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Comptroller General
of the United States



Washington, D.C. 20548

February 28, 1991

The Honorable Vic Fazio
Chairman, Subcommittee on
Legislative
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

As requested in the committee's report on the fiscal year 1989 Legislative Branch Appropriations Bill, I am sending you our review of the advisability of expanded use of contractors to help with GAO's audit and evaluation work. As described in our earlier progress reports, briefings, and testimony to the Subcommittee, we established several trial contracts for the purposes of the test and evaluation requested by the Subcommittee. We reported in July 1989 on other inquiries we made about the use of contracting for audit and evaluation work by Inspectors General, the Office of Technology Assessment, and in earlier years by GAO.

The evaluation data gathered on the test demonstrate that for a number of kinds of work, contracting was feasible and the selected contractors during the trial period typically could satisfy GAO's needs for products of acceptable quality and price. We found two kinds of problems, which we would expect to diminish in future years. With some variation across the different kinds of work we contracted, contractors often failed to deliver products on agreed-upon dates and the final billings frequently exceeded the original price. Considering that arranging for audit and evaluation support by contracting was new for GAO staff and that GAO was a new customer for the contractors, we will almost certainly find ways to estimate our needs better and obtain better contractor performance in the future as both evaluation and administrative staff gain more experience. The enclosed report describes the trial period, the evaluation data, our conclusions, and their strengths and limitations, in more detail.

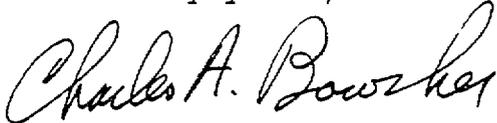
Despite the start-up problems we found in our evaluation, I am satisfied that the trial showed sufficient potential of expanded GAO contracting. With your support, we will continue in that direction in the coming years, using outside assistance where appropriate. I have asked that costs and timeliness be tracked carefully to assure we obtain improved performance; we have expanded the training of our audit staff in contract management; and I have asked staff to review other recommendations made in the enclosed report.

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~~I have concluded that the judicious use of contractors would enable us to free up staff for our mission work.~~ I want to assure you that contractor support would be conducted under the supervision of permanent GAO staff. In any use of outside resources we will continue to safeguard GAO standards concerning the quality of our evidence and analysis and to maintain our independence of judgment in reaching conclusions and recommendations. There can be no lessening of these, as they form the foundations of our service to Congress.

We would welcome the opportunity to discuss this with you should you desire. If you have any questions or would like additional information, please call me at 275-5481 or Eleanor Chelimsky, Assistant Comptroller General for Program Evaluation and Methodology at 275-1854.

Sincerely yours,



Charles A. Bowsher
Comptroller General
of the United States

Enclosure

GAO CONTRACTING PROJECT
SUMMARY OF EVALUATION REPORT

PURPOSE

GAO tested several kinds of contracting in 1989-90, as directed by House Report 100-621. GAO engaged several contractors to perform tasks in support of GAO's audits and evaluations, so that GAO could gather evaluation data to reach conclusions on the advisability and feasibility of expanded use of contractors in mission work. This report includes the evaluation results, conclusions, and recommendations.

BACKGROUND

With a stable staff and expanding workload, opportunities for improved efficiency in doing GAO's audits and evaluations are always needed. In addition, as the complexity of the work increases, a wide range of specialized resources are needed to complete the extremely diverse kinds of data-gathering and analysis needed in answering questions for Congress. At the same time, GAO's standards for independence of judgment and quality of evidence and analysis must be maintained. Thus, GAO needed to explore issues of feasibility, as well as timeliness, cost, and quality, before taking any major steps towards expanded use of contracting, in the special GAO environment.

GAO reviewed the contracting experience of selected Inspectors General and the Office of Technology Assessment, as well as its own prior small-scale contracting, for general tasks of program audit and evaluation work. An earlier report concluded that because of the small scale and narrow task focus of the prior work none of that experience would answer the feasibility and other questions concerning expanded contracting.

Accordingly, several new contracts were established and GAO divisions and several regional offices ~~used the contractors to perform 56 different tasks during 1989-90.~~ Kinds of work included gathering and analyzing data, handling large computer data bases, and referencing (checking facts in draft reports).

GAO evaluators not involved in the trial uses of contracting designed an evaluation plan and collected data on four criteria (feasibility, timeliness, cost, and quality). The trial period in which data were collected extended from early 1989 through August 1990. The evaluation followed the 56 contracted tasks through all steps, and also collected data on examples of similar work done within GAO in the normal manner. Data sources included interviews with GAO and contractor staff, documents from GAO databases and project files, and outside expert reviews of both contractor and GAO products.

56 CONTRACTS IN HOUSE
- 22
34

RESULTS IN BRIEF

The trial period provided a set of cases of GAO work done under contract that permit some analysis on a number of measures. The 56 tasks contracted included 44 data-gathering and statistical analysis activities, 9 instances of referencing, and 3 cases of technical assistance. Data were available on 22 comparable tasks done in-house.

