

U.S. DEPARTMENT OF COMMERCE
Office of Inspector General



**PUBLIC
RELEASE**

BUREAU OF THE CENSUS

*Telephone Questionnaire Assistance
Contract Needs Administration
and Surveillance Plan*

Final Inspection Report No. OSE-12376/August 2000


Office of Systems Evaluation





August 8, 2000

MEMORANDUM FOR: Dr. Kenneth Prewitt
Director, Bureau of the Census

FROM: Johnnie E. Frazier 

SUBJECT: *Telephone Questionnaire Assistance Contract Needs
Administration and Surveillance Plan*
Final Inspection Report No. OSE-12376

The decennial census is the nation's most comprehensive and expensive statistical data gathering program. The accuracy of the data collected is critical since the information, among other things, is used to reapportion seats in the House of Representatives and affects the proportional funding of many federal programs. In an effort to increase questionnaire response rates, the bureau has attempted to simplify the response process by providing the public with assistance and multiple ways to respond. One of these ways is through the Telephone Questionnaire Assistance (TQA) program, which offers publicized toll-free telephone numbers that allow respondents to ask questions and, if they choose, to complete the questionnaire over the telephone.

The TQA program involves both inbound and outbound operations. The inbound operations enable the public to call the bureau for assistance through an integrated network of call centers using interactive voice response technology and live operators. Outbound operations enable the bureau to call households to resolve count inconsistencies, such as a difference between the number of household members reported and the number of persons for whom census information was provided on the questionnaire. Also, due to space for only six persons on the questionnaire form, telephone interviews are being conducted to obtain additional information for households reporting more than six.

In our review of TQA contract and program management, we found that the bureau had not developed a contract administration and surveillance plan. Such a plan is needed to ensure that the government (1) receives the quality of services called for under the contract and (2) pays only for the level of services received. We believe that a plan is necessary for the remaining contract period and will help ensure a smooth contract closeout. We also found that despite considerable schedule delays during TQA system development and testing, inbound operations began on March 3, 2000, as planned. However, the start of outbound calling was delayed from April 5 to early May in order to conduct additional system testing. According to the bureau, the delay will have no impact on the overall decennial census schedule, and the program can be completed within budget.

We met with program and contracting officials regularly during our review to discuss contract and schedule status and have been working with the bureau regarding the need for a contract administration and surveillance plan, including what its content should be at this stage of the program. We formally discussed our findings with bureau officials at an exit conference held on April 11, 2000.

In its written response to our draft report, the Census Bureau agreed to implement our recommendations but disagreed with certain aspects of our observations. In particular, the bureau indicated that (1) we did not acknowledge the contract monitoring activities that were performed, (2) it had not made unauthorized contract changes, and (3) the changes discussed were not the result of changes in requirements. Our principal concern regarding contract monitoring is the lack of a formal contract administration and surveillance plan, which is critical to the efficient and effective management of performance-based service contracts. At the same time, we recognize that the bureau performed a variety of informal contract monitoring activities, and we have added some examples to this final report. We have provided a synopsis of the bureau's response and our comments after each observation, including comments addressing the contract changes. We have also updated the report to reflect changes in the TQA schedule since the time of our draft. The bureau's complete response is in the appendix. We want to thank the Decennial Systems and Contract Management Office staff for their assistance during this review.

BACKGROUND

The bureau issued a request for information in the spring of 1997 to obtain basic knowledge about the call center industry's ability and interest in participating in the TQA program. Using a streamlined acquisition process, the bureau established a project team to determine the appropriate method for acquiring the TQA system. Based on responses to the information request, the bureau found that significant industry interest and capability existed and decided that an integrated system of call centers managed by a prime contractor was the best approach. Because of the nature of the services required, we suggested and the bureau concurred that performance-based elements should be included in the contract. As is appropriate, requirements were identified on the basis of *what* tasks needed to be done and *what* results were desired (rather than *how* the work would be done), and performance standards and measurement techniques were established.

