

2020 Census: The Census Bureau's Oversight of Contractor Performance During the 2018 End-to-End Test's Census Questionnaire Assistance Operation Was Deficient in Some Areas and Did Not Implement Some Lessons Learned for the Operation

FINAL REPORT NO. OIG-20-022-A

MARCH 24, 2020



U.S. Department of Commerce
Office of Inspector General
Office of Audit and Evaluation



March 24, 2020

MEMORANDUM FOR: Dr. Steven D. Dillingham
Director
U.S. Census Bureau

A handwritten signature in black ink that reads "Mark H. Zabarsky".

FROM: Mark H. Zabarsky
Principal Assistant Inspector General for Audit and Evaluation

SUBJECT: *2020 Census: The Census Bureau's Oversight of Contractor Performance During the 2018 End-to-End Test's Census Questionnaire Assistance Operation Was Deficient in Some Areas and Did Not Implement Some Lessons Learned for the Operation*
Final Report No. OIG-20-022-A

Attached for your review is our final report on the audit of the U.S. Census Bureau's (the Bureau's) Census Questionnaire Assistance (CQA) operation. We initiated this audit of the Bureau in support of our oversight role over the planning and implementation of the 2020 Census. Our audit objectives were to determine how previous internal assessments informed the operation, how the CQA contract was planned, and how its costs were managed. Specifically, we sought to (1) determine whether the Bureau (a) implemented effective internal controls for controlling the cost of the CQA contract and (b) sufficiently supported the workloads and cost drivers used to estimate the CQA contract cost; and (2) determine whether the Bureau will be able to inform the 2020 Census CQA operation by utilizing lessons learned during the 2010 Census, the 2017 Census Test, and the 2018 End-to-End Census Test.

Our testing did not identify significant deficiencies in the Bureau's internal controls over how CQA contractor invoices are processed. Our testing of a sample of monthly contractor invoices from July 2016 to July 2018, specifically for labor charges and overhead costs, found that the costs charged were in line with the contract's negotiated rates. Additionally, the Bureau was generally able to support the workloads and cost drivers for the CQA contract costs based on an independent government cost estimate dated February 18, 2016, which was prior to the contract award. We found that key assumptions such as contact center employee labor, facility space costs, workspace allocations, staffing ratios, and the number of calls received per customer service representative, were supported. However, we found issues with the internal controls used to manage the CQA contract, specifically performance, and the resolution of lessons learned from previous tests.

Specifically, we found the following:

- I. The Bureau did not fully implement high-impact lessons learned from the 2017 Census Test.
- II. The Bureau's oversight of the CQA contractor's performance was deficient in some areas.

On February 13, 2020, we received the Bureau's response to the draft report's findings and recommendations, which we include in part within the final report as appendix D. The Bureau generally concurred with all three report recommendations.

Pursuant to Department Administrative Order 213-5, please submit to us an action plan that addresses the recommendations in this report within 60 calendar days. This final report will be posted on OIG's website pursuant to sections 4 and 8M of the Inspector General Act of 1978, as amended (5 U.S.C. App., §§ 4 & 8M).

We appreciate the cooperation and courtesies extended to us by your staff during our audit. If you have any questions or concerns about this report, please contact me at (202) 482-3884 or Terry Storms, Division Director, at (202) 482-0055.

Attachment

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Report in Brief

March 24, 2020

Background

For 2020, the Census Bureau (the Bureau) plans to conduct a decennial census that is more automated, modern, and dynamic than prior ones—including innovative ways of optimizing self-response by an estimated 143 million U.S. households to reduce the need for expensive Nonresponse Follow-up visits. The Census Questionnaire Assistance (CQA) operation will contribute to increasing self-response by providing telephone assistance to U.S. households.

The CQA operation for the 2018 End-to-End Census (E2E) Test was comprised of two telephone-based components: (1) inbound operations to assist households with completing their 2020 Census questionnaires and (2) outbound operations to verify the accuracy of participant's responses. During the 2017 Census Test (2017 Test), only inbound operations were performed.

Why We Did This Review

Our audit objectives were to determine how previous internal assessments informed the operation, how the CQA contract was planned, and how its costs were managed. Specifically, we sought to (1) determine whether the Bureau (a) implemented effective internal controls for controlling the cost of the CQA contract and (b) sufficiently supported the workloads and cost drivers used to estimate the CQA contract cost; and (2) determine whether the Bureau will be able to inform the 2020 Census CQA operation by utilizing lessons learned during the 2010 Census, the 2017 Test, and the 2018 E2E Test.