Concerning feasibility, GAO managers found that task order contracts could generally be arranged within assignment schedules. In addition, managers could satisfactorily coordinate internal and external work and obtain contractors' adherence to GAO policies and procedures, including safeguarding information. The only widespread feasibility problem occurred as GAO evaluators took on the new administrative role of contract management; the data showed they had some difficulty accurately estimating time and effort requirements of data gathering and statistical analysis work as part of designing the contract specifications.

Data on the three outcome criteria (timeliness, cost, and quality) showed neither outstanding advantages to contracting nor any unacceptable performance problems. With respect to timeliness, products typically did not arrive at the specified time, and staff reported doing similar work somewhat faster internally. But for many reasons staff did not ascribe all delays to the contractors and were generally satisfied with delivery time. With regard to costs, most products were more expensive than GAO staff expected, and the average price for particular kinds of work was roughly equivalent or higher under contract. Specifically, the original task order price agreed on was often exceeded, and this by amounts ranging from an average of 30 percent (in data gathering and statistical analysis work) to an average of 40 percent (in referencing). Again, owing to managers' inexperience with estimating, some initial imprecision was to be expected. Comparison of the cost-per-hour for work of various kinds failed to show GAO obtaining any significantly cheaper unit costs than it could obtain in-house, and in some cases contractors' labor costs were higher than GAO's for similar work. Quality of contractors' work was generally acceptable, with products of simple tasks (interviewing, for example) being rated higher than more complicated products (e.g., instrument design or statistical analysis). In particular, contractor referencing in 8 of 9 cases was notably high in quality, with non-GAO staff providing as thorough or more thorough quality control, in direct comparison with GAO's own referencing of the same texts.

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STRENGTHS AND LIMITATIONS OF THE TRIAL PERIOD
EVALUATION AS THE BASIS FOR CONCLUSIONS

The conclusions from this trial are reinforced by the fact that GAO was able to obtain quantitative data on the evaluation criteria. In addition, interpretation of data on contract results is strengthened by having data on performance of similar work by in-house staff in a variety of settings in GAO. The trial period has limits, however, as a source of observations on contracting in several respects. The comparisons are not as strong as they could have been, first, because it was impossible to establish the preferred comparative design involving random assignment of tasks to either contractors or in-house staff, and second, the tasks that were nominated were sometimes atypical of GAO's work: for example, not being subject to the usual heavy time pressures. Finally, all the data reflect only the initial year of experience with an unfamiliar set of roles and outside organizations; performance by both GAO and contractors would almost certainly improve as both gain experience working together, and many indicators, such as those related to timeliness and cost, should be expected to ameliorate.

CONCLUSIONS AND RECOMMENDATIONS

The use of a series of indefinite quantity task order contracts under the somewhat special conditions of the trial period proved feasible and for most kinds of work the timeliness, cost, and quality of results were, with a few exceptions, acceptable to GAO's managers. No performance failures or breaches of policy threatened the quality of GAO's work, the independence of GAO's conclusions, or the safeguards needed to protect GAO's information. GAO experienced time and cost overruns in some task orders in all of the contracts, but these had many causes, not all due to contractor problems. Limitations of the overall project and the available data do suggest caution in generalizing from the results to all of GAO's work.

Nonetheless, expanded contracting seems essential as GAO's workload grows while staffing remains steady. So that experience with contracting can also grow and added knowledge replace current caution and unfamiliarity, a number of recommended steps could improve the feasibility of timely and effective contracting. These include:

- reviewing GAO's regular contracting procedures to be sure they support timely and proper actions;
- reviewing GAO work to identify further common tasks where contract support is needed and establishing available task order contractors in such areas;

- developing training for audit and evaluation staff in the skills needed for their parts of the contracting process;
- reviewing administrative staffing in central offices and divisions to assure that, in light of projected contracting workloads, adequate support is available for timely formal contract actions and for technical assistance to audit and evaluation staff; and
- signaling staff concerning appropriate areas for contracting by adding sections to formal GAO policies, and--as experience grows--identifying tasks where contracting has usefully augmented in-house resources for doing GAO work.

GAO CONTRACTING PROJECT
EVALUATION REPORT

CONGRESSIONAL DIRECTION

The House Report (100-162) on the Legislative Branch Appropriation Bill, 1989 requested that GAO examine the feasibility and advisability of increased contracting for audit and evaluation work. The objective of this request was to evaluate the differential effects of using contract services in lieu of full time permanent staff. GAO's Program Evaluation and Methodology Division (PEMD) coordinated the response to the request which included designing the evaluation and gathering data to answer evaluation questions concerning the feasibility of an expanded use of contracting and the comparative performance of contract and in-house approaches to similar tasks. In addition, PEMD studied prior experience in GAO and other selected governmental agencies with the use of contractors to perform audit and evaluation work.

This report is the third of a series of reports to Congress on this test of contracting. In July 1989, we reported on the prior use of contracting by GAO, selected offices of Inspectors General, and the Office of Technology Assessment. In March 1990, we reported on the status of implementation of the new contracts and the planned evaluation. This is now the final report, including results from our evaluation of 1 year of trial contracting.