The bureau issued a request for proposals on August 18, 1998, and awarded a contract to Electronic Data Systems on December 22, 1998. The contractor is required to design, develop, test, modify, operate, and maintain the TQA system. System development tasks are cost-plus-fixed-fee, and operation and maintenance tasks are fixed-priced. The telephone call center network is designed to handle an estimated 11 million incoming calls for information through 22 call centers during a 14-week period, as well as an estimated 3.12 million outgoing calls from 13 call centers during a 12-week period to resolve questionnaire response discrepancies or obtain

missing information on the number of people in a housing unit. The contractor, along with 10 partners, is using a complex system of 23 integrated call centers with interactive voice response capability and live operators to meet the requirements of the TQA contract. The contract is two years in duration and has a ceiling of \$100 million. The bureau's Decennial Systems and Contract Management Office in the Decennial Census Office is responsible for TQA program and contract management.

Inbound operations began on March 3, 2000, and at the time of our fieldwork, were scheduled to continue through June 8. Since that time, the bureau decided to extend TQA to June 30, in response to a number of jurisdictions that initiated promotional efforts to have people call TQA if they did not receive a questionnaire. These promotional efforts started late in the decennial census process, close to when the bureau originally planned to close the TQA service. Outbound operations were scheduled to begin on April 5, 2000, but were delayed until May 8 for additional testing. At the time of our fieldwork, outbound calling was scheduled to finish in mid-July. The bureau is now considering extending the completion date to mid-August to increase its chances of reaching every case that requires a bilingual agent and to maximize its ability to reach all outstanding households. According to the bureau, subsequent operations will not be adversely affected by the extension of the completion date.

PURPOSE AND SCOPE

The purpose of our review was to evaluate the administration of the TQA contract. We reviewed documentation pertaining to the acquisition, particularly relating to contract and program management. We were also concerned with the slippages in schedule caused by requirements and site changes. Our review was conducted from October 1, 1999, through February 22, 2000. We have remained in close contact with bureau officials since that time to follow up on the status of TQA inbound calling operations and outbound calling preparations.

Our work was performed in accordance with the Inspector General Act of 1978, as amended, and the *Quality Standards for Inspections*, March 1993, issued by the President's Council on Integrity and Efficiency.

OBSERVATIONS

I. A Contract Administration and Surveillance Plan Needs to Be Developed and Implemented

According to the Office of Federal Procurement Policy, an important requirement for performance-based services contracts is a government plan that describes how the contractor's performance will be measured against the performance standards. However, because the bureau did not prepare a contract administration and surveillance plan for the TQA contract, its ability to efficiently measure contractor performance and manage contract changes appropriately may be hampered. We believe that insufficient staffing of the program office and the limited experience of program personnel with large-scale contracts led to the omission of this important management mechanism.

Although the bureau has experience using in-house staff to provide telephone questionnaire assistance during previous decennial censuses and the 1998 Dress Rehearsal, the 2000 Decennial Census is the first time that this service has been contracted out. The TQA program management office within the Decennial Systems and Contract Management Office consists of a staff of seven government personnel and support contractors. Efforts to recruit additional experienced staff were reportedly hampered by the inability of bureau management to offer permanent positions and match private industry salaries due to federal hiring constraints. While a staff of only seven is rather small for managing a program of the size and complexity of TQA under any circumstances, it is even more problematic for this program because staff members have little experience in managing large-scale contracts. Despite its small staff and limited large-scale contracting experience, the program office is responsible for numerous complex tasks, such as providing technical guidance; defining and clarifying requirements; performing oversight of testing; monitoring contract cost, schedule, and technical performance; and negotiating contract changes.

Before the request for proposals was issued, we recommended that the bureau use performance-based service contracting concepts. Federal Acquisition Regulation Subpart 37.6 prescribes policies for using a performance-based approach to service contracting, which emphasizes objective, measurable performance requirements and quality standards in preparing statements of work; selecting contractors, contract type, and incentives; and performing contract administration. According to the Office of Federal Procurement Policy's *Performance Based Concepts for Telephone Call Center Contracting*, performance-based service contracting, "with its emphasis on standards for customer service, incentives, and measurement of performance, offers an excellent opportunity to save money while obtaining improved performance in areas where the government directly interacts with the public." In addition, because this method of contracting focuses on results rather than process, it gives contractors the freedom to determine the best way to meet the government's objectives.