U.S. CENSUS BUREAU

2020 Census: The Census Bureau's Oversight of Contractor Performance During the 2018 End-to-End Test's Census Questionnaire Assistance Operation Was Deficient in Some Areas and Did Not Implement Some Lessons Learned for the Operation

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WHAT WE FOUND

Our testing did not identify significant deficiencies in the Bureau's internal controls over how CQA contractor invoices are processed. Our testing of a sample of monthly contractor invoices from July 2016 to July 2018, specifically for labor charges and overhead costs, found that the costs charged were in line with the contract's negotiated rates. Additionally, the Bureau was generally able to support the workloads and cost drivers for the CQA contract costs based on an independent government cost estimate dated February 18, 2016, which was prior to the contract award. We found that key assumptions such as contact center employee labor, facility space costs, workspace allocations, staffing ratios, and the number of calls received per customer service representative, were supported. However, we found issues with the internal controls used to manage the CQA contract, specifically performance, and the resolution of lessons learned from previous tests.

Specifically, we found the following:

1. The Bureau did not fully implement high-impact lessons learned from the 2017 Test.
2. The Bureau's oversight of the CQA contractor's performance was deficient in some areas.

WHAT WE RECOMMEND

We recommend that the Director of the U.S. Census Bureau do the following:

1. Review and implement high-impact lessons learned from the 2017 Test and 2018 E2E Test prior to the 2020 CQA operation.
2. Revise the award fee plan of the CQA contract to ensure compliance with the Federal Acquisition Regulation and Office of Management and Budget requirements to incentivize the contractor's performance.
3. Develop a process to verify the accuracy of the contractor's daily operational reports.

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Cover: Herbert C. Hoover Building main entrance at 14th Street Northwest in Washington, DC. Completed in 1932, the building is named after the former Secretary of Commerce and 31st President of the United States.

Acronyms and Abbreviations

| | |
|----------------------|---------------------------------|
| 2017 Test | 2017 Census Test |
| 2018 E2E Test | 2018 End-to-End Census Test |
| CQA | Census Questionnaire Assistance |
| CSR | customer service representative |
| DAO | Department Administrative Order |
| FAR | Federal Acquisition Regulation |
| IT | information technology |
| OMB | Office of Management Budget |
| QA | Quality Assurance |

Introduction

For 2020, the Census Bureau (the Bureau) plans to conduct a decennial census that is more automated, modern, and dynamic than prior ones—including innovative ways of optimizing self-response by an estimated 143 million U.S. households to reduce the need for expensive Nonresponse Follow-up visits.¹ The Census Questionnaire Assistance (CQA) operation will contribute to increasing self-response by providing telephone assistance to U.S. households.

See table I for a list of phases that encompass the CQA operation.

Table I. Phases of the CQA Operation

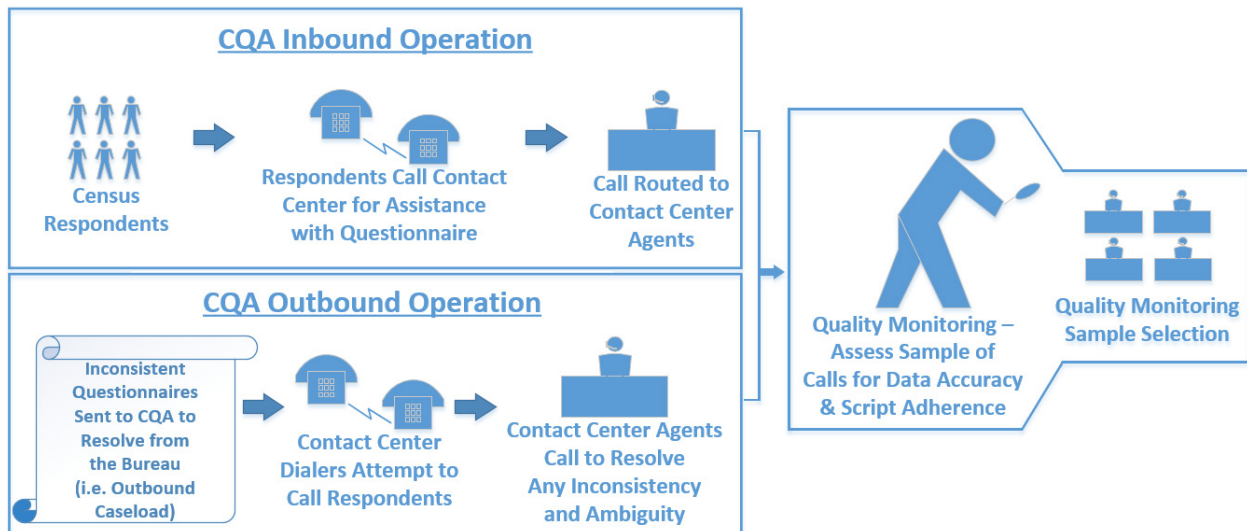
| CQA Phase | Activity | Description |
|-----------|--------------------------------------|--|
| IA | 2017 Census Test | Test select elements of the CQA operation and systems along with the integration between the contractor's and the Bureau's systems |
| IB | 2018 E2E Test | Test entire CQA operation and associated systems to ensure that they are ready to support the 2020 Census |
| 2 | 2020 Census | Support the 2020 Census |
| 3 | Post-Production Analysis & Close Out | Post-production analysis of the 2020 Census CQA operation through close-out of the CQA operation |

Source: OIG analysis of Contract No. YA1323-16-CN-0017, Modification #M024, Section C.4.4

The CQA operation for the 2018 End-to-End Census (E2E) Test was comprised of two telephone-based components: (1) inbound operations to assist households with completing their 2020 Census questionnaires and (2) outbound operations to verify the accuracy of participant's responses (see figure I for an overview). During the 2017 Census Test (2017 Test), only inbound operations were performed.