OBJECTIVE, SCOPE AND METHODOLOGY

Objective

The project objective was to test for differences between contract and in-house performance of GAO work tasks. Although GAO makes wide use of indefinite quantity task order contracts for financial audits and for many types of service and supply requirements, GAO historically has done little contracting for program audit and evaluation work. Thus, we could not reach our objective by examining past experience; we thus needed first to arrange for a new set of trials that we could study. To guide the data-gathering and comparative analysis, we selected four criteria: the feasibility of the contracting process in the GAO environment, and the timeliness, cost, and quality of work procured under contract.

Scope

In scope, this trial of contracting included all GAO divisions except for the Program Evaluation and Methodology Division (PEMD), which was charged with evaluating the projects, along with several regional offices; it also included diverse kinds of tasks within the broad area of audit and evaluation work. GAO had already had extensive experience with contracting commercial functions such as building services, printing, library tasks, and the like. In

addition, certain kinds of financial audits had been done entirely under contract in recent years. Further, GAO also has experience contracting briefly for unusual expertise or specialized talent (such as engaging a renowned individual to review a draft report) through small purchase orders and consultant personnel actions. Therefore, to gain different kinds of experience, the congressional direction was to examine additional possibilities for contracting beyond those. For the purpose of this trial, then, the contracts were for various specific mission-oriented tasks, but not entire audits or evaluations.

The conditions of the trial were unique in some ways. The task order type of contract had been used very little in GAO for program audit and evaluation work. In order not to disrupt numerous individual assignments with individual procurements of contractor work, GAO management--after soliciting views in all divisions--chose four broad task areas for review and selected a single contractor in each area to assist an indefinite number of assignments. Further, regional offices had not had direct contractor assistance, so one part of the evaluation was designed to test the usefulness of a contractor dedicated to a wide range of technical assistance tasks for a regional office. To encourage participation in the trial, a special fund was established apart from divisions' regular budget allocations, to support use of the selected contractors. Finally, task orders set up as part of the special trial were subject to unique internal administrative reviews that differed from those applicable to other contracts, including relief from one step of high-level managerial review.

Thus, the evaluation data are very diverse with respect to GAO, somewhat diverse with respect to tasks, but limited to the performance of only a small number of contractors among the many available nationwide. Following open national competitions held from April through August 1989, GAO selected contractors for four kinds of work as follows:

- A national survey research firm was contracted to perform structured data-gathering and statistical analysis tasks including designing and testing questionnaires, conducting mail and telephone surveys, interviewing, extracting data from files, developing automated data bases, and analyzing data from these sources. These are common tasks in virtually all GAO assignments.
- A public accounting firm was contracted to provide referencing for draft reports.
- A general social science and policy analysis firm was contracted to provide various types of technical assistance and data-gathering support to a regional office.

-- A consulting firm with a general practice in the personnel field was contracted to provide and manage data bases concerning wages in the private sector. Work under this contract is continuing; major products were not available yet for evaluation.

As required by GAO's procurement procedures each firm was asked to disclose any conflicts of interest that might affect their independence of performance for GAO; none came to light either at this step or later during the firms' work.

Once the master contracts were agreed on for the first three types of work listed above, GAO staff who planned to use any of the contractors initiated procurement by preparing a description called a statement of work. The statement of work briefly outlines the work to be done, products needed, the expected level of effort, and deadlines. The contractor responded (in most cases) with a proposal which after negotiation resulted in a fixed price agreement.¹ Over the course of the evaluation GAO staff initiated 46 statements of work; 34 resulted in signed agreements (called task orders) with products available for study within the evaluation period (22 for structured data-gathering and statistical analysis, 9 for referencing, and 3 for technical assistance).

The scope of our review also includes only an initial year of testing expanded contracting. The shortness of this period has many specific implications; these will be detailed in the analysis of each of the evaluation criteria to be discussed below.

Methodology

We needed data on the timeliness, cost, and quality of work done by GAO and contractors, and we also needed to understand the feasibility of the contract process in each episode of contracting as well. As noted earlier, we had 34 task orders to work with. Since each order could include a number of different activities, we examined the set of orders to identify discrete tasks that could serve as the basic units of analysis, such as conducting telephone interviews, designing a survey, or referencing a draft report. We identified 56 separate tasks.

We located examples of regular GAO work for comparison. For the 44 data-gathering and statistical analysis tasks, we found 17 examples of very similar tasks done in GAO. Of the nine draft reports referenced under contract, three had been referenced

¹One contractor declined to bid on a proposed order on grounds that it fell outside their expertise. In one other case GAO withdrew a proposed order and did not complete negotiations on grounds that the contractor's bid was far higher than expected and could not be made acceptable.

previously within GAO and were nominated by GAO units as a test to demonstrate whether the contracting of referencing was feasible; for two other cases we found reports comparable in length as well as in scope, subject matter, and sophistication that had already been referenced that could also serve as comparisons. We found no good comparisons for the three technical assistance tasks. Thus, overall we evaluated a set of 56 contracted tasks and 22 in-house comparisons as shown in Table 1.