Although the TQA program office developed a performance-based statement of work and included measurable performance standards, important aspects of performance-based service contracting were not implemented. Most important is a contract administration and surveillance plan. Although the contractor developed its own quality assurance plan, the bureau has neither documented what it must do to ensure that the contractor has performed in accordance with the performance standards nor defined the surveillance method and schedule (e.g., 100 percent inspection, periodic inspection) that it will use. For example, the surveillance method could be random sampling of incoming calls, and the schedule could call for sampling on a daily basis. The TQA program office did implement a variety of processes to assist in monitoring performance, such as on-site observation and remote monitoring of call center agents. However, there is no formal mechanism for providing feedback to the contractor about how it is performing as measured against the standards, and if performance is deficient, there is no mechanism for providing immediate notification to the contractor and for monitoring corrective action. Because a surveillance plan helps define the amount of contract administration needed and promotes efficient use of time and resources by focusing on the major outputs of the contract, it is particularly important for the TQA contract because of the small size of the program office.

Implementation of the performance-based methodology requires the use of contract types that are likely to motivate contractors to optimal performance, and FAR 37.602-4 states that these contracts should include positive and negative incentives tied to the government's performance measurements. These incentives should be included, to the maximum extent feasible, if the acquisition is either critical to agency mission accomplishment or requires a relatively large expenditure of funds. The TQA contract satisfies both of these criteria. However, the bureau awarded a cost-plus-fixed-fee contract, a type that offers little or no incentive for cost control, efficiency, and maximizing performance. The only incentive provided is the possibility of a negative past performance report in future contracts, and although important, this incentive is not explicitly tied to the contract's performance measurements.

An important aspect of contract administration is contract change control. When the TQA contract was awarded in December 1998, and the subsequent task order for development was issued in January 1999, the bureau had not yet identified its detailed requirements for outbound calling, and the statement of work contained only broad requirements for this program. In addition, the requirements for inbound calling operations were still subject to change. As development began and progressed, changes were made informally through discussions with the contractor during weekly meetings and telephone calls. Consequently these changes, as defined by the Changes Clause, FAR 52.243, were made without formal consideration of their cost and schedule impacts (such as cost analysis and cost reasonableness determinations), and without the authority of the contracting officer. A change control process was established in August 1999, eight months after contract award and well into system development. Before that time, the task order had been increased by \$2.3 million.

A formal change control process establishes procedures and guidelines for initiating and implementing changes. A thorough evaluation of prospective changes should be made before implementing them. Once contract changes are made, they should be incorporated into project plans, so that the program can be managed based on the changes. A change control process should provide procedures for analyzing costs, determining how the schedule will be impacted, and assessing whether contract performance will be affected. Also, a determination should be made that the change is within the scope of the contract, or whether it constitutes new work. Formal contract administration plans provide for the development and implementation of a change control process. Also, FAR Subpart 43.102 stipulates that only contracting officers have the authority to execute contract modifications and that other government personnel shall not direct or encourage the contractor to perform work that should be the subject of a modification.

Without the benefit of a contract administration plan, a control process was not put in place until well into TQA system development. Informal changes, or unauthorized commitments, are risky for both the government and the contractor because the impact on contract cost, schedule, and performance is usually not analyzed at the time the changes are made, potentially causing poorly validated contract costs, negative schedule impacts, and work to be performed that is outside the scope of the contract. The contractor incurs additional risk by performing work that has not been documented and incorporated into the contract, and for which it may not be compensated.