¹ The 2018 E2E Test includes four key innovation areas: (1) reengineering address canvassing, (2) optimizing self-response, (3) utilizing administrative records and third-party data, and (4) reengineering field operations.

Figure I. CQA Operation Overview



Source: OIG analysis of the Bureau's detailed CQA operational plan

The Bureau awarded a contract (Contract No. YA1323-16-CN-0017) to an IT services company to deliver the services of the CQA operation, which included the operation of two contact centers during the 2018 E2E Test. One contact center was located in Jacksonville, Florida, and the other in Sandy, Utah. The CQA operation of the 2018 E2E Test occurred from March 16, 2018, through July 31, 2018. The operation supported a number of non-English languages—as well as calls made with telecommunication devices for the deaf—and the Bureau expects that support to continue during the 2020 Census.²

The Bureau required the contractor to establish a call quality-monitoring program to ensure customer service representatives (CSRs) adhered to their scripts and captured information from callers accurately and consistently. The quality monitoring results, along with summary level call information, were presented to the Bureau in daily operational reports, which were then used to assess program results and contractor performance. The contractor was also required to provide paradata to the Bureau. According to the Bureau, *paradata* are data collected about interviews and the survey process, and CQA paradata includes call type, call length, and date and time of individual calls.

² The 2018 E2E Test CQA operation supported calls made in English, Arabic, Chinese (Cantonese and Mandarin), Korean, Russian, Spanish, Tagalog, and Vietnamese. During the 2020 Census, the CQA operation intends to support the previously mentioned languages, as well as French, Haitian Creole, Polish, Japanese, and Portuguese.

Objectives, Findings, and Recommendations

According to the Bureau, the transition from paper questionnaires to internet data collection will significantly affect the CQA workload and operations. Therefore, the 2018 E2E Test was important for informing the functionality of the CQA operation in support of the 2020 Census. Our audit objectives were to determine how previous internal assessments informed the operation, how the CQA contract was planned, and how its costs were managed. Specifically, we sought to (1) determine whether the Bureau (a) implemented effective internal controls for controlling the cost of the CQA contract and (b) sufficiently supported the workloads and cost drivers used to estimate the CQA contract cost; and (2) determine whether the Bureau will be able to inform the 2020 Census CQA operation by utilizing lessons learned during the 2010 Census, the 2017 Test, and the 2018 E2E Test.

Our testing did not identify significant deficiencies in the Bureau's internal controls over how CQA contractor invoices are processed. Our testing of a sample of monthly contractor invoices from July 2016 to July 2018, specifically for labor charges and overhead costs, found that the costs charged were in line with the contract's negotiated rates. Additionally, the Bureau was generally able to support the workloads and cost drivers for the CQA contract costs based on an independent government cost estimate dated February 18, 2016, which was prior to the contract award.³ We found that key assumptions such as contact center employee labor, facility space costs, workspace allocations, staffing ratios, and the number of calls received per CSR, were supported. However, we found issues with the internal controls used to manage the CQA contract, specifically performance, and the resolution of lessons learned from previous tests.

Specifically, we found the following:

- I. The Bureau did not fully implement high-impact lessons learned from the 2017 Test.
- II. The Bureau's oversight of the CQA contractor's performance was deficient in some areas.

Based on further analysis of the Bureau's oversight of the CQA contractor's performance, we found that the award fee plan's ratings do not incentivize performance.

Appendix A provides additional details regarding the objectives, scope, and methodology of our audit.

³ OIG performed contractor oversight and contract administration testing from the contract award date through August 2018, phases IA and IB of the CQA operation; consequently, the updated contract cost estimate for Phase 2 was not assessed.

I. The Bureau Did Not Fully Implement High-Impact Lessons Learned from the 2017 Test

Some high-impact lessons learned from 2017 were either not addressed or only partially addressed in the 2018 E2E Test. At the conclusion of the 2017 Test, the contractor in coordination with the Bureau prepared a closeout report that included 204 lessons learned along with recommendations for improving the 2018 CQA operation and, ultimately, the 2020 Census. The contractor's report categorized each lesson learned into high-, medium-, or low-impact areas. One hundred and two of the 204 lessons learned—exactly half—were categorized as having a high impact. Of these 102 lessons learned, we selected a sample of 30 to examine whether the recommendations had been implemented for the 2018 E2E Test. Of these 30, we found that 5 were not addressed and 2 were partially addressed. High-impact open recommendations where the Bureau took no- or partial-action included areas such as staffing, call center operations, and quality assurance activities (see appendix C for additional details).