Table 1: The Work Reviewed in this Evaluation

	Number of Tasks Studied	
	<u>Contracted</u>	<u>In-house</u>
Structured data-gathering and statistical analysis		
Mailing	5	1
Telephone interviews	9	2
Individual/group interviews	4	4
Data collection instrument design	4	4
Data base management	10	3
Statistical analysis	<u>12</u>	<u>3</u>
Subtotal	44	17
Referencing	9	5
Technical assistance	3	0
Total Tasks	56	22

We gathered data on the evaluation criteria using several methods explained in more detail in the sections below. In general, the PEMD evaluation team gathered data in diverse ways including: directly observing parts of the 2-year trial, such as training for those evaluating contract proposals, meetings between GAO staff and contractors, and the like; interviewing GAO and contractor staff at intervals throughout the evolution of each task order to obtain facts and opinions; reviewing GAO administrative records and contract products; and submitting selected products to an outside methodological expert for independent quality rating. For comparative cost analysis, GAO's administrative staff provided data on wages and fringe benefit costs of GAO staff at different levels.

STRENGTHS AND LIMITATIONS OF THE TRIAL AND ITS EVALUATION

Our approach has many strengths. First, our conclusions rest on data that go beyond opinion alone, including measures of timeliness and cost as well as independent evaluations of quality. Second, we provide perspective on the results attained by outside contractors

by comparing the timeliness, cost, and quality of similar tasks done in-house. Third, we can be more confident about conclusions since we examined contracting in a number of different GAO situations, including different divisions and regional offices and also in different tasks that form GAO's mission work.

The major limitation is in the overall strength of evaluation conclusions that can be drawn, in view of some erosion of the original design during the implementation of the trial. The plan was to attempt the strongest possible comparisons, with random assignment of a pool of tasks, half to be done by contractors and the other half to be done in the usual fashion by GAO staff. When fewer tasks were nominated for this planned experiment than expected, virtually all had to be contracted in order to obtain an adequate number of cases for study, thus foreclosing the possibility of the strong conclusions yielded by a true experimental design. We had to make other arrangements to find comparison tasks, resulting in a smaller and less comparable pool of cases of in-house work.

A second limitation is inherent in our aim to respond as promptly as possible to the request for results of the trial period. That is, to obtain data as soon as we could, we examined the very earliest GAO experiences with contracting. These experiences are inherently different from those that will follow in later years as GAO staff learn more about contracting. We would anticipate better outcomes on all our evaluation criteria as GAO staff improve in designing and overseeing contractors' work. In other words, as has been documented in studies of innovations in many kinds of organizations, familiarity grows slowly and so will the level and expertise of our use of the new methods; 1 year of experience with contracted services at the very outset of a complicated new approach is inherently unrepresentative.

A third limitation is that the specific examples of various kinds of work nominated for contracting may not have been completely representative even of the general range of work of that sort done within GAO. GAO staff may have been reluctant to entrust work that was essential or time-pressured to outside contractors whose performance was as yet untested. We observed, for example, that some tasks, nominated for contracting but then not selected and intended to be held as part of the comparison pool, were later dropped altogether and never done, suggesting low priority work was put forward to begin with. Many tasks that were contracted seemed also to be low enough in urgency that repeated delays were tolerable. Thus, though the data we can provide have significant strengths, they were gathered on a set of experiences and at a point in time that limit their generalizability.

ORGANIZATION OF THIS REPORT

We present the evaluation data on feasibility first, followed by data on timeliness, cost, and quality of the work. In each section we discuss our data in more detail, and the answers to specific evaluation questions. The report ends with conclusions about the implementation period we observed and the evaluation results.

FEASIBILITY

We looked first at the evidence on the feasibility of contracting, as major barriers there would preempt the issue of the quality of results. We asked, "Is it logistically feasible to perform an expanded amount of GAO mission work through contract?" In addressing this major question, we identified three subquestions that are specific dimensions of feasibility.

- Can an expanded volume of contracts be awarded and still meet GAO project schedules?
- Can evaluator staff perform the new roles required in designing and overseeing work by outside contractors?
- Can internal and external work be coordinated and necessary information safeguards be observed when tasks are contracted out?

To answer the first two questions, we interviewed each GAO project manager who used any of the contractors usually at the start and end of the task order (and sometimes more), and staff in the divisions' Design and Methodology Technical Assistance Groups where relevant. For each of the four major contracts, a Contracting Officer's Technical Representative (COTR) was appointed from the GAO staff to provide central technical oversight of the work and to recommend acceptance of plans and products to the contracting officer. These individuals were interviewed several times as well, as if it was a new role for each. We also asked staff in GAO's contract office for their perspective on the evaluators' performance in the new roles and tasks, whether they had needed skills and knowledge, and their views on how to help evaluators taking on new contracting activity. In addition, we sought a third opinion by asking contractors' staff for their perspective on the evaluators' performance and the extent to which new skills or knowledge may be needed.

To answer the third feasibility subquestion, whether work done externally by contractors presents any difficulties of coordination or adherence to required policies about safeguarding information, in addition to asking interview questions we identified several particular situations of this type and observed meetings where the issues were being worked on, to learn first hand

about communication, arranging the flow of work, and oversight as work was planned, executed, and delivered.

We were especially interested in feasibility issues in the special situation of a contractor working directly with a GAO regional office, but too few examples of such work eventually were contracted to permit conclusions.