Census Bureau Response

The bureau indicated that our draft report did not acknowledge all of the processes implemented to monitor contractor performance. The bureau also commented that it did not recall our making suggestions regarding the type of contract used for the TQA program, and it stated its belief that past performance is a very powerful incentive on this contract because of the program's high visibility and the potential for negative public relations if performance were inadequate. The bureau also took issue with our statement that the \$2.3 million in changes were made without formal consideration of their cost and resulted in unauthorized commitments, noting that the contracting officer was fully informed and in agreement with the types of refinements made. Finally, the bureau disagreed that the contract cost increases were due to changes in requirements.

OIG Comments

We understand that the bureau performed numerous contract monitoring activities. We have subsequently included several examples in our final report, and the bureau's response identifies additional activities. However, our primary concern continues to be the lack of *formal* mechanisms for furnishing feedback to the contractor and for providing immediate notification of deficient performance and monitoring corrective actions. Efficient and effective monitoring of a

contract of such magnitude as TQA requires a formal plan. As for our suggestions about contract types, we submitted written comments on the draft request for proposals, via e-mail, on August 10, 1998. At that time, we questioned the use of an indefinite-delivery task order contract, and suggested the use of incentives focusing on timeliness, quality, technical ingenuity, and management. We were told in a subsequent meeting that a task order contract was used due to budgetary constraints and that incentives were not feasible. With regard to past performance, while the TQA contractor may be motivated to perform well because of public relations concerns, we also believe that specific incentives, as prescribed by the FAR for performance-based contracts, should have been used to encourage superior performance in areas of particular importance to the bureau.

As we previously noted, without a cost analysis or cost reasonableness determination, the \$2.3 million contract increase was made without formal consideration of its cost and schedule impacts and without the contracting officer's authority, notwithstanding the contracting officer's being informed. The bureau stated in its response that the cost increases reflected the refinement of the contractor's approach to providing the services necessary to meeting the bureau's requirements. Although the bureau may view its program requirements as having remained unchanged, the additional items and efforts, in fact, are considered contractual requirements changes under the FAR because they increase the cost, time, and performance requirements of the contract.

II. Slippages in Contract Schedule Caused Delays in System Testing, but Program Operations Began on Schedule

During our review, we became concerned about significant slippages in schedule, which eventually resulted in revised testing strategies for the TQA system. Several factors contributed to these delays, including delays in site selection, additions and changes to requirements, and underestimation of system complexity.

For example, system integration testing was delayed two months. This testing was to be performed on the computer and telecommunications hardware and software that make up the TQA system and included all existing systems that had to be integrated with new hardware and software to meet program requirements. Original schedules called for testing to begin on September 17 and end on December 7, 1999. However, testing had to be delayed until November 29, 1999, and did not end until February 11, 2000, less than one month before the start of TQA operations. The Live Test Demonstration, a major contract deliverable, was designed to demonstrate the functionality and interoperability of the entire TQA system and call centers. This test was scheduled to begin on October 1, 1999, but testing did not actually begin for the inbound calling system until February 14, 2000, and did not end until February 25, only one week before the beginning of operations.

Delays in completing testing of such a complex system could have had a significant impact on the successful performance of TQA because the short time between test completion and start of operations left little leeway for correcting problems and retesting the system. Despite the delays, TQA inbound operations began as planned on March 3, 2000. However, outbound operations did not begin on time because of delays in developing the operator support system and installing the TQA network. Also, there were problems with extracting the interview data from the TQA system during testing. Correcting these problems and performing additional testing delayed the start of outbound operations until early May. Initially, operations were to begin at call centers on a staggered basis, with one or two centers beginning at a time. According to bureau officials, centers began operations concurrently so that the work can be completed without affecting the decennial census schedule.

Census Bureau Response

The bureau disagreed with our statement that outbound operations were delayed because of problems with extracting the interview data, stating that the causes were delays in developing the operator support system (for outbound calling) and putting the TQA network in place, as well as the need to ensure that the system was fully tested before conducting the interviews.

OIG Comments

Although delays in developing the operator support system and installing the TQA network caused testing to be delayed, we found that problems encountered during testing with extracting the interview data were a major contributor to the delays in beginning outbound operations.