Lessons Learned Impact Levels

High: program processes were severely affected, resulting in missed deadlines, unmet goals, or external facing quality issues.

Medium: processes were affected, but did not affect the program's ability to meet goals, quality, or deadlines.

Low: processes were not impacted, yet worthy of mentioning for future iterations.

According to Bureau management, not all lessons learned could be implemented due to budget constraints. Regardless of the reasons, the Bureau missed an opportunity to test and fix the solutions identified—such as reporting daily trainee attrition rates; providing network access across managers, supervisors, and administrative staff to improve management processes and oversight; and syncing contractor and government pay period calendars to avoid scheduling problems (see these and additional examples in appendix C). As a result, the Bureau will go into the 2020 Census without the assurance that all CQA operations will function as designed.

II. The Bureau's Oversight of the CQA Contractor's Performance was Deficient in Some Areas

To carry out the CQA operation, on July 12, 2016, the Bureau awarded a cost-plus-award-fee contract to a government contractor.⁴ The CQA contract (the contract) was awarded for approximately \$431 million, of which approximately \$39 million was set aside for award fees.

We assessed the Bureau's oversight and surveillance over the contract by sampling key contractor deliverables, such as the *Program Management Plan* and the *Subcontracting & Subcontract Participation Plan*, and found (a) the Bureau's award fee plan's ratings did not

⁴ Per FAR § 16.305, a *cost-plus-award-fee contract* is a cost-reimbursement contract that provides (1) a fixed base amount and (2) an award amount based upon a judgmental evaluation by the government, sufficient to provide motivation for excellence in contract performance.

conform with the Federal Acquisition Regulation (FAR) and (b) the Bureau did not verify the contractor's daily operational reports.

A. The award fee plan for the CQA contract is not in compliance with the FAR and Office of Management and Budget's (OMB's) requirements

We reviewed the award fee plan the Bureau established for evaluating the contractor's performance and found that it was not consistent with the FAR⁵ and OMB guidance.⁶ Table 16-1 of the FAR requires the contractor to exceed "some of the significant award-fee criteria" to earn a rating of "good" (see appendix B, "FAR Award Fee Plan Description" column). Ratings above "good" also require the contractor to exceed incrementally increasing amounts of significant award-fee criteria to earn higher ratings. The award-fee plan in place for this contract does not comply with the FAR requirements as it does not require the contractor to exceed criteria to earn ratings of "good" or higher. Furthermore, the award fee plan does not clearly distinguish performance levels for determining whether the contractor earned a "satisfactory" or higher rating, and the ratings at times overlapped. For example, to obtain an "excellent" rating, the contractor must "consistently meet or exceed all Census Bureau performance objectives," but for a "very good" rating, the contractor must "consistently meet all Census Bureau performance objectives" (see appendix B).

The December 2007 OMB guidance states that evaluation factors should be meaningful and measurable and designed to motivate the contractor to exceed performance objectives by making clear distinctions in possible award earnings for performance levels of satisfactory and excellent. The Bureau's acquisition staff stated that the award fee plan was developed consistent with the FAR guidance. However, we disagree for the aforementioned reasons. Without an award fee plan that clearly defines the performance standards for meeting contractual requirements, the Bureau is at risk of ineffectively determining the contractor's award fees.

B. The Bureau did not verify the contractor's daily operational reports

The CQA contractor was required by the Bureau to report on its performance metrics and the results of inbound and outbound operations.⁷ These reports allowed the Bureau to monitor and modify contact center operations to increase productivity, identify operational issues, and implement changes as needed per the detailed CQA operational plan. The CQA contractor reported that it met these requirements by providing daily reports to the Bureau. Additionally, the Bureau reported relying on the daily reports to be informed of the contractor's quality monitoring program. The Bureau received these reports and used them to monitor the operation and help evaluate the contractor's performance. The reports included various metrics for the CQA operation, including

⁵ FAR § 16.401(e)(3), table 16-1.

⁶ Executive Office of the President, Office of Management and Budget, December 4, 2007. *Appropriate Use of Incentive Contracts*. Washington, DC: OMB.

⁷ Contract No. YA1323-16-CN-0017, Sections C.12.1 and C.4.5, respectively.

- how well the contractor met its service level agreement;⁸
- number of calls received by language;
- number of quality-monitoring evaluations performed; and
- average score of the quality-monitoring evaluations.

We compared the daily reports with the CQA operation's paradata and found inconsistencies. The Bureau reported conducting performance audits to verify the contractor's operational and quality claims; however, verification of the daily reports mainly consisted of looking for inconsistencies within the report themselves. Thus, the Bureau did not establish a process to verify the reports' metrics against the operational (i.e., source) data from contractor systems. Our review of the Bureau's quality assurance and surveillance plan found that it lacked a well-defined methodology to adequately verify the daily reports. Accurate contractor performance data is needed by the Bureau to ascertain whether the program is running efficiently or effectively. As a result, the Bureau may have made 2018 E2E Test operational decisions and evaluated the contractor's performance using inaccurate data.