Normal contracting could not meet
GAO's project schedules but task
orders could in most cases

Experience in awarding the four master contracts showed that the 9-month process for a substantial competitive procurement would not be feasible in individual assignments, but once the contracts were in place the much faster processing of individual task orders was acceptable.

The 9-month award process included approximately 3 months in which staff wrote the technical specifications to be included in the advertised requests for proposals. The authors were generally inexperienced in contracting processes, had assumed this task in addition to their regular full time responsibilities, and had few GAO models of such specifications to draw from. It is quite likely that with experience the time involved in this step could be reduced, and eventually largely eliminated (except for periodic recompetitions) if GAO continues to analyze its work overflows and enlarges the set of contractors to include ones providing the most commonly needed tasks.

Following publication of GAO's requirements, much of the competitive procurement process is governed by federal regulations that require specific waiting periods between steps. This translated into about 6 more months which elapsed before contracts were awarded in this project. However, little of that time could be saved via experience, so long as GAO continues to follow these regulations.

Once an indefinite quantity master contract is in place, arranging an individual task order is straightforward and, in theory, can be done as quickly as participants can manage. In fact, the amount of time from development of the order to having a signed agreement varied considerably. Arranging a data collection or technical assistance task order took from only a few days to more than a month. Delays were caused in GAO in both the divisions and in administrative offices, and also at the contractors' end. In GAO's contract office no additional staff were available to help with the extra work of the new contracts, so at times a backlog of work generated by the evaluation awaited processing; in addition, at

times these contractors' staff were unable to quickly develop a responsive proposal after receiving a GAO order. For the referencing tasks, orders were completed quickly, in 1 to 3 work days.

Thus, GAO managers found that arranging for some tasks to be done by contractors during the trial period was generally feasible within their assignment schedules. However, this is the first of many findings from the evaluation that must be seen in context; some of the work ordered in the evaluation was not representative, as discussed above under general limitations. GAO managers were reluctant to nominate tasks for an unfamiliar outside organization to perform that were either essential or components of assignments with tight deadlines, so the trial was not entirely realistic. For example, according to the GAO managers requesting contractor services, work called for by 10 of the 22 data gathering task orders would not have been done at all, or in any similar manner, if the special contract opportunity were not available. A delay of several weeks or a month while negotiating a task order could have adverse effects on many project schedules, though with experience, managers can readily forecast such a period and include it in overall assignment plans. The whole contract formation process was to some degree different from the GAO routine, in that some managerial steps were suspended or altered for the trial period; the regular procedures could be reexamined in light of lessons from the trial period, however, to see if the efficient procedures can be maintained.

Evaluator staff had some difficulty
in the new roles required in designing
and overseeing work by outside contractors

Staff reported challenges both in planning the original specifications and then overseeing contractors' work performance, and this was confirmed by staff both in GAO's contracts office and in the outside firms.

Specifically, GAO project managers of the 22 structured data gathering and statistical analysis task orders told us in interviews of problems in the following areas:

- Managers of 10 of the 22 said it was hard to determine the type (professional level) of contractor staff that would be needed to perform tasks;
- Nine of these project managers stated they had difficulty estimating the level of effort (labor hours) that would be sufficient to accomplish the work; and
- Six others mentioned difficulties in estimating how long contract work would take.

The PEMD managers of the experiment supplied some hypothetical examples of task orders at the start and participants shared real versions later, but both evaluators and contracting staff were learning together how best to specify GAO's needs. Managers of 14 of the 22 data-gathering and statistical analysis task orders recommended that GAO provide guidance in writing task orders.

Managers of the referencing tasks did not experience parallel difficulties, possibly because of shared understandings among GAO staff and between GAO and the accounting firm selected as the contractor about what such work involves and how it should be done. Specifying the type of staff was not necessary; the available staff had all done referencing for the firm and had also received GAO training. GAO staff did not indicate difficulty in estimating levels of effort because of their familiarity with referencing work. All the orders came from four GAO divisions and the COTR for this contract was able to develop a simple one page standard task order form used by GAO managers to communicate necessary information to the contractor.

GAO contracts staff noted that evaluators' data gathering and statistical analysis task orders often were very general and needed more detailed descriptions of the work GAO wanted to have done. Evaluators also needed to develop more awareness of good contracting practice in documenting changes; ambiguous original task orders that required later clarification often resulted in changes through informal conversations with contractor staff without a written modification of the task order. Evaluators who did seek help with contract management tasks sometimes experienced delays in obtaining advice from central administrative staff; this could grow if audit related contracting expands further without specialized central staff or other resources.

Officials at contracting firms noted that GAO staff were inexperienced and frequently unrealistic in setting the milestones and levels of effort in original task orders. The data collection and statistical analysis contractor, for example, rejected GAO labor estimates as too low in 12 of the 17 task orders in which GAO gave a specific figure. (Five others had no specific figure.) The contractor's counterproposals, which GAO accepted, increased the amount of staff time considerably, more than doubling it in 4 of the 12 cases. GAO evaluators told us, as discussed below, that they believe they performed some kinds of work faster and more cheaply than contractors; if this is true, the contractors' charge that GAO estimates were "unrealistic" only reflects the relative inefficiency of their own processes. The same contractor also noted that GAO staff did not understand the internal time costs the contractor would incur in supervising staff, reviewing products, and coordinating with GAO. On the other hand, some GAO managers felt the amount of time charged to supervision by the contractor was excessive.