CONCLUSION

Adequate contract administration and surveillance planning is necessary for a smooth transition from contract award to successful contract performance. A plan can be as simple or as complex as the individual acquisition requires, but it should define performance outputs and describe how the government intends to conduct surveillance. It should also describe the responsibilities, roles, and interactions between the program office, contracting officer, and contractor relating to contract performance and changes. Given the small staff of the TQA program office and its inexperience in dealing with large-scale telecommunication systems contracts, preparing and following such a plan could have saved time and resources in monitoring the major outputs of the contract and would have prevented making unauthorized contract changes. We believe that a plan is necessary for the remaining contract period and will help ensure a smooth contract closeout.

We commend the TQA Program Office and the contractor for their skill and dedication in resolving problems within such a tight time frame and enabling the TQA program to begin operations as scheduled. Because the 2000 Decennial Census is the first time that the TQA program has been contracted out and because of the significance of the issues identified, we believe that the bureau would benefit from analyzing and recording the lessons learned in planning for the next decennial census.

RECOMMENDATIONS

We recommend that the Director, Bureau of the Census, ensure that:

1. A contract administration and surveillance plan is developed covering the remaining months of program operation, including closeout.
2. A lessons-learned report is completed at the conclusion of TQA operations so that the experienced gained in developing and managing the system can benefit contracting in the next decennial census, as well as non-decennial contracting.

Attachment

cc: Robert Shapiro, Under Secretary for Economic Affairs

JUL 7 2000 ATTACHMENT



UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. Census Bureau
Washington, DC 20233-0001
OFFICE OF THE DIRECTOR

MEMORANDUM FOR Judith J. Gordon
Assistant Inspector General for Systems Evaluation

Through: Robert J. Shapiro *RJS*
Under Secretary for Economic Affairs

From: Kenneth Prewitt *Kenneth Prewitt*
Director

Subject: *Telephone Questionnaire Assistance Contract Needs
Administration and Surveillance Plan
Draft Inspection Report No. OSE-12376*

This responds to your memorandum transmitting the above-referenced report. The U.S. Census Bureau generally concurs with the conclusions in this report. However, during our informal exit meeting with staff from the Office of the Inspector General, they indicated that although we didn't have a contract administration and surveillance plan, the Telephone Questionnaire Assistance (TQA) staff in the Decennial Systems and Contracts Management Office was, in fact, doing most of the things that would have been specified in that plan. We agree that formalizing our processes for accomplishing the contract administration and surveillance activities in this type of document should have been done. In fact, this type of document was started, but unfortunately was not completed. We believe that this report should acknowledge more clearly that the TQA staff carried out the types of activities that are specified in a contract administration and surveillance plan.

Specific comments clarifying the Census Bureau's views on this report are attached.

Our response to the recommendations in the report appears below:

Recommendation #1: Ensure that a contract administration and surveillance plan is developed covering the remaining months of program operation, including closeout.

The Census Bureau concurs. As stated above, we had, in fact, started a contract administration and surveillance plan. This plan will be completed in the near future.

Recommendation #2: Ensure that a lessons-learned report is completed at the conclusion of TQA operations so that the experience gained in developing and managing the system can benefit the next decennial census.

The Census Bureau concurs. We plan to document lessons learned at the completion of the TQA program.

Attachment

cc: US/EA

U S C E N S U S B U R E A U

Specific Comments on OIG Draft Inspection Report No. SE-12376

*Telephone Questionnaire Assistance Contract
Needs Administration and Surveillance Plan*

Pg. 2, Par. 3—The Decennial Systems and Contracts Management Office (DSCMO) staff that managed the TQA contract voluntarily took over this project in early 1998, due to a variety of problems with the original contracting effort. These problems included loss of key staff, difficulties in defining requirements, insufficient funding, etc. The DSCMO essentially had to start from scratch in defining requirements, establishing a contract management staff, revising cost estimates, obtaining additional funding, and completing the acquisition process on an expedited schedule. After establishing an acquisition team in April 1998, we were able to complete the entire acquisition process in about 8 months, with contract award on December 22, 1998.