Recommendations

We recommend that the Director of the U.S. Census Bureau do the following:

1. Review and implement high-impact lessons learned from the 2017 Test and 2018 E2E Test prior to the 2020 CQA operation.
2. Revise the award fee plan of the CQA contract to ensure compliance with the FAR and OMB requirements to incentivize the contractor's performance.
3. Develop a process to verify the accuracy of the contractor's daily operational reports.

⁸ The service level agreement for the contract is answering 80 percent of calls within 30 seconds as stated in Attachment I of the contract.

Other Matter

The Bureau faces a potential challenge to carrying out the CQA operation in 2020. In October 2018, the Bureau reported that the information technology (IT) system used in the 2018 E2E Test CQA operation will be replaced with a new one for the 2020 Census. While the new, commercial off-the-shelf system is expected to perform similar functions as the one from the 2018 E2E Test—such as routing and recording details of calls—the system will not undergo testing in a live environment prior to the 2020 Census. This change presents significant risk to the operation during decennial field operations in 2020 because the Bureau and the new contractor will have limited time to evaluate a system that was not tested during the 2018 E2E Test, a risk that the Bureau acknowledges. If the system does not function properly, then the CQA operation may not be able to field calls from the public for assistance in filling out their questionnaires or select calls received by CSRs for quality assurance evaluations.

Summary of Agency Response and OIG Comments

In its February 13, 2020, response to our draft report, the Bureau concurred with all three of our recommendations and described in general terms the actions it has taken and plans to take to address them. Included in that response were technical comments and a separate appendix describing actions it has taken to address the unresolved high-impact lessons learned, which were carried out after we had completed testing in that area. We considered the Bureau's comments and made changes to the final report as needed. We look forward to receiving a proposed corrective action plan that details the Bureau's actions to address our recommendations. For recommendations that the Bureau contends have already been addressed (including any subsequent actions taken to address its lessons learned), we will request that the action plan provide documentation to validate those statements.

We have included the Bureau's formal response (excluding the appendix on the status of its lessons learned) as appendix D of this report.

Appendix A: Objectives, Scope, and Methodology

We initiated this audit of the CQA 2018 E2E Test on March 12, 2018. Our objectives were to determine how previous internal assessments informed the operation, how the CQA contract was planned, and how its costs were managed. Specifically, we sought to (1) determine whether the Bureau (a) implemented effective internal controls for controlling the cost of the contract and (b) sufficiently supported the workloads and cost drivers used to estimate the contract cost; and (2) determine whether the Bureau will be able to inform the 2020 Census CQA operation by utilizing lessons learned during the 2010 Census, the 2017 Test, and the 2018 E2E Test.

To accomplish our objectives, we performed the following:

- Interviewed Bureau staff at Census headquarters in Suitland, Maryland.
- Interviewed Bureau and the contractor's staff at the CQA Program Office in Washington, DC.
- Interviewed and observed staff at the Jacksonville, Florida, and Sandy, Utah, CQA facilities to gain an understanding of the operations.
- Reviewed test planning and assessment documentation from the 2010 Telephone Questionnaire Assistance, 2017 Test, and 2018 E2E Test.
- Conducted data analysis on paradata for the CQA operations.
- Assessed the monitoring activities the Bureau performed over the contractor's performance from July 2016 through August 2018, which included the CQA 2018 E2E Test.
- Reviewed the Bureau's administration of the contract for compliance with relevant regulations, guidance, and policies.

We focused our testing on the Bureau's contractor oversight and contract administration activities performed from the contract award date of July 12, 2016, to August 2018. For determining whether the Bureau sufficiently supported the workloads and cost drivers used to estimate the contract costs, we focused our testing on the available 2017 Test and 2018 E2E Test cost estimates. We reviewed results of the 2010 Telephone Questionnaire Assistance operation and determined the criteria used to assess the operation varied from the 2017 Test and 2018 E2E Test. Therefore, we focused our testing on the lessons learned from the 2017 Test.

We used the following criteria to determine whether the Bureau executed the 2018 E2E Test's CQA operation in accordance with the law, test objectives, goals, documented procedures, and lessons learned:

- *Federal Acquisition Regulation*, volume I, parts 1 to 51, as of July 12, 2016, and subsequent updates.

- *Commerce Acquisition Manual*, March 2016.
- CQA operation contract, executed on July 12, 2016. Specifically,
 - project schedules
 - quality assurance and surveillance plan
 - award fee plan
- Government Accountability Office's *Cost Estimating and Assessment Guide (GAO-09-3SP)*, March 2009.
- Government Accountability Office's *Standards for Internal Control in the Federal Government (GAO-14-704G)*, September 2014.
- *2018 End-to-End Census Test Plan*, version 1.0, November 1, 2017.
- Census CQA detailed operational plan, version 2.0, February 2018.
- Executive Office of the President, Office of Management and Budget, *Appropriate Use of Incentive Contracts*, December 4, 2007.