The point in this discussion is not the issue of who was right, but the novelty of the role demand to negotiate expectations with outside contractors; very different estimates of key parameters require time to iron out and can lead to stressful interactions where time and money are at stake. For many evaluators, doing this in a contract setting is new, in contrast to the more familiar negotiations and oversight of expectations with their own staff.

In some cases, GAO managers were frustrated by their lack of ability to monitor contractor performance in data gathering and statistical analysis work. In four cases, these managers told us they thought they had clearly specified their technical requirements (such as the method they wanted used to compute survey response rates) to contractors during planning meetings. Nevertheless, the contractor produced reports using their own preferred method without regard for the specifications. In a few other cases, GAO managers were frustrated by their inability to access key contractor personnel and to receive information about the status of work in a timely manner. As auditors, some GAO staff reviewed contractors' bills closely and skeptically questioned small details of costs they might not have questioned in internal management of the same work; we could not quantify the extra costs of contract management roles assumed by GAO staff.

Internal and external work can be coordinated and necessary information safeguards observed when tasks are contracted out

In general, contractors were able to operate under GAO requirements and adhere to GAO procedures and policies. Most of the minor problems that we observed were resolved quickly and simply.² We did observe two kinds of conflict that may need further attention and policy development.

The firm providing data collection services extended a pledge of confidentiality to participants in some focus group interviews, in accordance with standard practice within the firm. The firm had not been alerted to GAO's special policies which restrict the blanket use of pledges of confidentiality and refused to comply when GAO asked for names, addresses, and characteristics of participants. The contractor's policy thus conflicted with the needs of the GAO manager to document the composition of the focus groups. (GAO accepted a summary statement from the contractor about individuals interviewed and evidence of their diversity.)

²The experiment did not include sensitive work or work requiring security clearances. Therefore, we were unable to observe contractor adherence to more rigorous GAO policies regarding informational safeguards in such cases.

GAO's rigorous requirements for supporting documentation to back-up all kinds of conclusions were new to two of the three contract firms. Some GAO managers of data gathering and statistical analysis tasks said contract staff needed considerable guidance to approach GAO standards in this area. We did not find, however, any cases in which the contractors could not finally provide specific documentation adequate to GAO's needs.

TIMELINESS

We judged contractors' timeliness in three ways: first, against the product delivery dates specified in the final task order and second, by asking GAO project managers if they were satisfied with contractors' timeliness. Lastly, we compared contractor timeliness against that of GAO staff in doing similar work.

Contractors usually were unable to meet product delivery dates

Compared against the dates stated in the final task order, contractors for all kinds of tasks frequently missed the mark. Overall, 71 percent were late, with some variation in the different task areas as shown in table 2. Average delays in completing complicated work involving statistical analyses reached more than 12 weeks. The common delays in completing referencing were smaller, only 2 or 3 days from the target dates.

Table 2: Timeliness

	<u>Total Tasks</u>	<u>Late Number</u>	<u>Tasks Percent</u>	<u>Size of the Delay (avg. in weeks)</u>
Structured Data-Gathering and Statistical Analysis				
Mailing	5	2	40	2.2
Telephone interviews	9	5	56	2.8
Individual/group interviews	4	2	50	3.1
Data collection instrument design	4	3	75	6.0
Data base management	10	8	80	10.1
Statistical analysis	<u>12</u>	<u>10</u>	83	12.5
Subtotal	44	30	68	
Referencing	9	8	89	.5
Technical assistance	<u>3</u>	<u>2</u>	66	10.5
All Tasks	56	40	71	

(17)

GAO managers generally rated
delivery time as acceptable or better

This evidence of pervasive delays must, however, be considered in the context of the project. As already noted, assignments nominated for the evaluation were often not urgent, so they may not have been as aggressively monitored as they would have been otherwise. Further, with staff inexperience in estimating how long contractors would take on tasks, orders may have included unrealistic delivery schedules.

With regard to GAO satisfaction, GAO project managers of data gathering and statistical analysis tasks told us they were generally pleased with the contractors' timeliness and rated delivery time as acceptable or better in 25 cases out of 44. GAO staff reported that the contractor was chiefly responsible for the delays in only 9 of the 19 cases where delivery time was not considered acceptable.³

While these findings of satisfaction may appear to conflict with the findings of generalized (and sometimes considerable) delay, it is also true that in some cases intermediate products helped to compensate for delayed final products.

In three cases, however, the lateness of contractor products had serious consequences. In one, methodological plans for a job had to be redesigned because a contractor could not deliver an analytic task according to schedule and an alternative less desirable to the staff had to be adopted in order to produce a timely report. In two other cases, GAO staff had to take back statistical analysis tasks that had been contracted and assign them to GAO staff in order to avoid both additional time delays and cost overruns.