Last sentence—We assume that the sentence that reads “That is, requirements were identified on the basis of *what* tasks needed to be done . . .” is, in fact, a positive statement. However, the wording appears to leave that open to question.

Pg. 2, Par. 4—We had 22 call centers on the inbound program, not 23 as stated in the document. We also have 13 call centers involved in the outbound program, which are not referenced in this paragraph, but probably should be. Of those 13 call centers, 8 had been involved in the inbound program, which allowed us to move experienced staff from the inbound to the outbound operation.

The sentence that reads “The start date is contingent upon completion of the testing” could be modified to indicate that the outbound program started on May 8, 2000. The original end date of June 18 has been changed to mid-July. This delay in completing the outbound program has no impact on the overall census. The data from the outbound program are not required for other census processing until late July, which was true even when the original June 18 completion date was established.

Pg. 3, Par. 1—We believe that the primary reasons for the slippages in the schedule were due to delays in completing the development of the Operator Support System and in putting the TQA network in place. The combination of these two factors was the primary reason for the delay in the testing program that is mentioned in this report.

Pg. 3, Par. 4—We suggest that you drop the word “considerable” in the first sentence. One of the challenges that we faced in pulling a staff together to manage the TQA contract was that the Census Bureau did not have people who had experience in this type of inbound operation. The Census Bureau has a wealth of staff that have experience on outbound-type telephone operations, but not on handling inbound calls. In recognition of our limited in-house technical experience, we contracted with technical experts to supplement our staff. These technical experts assisted us throughout the development and operational phases of the TQA program.

Pg. 4, Par. 2--We don't believe this paragraph acknowledges all of the processes that we implemented in an effort to monitor contractor performance. The DSCMO staff documented and implemented a variety of processes in this effort, including:

1. Program Management Reviews conducted on a monthly basis to discuss status issues, etc.
2. Direct participation by Census Bureau and technical support contractors in testing programs, including usability testing, agent field trials, and assorted operational tests.
3. On-site observations, by both Census Bureau staff and our technical support contractors, of training, quality assurance, call center operations, command center operations, etc., including the use of check lists and the provision of documented results to the TQA contractor.
4. Establishment of procedures and schedules, and implementation of remote monitoring of call center agents to understand performance levels, performance issues, etc., including providing the TQA contractor with results of our remote monitoring activities.
5. Work partnerships with the TQA contractor to develop a quality-assurance process, including direct involvement by the Census Bureau and our technical support contractors in monitoring call centers and conducting audits.
6. Implementation of a customer satisfaction survey to understand how the public viewed the inbound TQA service.
7. Monitoring of performance reports on a daily basis, including data on call blockage, interactive voice recognition (IVR) performance, etc.
8. Participation in daily conference calls between the TQA contractor and call center managers to discuss status of operations, performance issues, etc.

Pg. 4, Par. 3--We don't recall this specific criticism in our past discussions. When performance standards were first raised, we understood that the primary concern was related to having all of our performance standards documented in a single location, rather than scattered throughout the request for proposal. We do not recall specific suggestions that we change the type of contract for the TQA program. We had considered options for providing incentives in this contract. For example, we considered whether a cost plus award-fee contract would be better. However, for a variety of reasons, including the extremely limited time for establishing a contract management staff, the additional complexity of managing an award-fee type contract, and the uncertainty about work load assumptions and requirements, we decided not to adopt this type of contract. The potential volatility and lack of ability to control the timing, volume, and type of calls received and the very short duration of the inbound program made performance measures and incentives especially challenging.

We believe the comment about negative past performance understates the stakes for the TQA contractor. The TQA program was a highly visible project with a lot of interest from external stakeholders and the media. The Census Bureau experienced, firsthand, the type of public relations repercussions that can occur when we were not able to handle the call volumes during the 1990 census. The TQA contractor also was motivated by the fact that, if they did not

perform, their corporation would be highlighted as part of the lead story on the national news or in major newspapers.