We did not solely rely on computer-processed data to perform this audit. Although we could not independently verify the reliability of all of the information we collected, we compared the information with other supporting documents to determine consistency and reasonableness. Based on these efforts, we believe the information we obtained is sufficient for the conclusions in this report.

We used non-statistical sampling as part of our data analysis, using random or judgmental sampling to evaluate:

- the risk of fraud of the contractor overcharging the Bureau,
- whether lessons were addressed from the 2017 Test, and
- language training of CSRs.

To assess whether the data in our samples were sufficiently reliable, we performed reasonableness tests and looked for missing data, calculation errors, data outside valid timeframes, data outside designated values, negative values in positive-only fields, and duplicate records. We did not identify any significant issues with the reliability of the data in our samples and consider it sufficiently reliable for our audit objectives.

We also conducted reasonableness tests on the paradata that originated from the CQA contractor's system. However, due to the purging of the corresponding operational (source) data from contractor systems, we were unable to fully determine the reliability of either the CQA daily operational reports or paradata from the 2018 E2E Test.

We conducted basic control tests for IT systems used to generate this data and found no reportable issues, but we did not conduct the analysis required for a complete assessment of the reliability of these systems. Additionally, we assessed the contract monitoring and administration activities by analyzing documentation associated with the contract's quality

assurance and surveillance plan, award fee determinations, and contract modifications. To assess the monitoring activities, we compared the support for the award fee determinations with relevant criteria to identify any contradictions between the contractor's performance and the award fee the contractor received with respect to the relevant criteria. To assess the contract administration activities, we reviewed the contracting actions taken to identify any non-compliance with relevant regulations, guidance, and policies.

We identified internal control weaknesses with respect to the oversight and surveillance activities performed over the contractor's performance and implementation of lessons learned from the 2017 Test. We detected no incidents of fraud or abuse within our audit.

We conducted this audit from March 2018 to December 2018 under the authority of the Inspector General Act of 1978, as amended (5 U.S.C. App.), and Department Organization Order 10-13, dated April 26, 2013. We performed our work at the Census Bureau headquarters in Suitland, Maryland; the Government Program Management and Oversight office in Washington, DC; and the two CQA test sites in Jacksonville, Florida, and Sandy, Utah.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that provides a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B: Comparison of the Award Fee Schedule in the CQA Contract and the FAR

| Rating & Percentage of Fee Available | CQA Contract Award Fee Plan Description ^a | FAR Award Fee Plan Description ^a |
|---|---|--|
| <p>Excellent 91–100%</p> | <p>Contractor consistently meets or exceeds all Census Bureau performance objectives. Management, supervision, performance, response times, and cost control effectiveness are performed consistently at a level considered the best any contractor could be expected to achieve, under similar circumstances. Reviews and monitoring seldom find problems. Problems are quickly and effectively resolved prior to production.</p> | <p>Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate, as defined and measured against the criteria in the award fee plan for the award-fee evaluation period.</p> |
| <p>Very Good 76–90%</p> | <p>Contractor consistently meets all Census Bureau performance objectives. Management, supervision, performance, response times, and cost control effectiveness are performed consistently at a level considered higher than any contractor could be expected to achieve, under similar circumstances. Problems are minor, inconsequential, or easily corrected.</p> | <p>Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate, as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.</p> |
| <p>Good 51–75%</p> | <p>Contractor frequently meets Census Bureau performance objectives for the majority of work functions. No major problems. Minor problems are quickly recognized and corrected.</p> | <p>Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate, as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.</p> |
| <p>Satisfactory No greater than 50%</p> | <p>Contractor achieves minimal Census Bureau performance objectives. No major problems. Areas requiring improvement are approximately offset by better performance in other areas. Moderate number of customer complaints—corrective action is sometimes ineffective. Management, supervision, performance, and cost control are inconsistent.</p> | <p>Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate, as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.</p> |

| Rating & Percentage of Fee Available | CQA Contract Award Fee Plan Description ^a | FAR Award Fee Plan Description ^a |
|--------------------------------------|--|---|
| <p>Unsatisfactory 0%</p> | <p>Areas of adequate or better performance are significantly offset by poor performance in other areas. Quality of performance indicates a need for the contractor to take immediate corrective action. Management/supervision is weak, resulting in an ineffective work program. Sporadic serious errors occur. Complaints are frequent. Control of costs is questionable. Performance is having a negative impact on overall Census Bureau mission. Performance is at a level where the government may consider termination action. No fee is earned by the contractor in this range.</p> | <p>Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate, as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.</p> |

Source: OIG analysis of the contract award fee plan (Contract No. YAI323-16-CN-0017, Attachment 25 – Award Fee Plan) and FAR § 16.401(e)(3), table 16-1

^a Emphasis through bold text was introduced by OIG.