One contractor reported problems in responding rapidly to GAO's needs at times when their staff were fully committed; there appeared to be less slack, or surge capacity, in this firm than GAO perhaps expected. (No special response time requirements had been built into the contracts.) The data gathering and statistical analysis contractor urged that GAO involve them more at early stages of planning for assignments. Officials in this firm believed this would help them forecast demand for contract services to avoid delays caused by not having staff ready. Specialized contractor staff such as senior statisticians and methodological experts were particularly likely to be fully committed, thus slowing response to GAO's most complex

³Other causes included GAO's own failure to provide needed information to the contractor, delays in contract actions or other decisions within GAO, delays in obtaining agency data, and delays in coordination with congressional requestors.

requirements. The referencing contractor, with fewer tasks spread across a longer period, did not have these problems; they might develop, however, if the volume of contract referencing increases.

GAO managers reported in-house work delays smaller than those of contractors

Regarding comparisons of contractor delays with those GAO experiences in its own work, we lacked, as noted earlier, the strong real time comparisons that would have been possible under the original random assignment design. Instead, we gathered comparison data on like tasks where that was feasible. In the 17 examples of in-house data gathering and statistical analysis tasks, the work had been done in the past and staff could not reconstruct detailed timelines. In general, GAO managers reported that delays by GAO staff in meeting task deadlines were less than those we observed in the cases of contract work on similar tasks. Possible explanations for this are that GAO staff needed less training for a given kind of work and that GAO managers could meet deadlines by adjusting priorities among assignments more flexibly than could contractors, all of whose clients probably demand top priority.

With respect to referencing, the timeliness of 5 of the 9 contract tasks could be compared with that of GAO, 3 reports were referenced by both, and for 2 other reports referenced by the contractor, we found reports done internally that were well-matched in size, scope, subject matter, and sophistication of methodology and analysis. As noted above, 8 of 9 contractor referencing tasks exceeded the amount of time specified on the task order by several days on average.⁴ GAO came closer to targets by typically doing the same job faster. In the 5 examples we could compare, GAO referenced the report on the average in just about 5.5 workdays, while it took the contractor about 7. However, this contractor worked under an incentive pay system

⁴We used the number of hours stated in the task order as the unit to measure timeliness because referencing task orders did not specify delivery dates.

involving intentionally inserted errors; pressure on staff to find a high proportion of those errors may have resulted in the longer effort.⁵

COST

We evaluated contract work on the second criterion of cost, as we did in the case of timeliness, in three ways: first, comparing the agreed-on costs and the final billing, and second, asking GAO managers' satisfaction with the price paid. And third, though a full cost analysis was beyond the scope of the evaluation, we did look for one kind of possible efficiency by comparing the labor costs of different kinds of work done within GAO with the contractors' charges for similar work. Data sources included the task orders and invoices, interviews with GAO managers, and GAO administrative data on the average wage and fringe benefit costs of GAO staff at different levels. We also asked contractors whether they billed GAO for their full costs.

Our methods for determining comparative costs involved identifying the kinds of staff used in doing a particular task by interviewing GAO managers, reviewing GAO records, and reviewing the detailed invoices from the contractors. For a hypothetical example, to conduct focus group interviews a contractor may have used senior and junior staff in a proportion of 40 percent and 60 percent, while GAO used 5 percent Band III time, 70 percent Band II and the rest Band I.⁶ The original contracts included a negotiated hourly rate for each kind of employee, while GAO budget officials provided an hourly cost estimate for different levels of GAO clerical and professional staff, including salary and fringe benefits. We included the negotiated labor overhead charges in the case of contracts and an estimated labor overhead figure for GAO, again

⁵To provide a benchmark for quality assurance in the critical task of referencing, the terms of this contract provided that intentional or control errors would be inserted in all reports referenced by contract staff. The contractor had to find at least 90 percent of these errors for the work to be accepted by GAO. If less than 50 percent of the control errors were identified by contract staff, no payment would be received for the unsatisfactory level of work performed. If the contractor identified 50 to 89 percent of the errors, the contractor would re-reference the report at no additional expense to GAO.

⁶Under GAO's pay for performance system, evaluator and evaluator-related employees are paid according to band levels instead of general schedule rates. The rates for GAO Band III employees are similar to the rates of general schedule grade 15 employees. Rates of GAO Band II employees correspond to the rates of grade 13 and 14 employees and the rates of GAO Band I employees correspond to rates of grade 7 to 12 employees.

provided by budget officials. These overhead figures were not comprehensive, in that we excluded nonlabor direct costs such as travel, postage, and computing costs in the case of contractors, and we excluded administrative support services and some other charges in the GAO case. Knowing the amount of time used of staff at all levels for a series of examples of each task allowed us to compute an average hourly cost for accomplishing each kind of work both at GAO and the contractors.

We chose this comparison approach because staff time is the major resource expended in typical GAO work. Therefore, if any efficiencies in the area of cost are to be obtained from contracting, it is most likely that these will stem from lower costs for a given level of staff expertise or more cost efficient combinations of staff than GAO can arrange. In addition, we do not anticipate any immediate savings in such indirect costs as space or utilities if GAO tasks are done in contractor facilities; GAO staff still need these to the same extent as before, as they design and monitor outside work.

would GAO then be paying double?

