveys, call monitoring, and the mystery shopper program to improve customer service. Management and staff at USCIS are proud of the success of the call centers to date.

GAO concluded that to improve efforts for evaluating contractor performance and encourage quality services at call centers, USCIS officials should (1) finalize contract terms related to specific performance measurement requirements before awarding new performance-based call center contracts; and (2) maintain readily available written records of performance assessments and performance evaluation meetings with the contractor. We generally agree with the GAO's recommendations and offer comments on each recommendation.

In order to provide better context, we request that GAO mention early in the body of the final report that the contract in question was awarded and administered by a component of the Veterans Administration for the Immigration and Naturalization Service (INS), which included what is now USCIS. The contract was awarded to Pearson Government Solutions (the vendor) in January 2002, fourteen months before the DHS was established. This information is not found in the body of the draft report aside from a footnote.

www.dhs.gov

With respect to recommendation one, performance measures were, in fact, detailed in the call center contract. The final methodology by which performance against the group of stipulated criteria would be weighed remained to be finalized. At the time of the award, INS management believed it appropriate to let the winning vendor have some input into the mechanics of the methodology since this contract represented a transition to performance based contracting for call center operations. However, this approach resulted in subsequent discussions with the vendor about performance that delayed application of the incentive and disincentive clauses.

USCIS' new solicitation specifically identifies six contract performance requirements that are non-negotiable. The solicitation fully delineates evaluation mechanics and methodology, and states the contractor will be evaluated for performance incentives or disincentives beginning 90 days following the operational date of contract services. The solicitation is currently with the DHS Procurement Office for review and issuance. The GAO was provided a copy of the proposed solicitation in February 2005.

The report acknowledges USCIS' plans in this regard, but then states on page 18 of the draft: "However, at the time of our review, CIS had not yet issued a solicitation for a new contract confirming its intention, nor was any other confirmation provided in writing." USCIS officials disagree with the statement since the GAO had a copy of the proposed solicitation. Had GAO indicated it needed further written confirmation since the new solicitation has not yet been released, USCIS would have provided it.

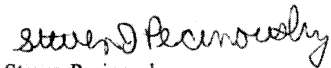
GAO also recommended that USCIS maintain readily available written records of performance assessments and performance evaluation meetings with the contractor. Just as INS and subsequently USCIS found that it is important to finalize all performance criteria and evaluation methodologies before releasing a solicitation, its experience with this procurement equally demonstrates the importance of clearly identifying respective roles when one agency uses another as a service provider. As noted above, the contract GAO reviewed was administered by a component of the Veterans Administration. VA received a 1 percent contract fee to provide contract administration services, including, but not limited to, Statement of Work review and issuance; contract negotiations; contract and performance documentation; and contract advisory services.

USCIS' experience with the contract has shown that roles were not sufficiently clarified with VA. As GAO noted in the report, from the beginning INS and then USCIS conducted monthly and quarterly performance assessment meetings with the call center contractor. These assessments included a review of the contractors' performance in relationship to the metrics outlined in the Statement of Work. These materials were also provided to VA. The lack of a clear understanding between the two agencies contributed to the fact that formal documentation and evaluations were not always properly maintained and formally transmitted to the vendor. We acknowledge the agency procuring the service is ultimately responsible for the contract and thus INS/USCIS should have clarified its roles with the VA.

By agreement of both VA and USCIS, on April 20, 2005, USCIS assumed the responsibility for administering this contract. Additionally, USCIS plans to administer the successor procurement now under development. As recommended by GAO, written records of performance assessments and performance evaluation meetings will be maintained and readily available for review by all interested parties.

We are providing technical comments to your office under separate cover.

Sincerely,



Steven Pecinovsky
Director
Departmental GAO/OIG Liaison Office

Appendix VII: Comments from Pearson Government Solutions



June 15, 2005

Mr. Paul L. Jones
Director
Homeland Security and Justice
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

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Dear Mr. Jones:

We appreciate the opportunity to comment on the GAO draft report (GAO-05-526) regarding the USCIS management of call center contracts. Overall, the report accurately summarizes the complex nature of CIS' call center program, and several challenges created by significant post-award changes to that program. However, we believe the report would benefit from additional clarification on the following points:

Contract Changes Resulted in Challenging Negotiations

The draft report explains that during a 16 month period following contract award, CIS and Pearson Government Solutions negotiated on how performance metrics would be scored. Pearson's objective during these negotiations was to define performance metrics that were reasonable and attainable given the significant and ongoing changes made to the contract following the award. In the end, although the negotiations were substantive they did not produce an agreement.

CIS Metrics Do Not Reflect Changes

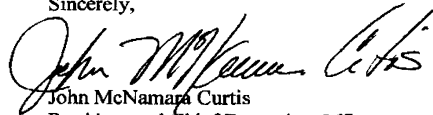
CIS unilaterally decided to apply performance measurements to the contract that were unacceptable to Pearson. We objected for two reasons: the contract requires mutually agreed upon performance measurements; and CIS' performance measurements did not take into account changes to the work required by the contract. For example, as the report states, the number of scripts CSRs are required to use in responding to callers increased from 400 to over 2,300. However, CIS's performance measurements did not reflect this or other changes. As a result CIS determined that PGS did not meet 4 of the 7 metrics for the fourth quarter of 2004, triggering a payment reduction. Although we object to this determination, we stand ready to work with CIS to establish fair and equitable financial incentives.

Pearson Government Solutions manages citizen interaction programs for governments worldwide. We understand what it takes for contact center programs to be successful even with unexpected dynamic changes. As with all contracts, the contractor and government must work together to identify resources needed to respond to changes, agree on expected outcomes, and ensure that performance measurements and contract

modifications reflect unexpected changes. The CIS program has had challenges in this regard. However, despite these challenges, we have worked closely with CIS to provide high-quality service and will continue to do so.

In closing, I want to commend your team's efforts to thoroughly assess and accurately summarize these complex issues. We appreciate the opportunity to present these comments on the draft report. Please do not hesitate to contact me or my staff if you have any questions.

Sincerely,



John McNamara Curtis
President and Chief Executive Officer
Pearson Government Solutions

Appendix VIII: GAO Contact and Staff Acknowledgments

GAO Contacts

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Staff Acknowledgments

In addition to the above, Darryl W. Dutton, Ronald G. Viereck, Brian J. Lipman, Christine F. Davis, Amy L. Bernstein, and Michele C. Fejfar made key contributions to this report.

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