Appendix C: Unresolved Lessons Learned From the 2017 Test^a

| Lesson Learned | Problem | Impacted Functional Area | Status of the Lesson Learned & Impact to the Operation |
|--|---|--------------------------|---|
| 1. Provide daily updates on training attrition. | Delays in reports of training no-shows skewed data on attrition timelines. | Staffing | <p>Status: Not implemented. The Bureau has not taken action to mitigate this lesson learned.</p> <p>Impact: Batch reporting of no-shows or reporting of attrition at the end of a training class did not accurately provide true attrition fallout rates.</p> |
| 2. This process can be automated with a configuration change. [The contractor] manually removed the scheduled CSRs that were terminated before completing the termination process. | When a CSR was terminated, the contractor’s system did not remove their schedule and, therefore, they were still included in the staffing numbers. | System Usage | <p>Status: Not implemented. The Bureau has not taken action to mitigate this lesson learned.</p> <p>Impact: Staffing numbers were artificially inflated due to terminated employees not being removed.</p> |
| 3. Timely reporting of data was unavailable. | Lack of being informed immediately that the source systems for the Management Reporting System are unavailable. | System Development | <p>Status: Not implemented. The Bureau has not taken action to mitigate this lesson learned.</p> <p>Impact: Impact to the accuracy of the data in the reports and possible permanent data loss from the source system.</p> |
| 4. A revised solution that meets both security needs and business processing needs must be identified. | [Contractor] management and support staff did not have access to the [contractor] network or [contractor] phones within the Bureau’s enclave [i.e., secure area], which caused a huge impediment to performing normal program management and oversight for the CQA program. | Call Center Operations | <p>Status: Not implemented. The Bureau has not taken action to mitigate this lesson learned.</p> <p>Impact: Lack of network connectivity made normal management processes extremely difficult. Managers, supervisors, and admins did not have ready access to (a) the timekeeping system for approval of timesheets, (b) corporate policies and procedures, (c) internal training systems, (d) the [contractor] Service Desk, (e) normal communication methods (VoIP phones, instant messaging, [contractor] email), (f) expense reporting and travel tools, and (g) Business Process Management workflows for items such as labor corrections, purchase requisition approval, etc.</p> |

| Lesson Learned | Problem | Impacted Functional Area | Status of the Lesson Learned & Impact to the Operation |
|--|---|--------------------------|--|
| <p>5. Not having a quality assurance (QA) supervisor overtaxed the QA site managers.</p> | <p>QA monitor training lacked hands-on activities; QA team members had many questions due to lack of system practice during training; due to quality managers performing the role of supervisor and QA manager (QAM), it was difficult to devote the necessary time to developing quality monitors to ensure consistent and accurate performance.</p> | <p>Quality Assurance</p> | <p>Status: Partially implemented. The Bureau was unable to provide adequate documentation to support the Quality Monitors participated and completed the training.</p> <p>Impact: [QAMs] were unable to access [the contractor’s system] to learn how to use it prior to live operations. The resulting learning curve caused QAMs to miss deadlines for QA monitors. Both morale and productivity were impacted. Process manuals did not contain step-by-step actions needed for job functions. This resulted in QAMs not understanding what steps they needed to take in order to process a QA scorecard, assign coaching session, etc. [The contractor’s] system issues wouldn’t allow them to perform work as trained.</p> |
| <p>6. Using additional third party vendors will require a more streamlined process to avoid data loss.</p> | <p>Tracking candidates from other sources left [the Bureau] dependent on email communications to know when a candidate had entered suitability.</p> | <p>Staffing</p> | <p>Status: Not implemented. The Bureau has not taken action to mitigate this lesson learned.</p> <p>Impact: Candidates [were] not being tracked by [Census’] process, or resulted in schedules possibly being filled by a candidate not confirmed by suitability.</p> |
| <p>7. More training and clarification of the calendar setup.</p> | <p>The first day of the week in the contractor’s system shows as Sunday, but the pay period and schedules start on a different day.</p> | <p>System Usage</p> | <p>Status: Partially Implemented. Monitoring increased via an enhanced escalation process, but GDIT noted more work needed to be done via system monitoring tools and processes.</p> <p>Impact: Scheduling.</p> |

Source: CQA program 2017 Test lessons learned register

^a We assessed a sample of 30 high-impact lessons learned out of a possible 102. Of these 30, the 7 included in this appendix were not fully addressed.

Appendix D: Agency Response



UNITED STATES DEPARTMENT OF COMMERCE
U.S. Census Bureau
Office of the Director
Washington, DC 20233-0001

FEB 13 2020

MEMORANDUM FOR: Mark H. Zabarsky
Assistant Inspector General
for Audit and Evaluation
Department of Commerce
Office of the Inspector General

From: Steven D. Dillingham
Director
U.S. Census Bureau

A handwritten signature in black ink, appearing to read "Steven D. Dillingham".