Pg. 5, Par. 1—We believe the statement that “Consequently these changes were made without formal consideration of their cost...” is not correct. Although we made a considerable effort to document a comprehensive set of requirements for the inbound program, our work with the TQA contractor pointed out that, subsequent to contract award, our requirements needed clarification, refinement, etc. We viewed this work as an effort to establish a baseline set of requirements, after which we would initiate a change control process. Whenever we made a clarification or refinement to a requirement, we made sure that we understood what the financial costs and schedule impacts would be. The contracting officer was fully informed and in agreement with any types of refinements made during this time frame.

The TQA staff was approached by the decennial management to consider whether we could incorporate the outbound program into the TQA contract. This requirement came late as part of the planning for the traditional census design. We agreed to undertake this effort with full recognition that we would not have specific requirements for the program until well after contract award. We did this because, at the time, personal visit follow-up didn't appear to be feasible or desirable for the Census 2000 design, and there wasn't sufficient time to complete a separate acquisition process for this effort. We also thought that the outbound effort could benefit from the expertise and infrastructure available through the use of the call centers. Accessing this expertise and infrastructure would allow us to maximize our success at completing these outbound cases by telephone. The challenges associated with managing this effort were significant, since the initial requirements were not available until April 1999, and they would change, due to the fact that this was a new approach that had not been tested. In spite of these risks, we believe the decision to incorporate the outbound effort into the TQA contract was a good one that will significantly benefit the census.

We disagree with the implied statement that the \$2.3 million increase prior to implementation of change control was due to changes in requirements. This increase reflected the TQA contractor's refinement of their approach to providing the service necessary to meet our requirements. For example, this increase included items such as:

1. Increased equipment costs related to finalization of sites and specifics related to security protections required under Title 13.
2. Expanded level of effort for the quality assurance program, since the TQA contractor's original plan did not come close to meeting our requirements.
3. Need for a new call model, given their better understanding of our requirements.
4. Increased GeoTel licensing fees, resulting from increased IVR ports required to meet peak projected call volumes for Census 2000.

Pg. 6, Par. 1—The statement that references the “delays in site selection” could be misinterpreted. The delays in finalizing sites were related to specific call center companies reducing their commitments for number of agents at specific centers and even dropping their commitment for entire call centers very late in the program. Reductions in agent commitments were not

problematic when they occurred early in the program. However, one company waited until late December 1999 to notify the TQA contractor of their plans to reduce their commitment from 1200 seats to under 700 seats, with a further reduction announced in January. This reduction actually occurred after equipment and telecommunications lines already had been installed. As a result, the TQA contractor had to accelerate the identification of additional call center capacity, including adding companies not previously involved in the program, completing equipment and telecommunications installation, and negotiating subcontracts for training, agent hours, technical support, etc. This represented an incredible effort on the part of all involved, which we don't believe is fully characterized by the statement that we experienced "delays in site selection."

Pg. 6, Par. 3--The statement "However, outbound operations have been delayed because of problems with extracting the interview data . . ." is not quite correct. We delayed the outbound program to ensure that we had a fully tested system prior to conducting interviews, so that we were confident that the data collected would meet quality standards. Unlike the inbound operation, we also had flexibility on the timing for implementing the outbound operation. The original June 18 completion date was a date of convenience rather than an operational requirement, since we were not planning to begin processing data from outbound until late July. We required the TQA contractor to conduct a series of new test cases across all sites, including the production of extracts to provide data for Census Bureau experts to review. We designed this strategy not only to ensure that the operator support system (OSS) worked properly, but also to determine that the interface software between the OSS and different predictive dialers used at various sites provided consistent quality data.

Pg. 6, Par. 4--The second-to-last sentence includes the wording "could have avoided making unauthorized commitments." We do not believe we made any unauthorized commitments during this program. We made every effort to fully assess and understand the implications of each and every decision on the program that involved the TQA staff. As previously stated, many of the decisions characterized as changes were, in fact, refinements and clarifications of requirements based on ongoing discussions with the TQA contractor. While we agree that having a contract administration and surveillance plan, as cited in this report, would have been better for the overall management effort, we do not believe that the failure to have such a plan resulted in unauthorized commitments.