Subject: Response to Office of the Inspector General Draft Report: *2020 Census: The U.S. Census Bureau's Oversight of Contractor Performance During the 2018 End-to-End Test's Census Questionnaire Assistance Operation Was Deficient in Some Areas and Did Not Implement Lessons Learned for the Operation*

Thank you for the opportunity to submit comments to the Office of Inspector's General draft report titled "2020 Census: The U.S. Census Bureau's Oversight of Contractor Performance During the 2018 End-to-End Test's Census Questionnaire Assistance Operation Was Deficient in Some Areas and Did Not Implement Lessons Learned for the Operation." The Census Bureau respectfully submits the attached comments.

Attachment



[census.gov](https://www.census.gov)

**U.S. Census Bureau Comments on Office of Inspector General Draft Report:
"2020 Census: The U.S. Census Bureau's Oversight of Contractor Performance During the
2018 End-to-End Test's Census Questionnaire Assistance Operation Was Deficient in
Some Areas and Did Not Implement Lessons Learned for the Operation"
January 2020**

General Comments

The U.S. Census Bureau appreciates the opportunity to comment on this draft report. The Census Bureau is committed to effective contract management, and to implementing internal controls and contractor oversight in accordance with all applicable Federal Acquisition Regulations (FAR) and U.S. Department of Commerce (DOC) policies.

We appreciate that the draft report did not identify significant deficiencies in the Census Bureau's internal controls over how Census Questionnaire Assistance (CQA) contractor invoices were processed and that costs charged were in line with the terms and conditions of the contract. We also appreciate the report conveys that the Census Bureau was generally able to support the workloads and cost drivers for the CQA contract, that key cost driver assumptions were supported, and that we have already made proactive improvements towards development of a process to verify the accuracy of the contractor's daily operational reports.

We respectfully request a small change to the report title. The current version implies the Census Bureau did not implement any lessons learned. The title would be more accurate, and more in line with text at the bottom of page 1 of the draft report if it said "...Did Not Implement Some Lessons Learned..."

We have the following comments regarding the two findings in your draft report.

Implementation of high-impact lessons learned from the 2017 test

The draft report states the Census Bureau did not fully implement high-impact lessons learned from the 2017 Census Test. However, of the seven high-impact lessons noted by Office of Inspector General (OIG), we believe six were fully implemented and the seventh was partially implemented to the fullest extent possible in the 2018 End-to-End Census Test

Oversight of Contractor Performance

Second, the draft report states that the Census Bureau's oversight of the contractor's performance was deficient in some areas. The Census Bureau acknowledges the exact wording of adjectival ratings applied in the Award Fee Plan did not reflect the most recent FAR. However, we believe that performance was appropriately incentivized. Please note also that the Census Bureau has since proactively modified the contract to conform to the exact wording in the FAR and OMB guidance with regard to adjectival ratings.

We have the following responses and comments regarding the three recommendations in your draft report.

Recommendation 1: Review and implement high-impact lessons learned from the 2017 Test and 2018 E2E Test prior to the 2020 operation.

Response: The Census Bureau agrees with this recommendation.

Response: We reviewed and implemented the high-impact lessons learned from the 2017 Census Test and 2018 End-to-End Census Test prior to the 2020 operation, as described in the attached Exhibit A. We believe we have provided the OIG with documentation sufficient to close this recommendation.

Recommendation 2: Revise the award fee plan of the CQA contract to ensure compliance with the FAR and OMB requirements to incentivize the contractor's performance.

Response: The Census Bureau agrees with this recommendation.

The Census Bureau believes the CQA contract complied with the FAR and OMB requirements, with the noted exception of the adjectival rating. The Census Bureau took corrective action in December 2019 to revise the Award Fee Plan adjectival ratings to align with FAR and OMB requirements. The Census Bureau believes that despite the identified discrepancy of the adjectival wording the intent to incentivize the contractor's performance was meaningfully conveyed. We believe we have provided the OIG with documentation sufficient to close this recommendation.

Recommendation 3: Develop a process to verify the accuracy of the contractor's daily operational reports.

Response: The Census Bureau agrees with this recommendation.

The Census Bureau has already begun corrective action by developing a well-defined process to validate the data in the daily operational reports.

Other Matter

Regarding statements about system testing made in the Other Matter section, while the system will not undergo testing in a live public environment prior to 2020, the system will undergo extensive and robust testing prior to its operational release. The Census Bureau and CQA contractor already planned and participated in numerous tests, including Alpha testing of four development builds, Test Readiness Review, Production Readiness Testing, Failover Testing, Performance and Scalability Testing, and a series of three Operational Readiness Tests in preparation for the 2020 Census. The contractor has successfully passed each phase of this

robust testing program to date, and we believe this testing ensures the CQA technology performs as expected, meets requirements, and delivers quality results.

Regarding statements about the change in contractors, the CQA contract originally was awarded to GDIT. GDIT sold this line of their business to MAXIMUS Federal, a competitor and long-time provider of such services to government clients. The Census Bureau staff continued to work day to day with the same personnel, there have been no delays as a result of this acquisition, and we currently do not foresee any risk to successfully completing the program on schedule.

Appendix