Contractors generally exceeded the agreed upon price

We found no absolute performance failures--that is, GAO did receive at least a partial product in all cases (or orders were terminated by agreement), but the contractors often asked GAO to accept bills for more than the task order price and the overruns were substantial

- All major data gathering and statistical analysis services and products were delivered for 18 of the 22 task orders.⁷ For the 22, the original prices averaged \$17,700; 9 of these ended up costing more, by an average amount of \$5,700 or about 30 percent.⁸
- All required referencing services were provided. The average order's original price was \$2,200, but the final bill exceeded that amount in 8 of the 9 cases by about \$900 on average or approximately 40 percent.

⁷Specifics of four task orders were suspended because costs incurred greatly exceeded the agreed upon cost (in one case), because of delays (2 cases), and because the work was no longer useful (1 case).

⁸Final bills have not been received for four task orders of this type; thus cost figures do not represent the full experience of the trial year.

-- All technical assistance services were provided, at or below the agreed-on price.

Although the original task orders were for delivery at a fixed price, GAO contract officials generally agreed to pay all or most of the additional charges billed by contractors because GAO evaluators had expanded or changed the work along the way.

It is possible that firms may have incurred even higher costs than they attempted to recover from GAO. If that were true, then these billings may actually understate the potential cost of doing GAO work under contract and future GAO costs for some types of work would be even higher than those experienced during the trial period. We asked representatives from all of the contract firms about this, but only the data gathering and statistical analysis contractor said they failed to bill for all their costs. The firm thus far has billed GAO for about \$430,000 but according to an executive in that firm their actual costs already exceed this figure by more than \$60,000. Other officials in this firm believe much of this extra cost was due to the unexpectedly high coordination costs for the contractor's senior staff interacting on ambiguous task specifications with the numerous GAO actors in assignments. GAO may never be billed for full costs, but the size of such potential bills almost certainly would decrease with training and experience in contracting for GAO staff, so that specifications become more precise and contract monitoring increasingly effective in early detection of potential overrun situations.

GAO managers' satisfaction with costs of contracted work varied by task

Managers of referencing and technical assistance tasks did not express dissatisfaction with the costs of contracted work. However, managers of 10 of the 22 data gathering and statistical analysis task orders were dissatisfied with the billed cost of contracted work, for diverse reasons. Problem areas included: billing for staff that was not specified in the contractor's proposal, more time billed than had been expected for supervision and coordination, and inappropriately high levels of staff assigned to tasks.

GAO did not get work done more cheaply under contract

Comparing the average cost of an hour of work of various kinds at both GAO and the contractors, we found that in data gathering and statistical analysis and referencing work (7 different tasks in all), 4 cost about the same and 3 were done more cheaply by GAO. The four tasks that were more or less equal included mailing, telephone interviewing, data base management, and statistical analysis. GAO did three other kinds of work at lower cost than the

contractors: designing data collection instruments, interviewing individuals or groups, and referencing. Hourly cost comparisons for all 7 kinds of work are shown in table 3. (Our cost analysis did not cover all task orders as in some cases we could not allocate charges to specific subtasks.)

Table 3: Labor Cost Comparison^a

	Average hourly loaded labor cost		Lower cost per hour
	Contractor	GAO	
Structured Data-Gathering and Statistical Analysis			
Mailing	\$30	\$28	(close)
Telephone surveys	\$34	\$31	(close)
Individual/group interviews	\$47	\$28	GAO
Data collection instrument design	\$47	\$38	GAO
Data base management	\$39	\$39	(same)
Statistical analysis	\$45	\$43	(close)
Referencing	\$44	\$37	GAO

^aTechnical assistance contract cost figures were not available.

We looked for explanations for the cost discrepancies in the task areas of individual and group interviews where the contractor's hourly cost was considerably more than GAO's, and instrument design and referencing where the contractor was also higher. In virtually all cases the contractor assigned more senior staff for more time than GAO managers recalled they did, either to perform work or supervise. The contractor, for example, used very senior staff (equivalent to Band III at GAO) to conduct group interviews that appeared to have no special sensitive characteristics; at most, GAO would have used a small amount of Band III time for general supervision of such work. Likewise, the contractor assigned Band III equivalent staff to develop data collection instruments that in GAO would be done by Band I and II staff. In some other task areas, the contractor assigned people of the same skill level as did GAO, but incurred higher costs by paying higher salaries than did GAO (such as for referencers). In the case of referencing, the contractor's higher cost also reflected the practice of assigning the equivalent of Band-III staff to check 10 percent of the referencing done by lower-level staff. GAO's usual practice is to assign experienced Band I or Band II staff to referencing, without further review of their work other than by the report's authors.

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QUALITY

We collected judgments of work quality from GAO managers and from an outside methodological expert. In addition, in the case of referencing, we had several numerical indicators including the number of factual points raised by GAO and contract reviewers and the extent of discovery of the intentional errors that had been deliberately added to the texts.

GAO managers rated performance on easy work higher than on more complicated work

We developed specific criteria suited to different kinds of work and asked GAO staff (evaluators and technical assistance group members) to rate the quality of contract work on a 5 point scale.⁹ Responses varied by type of task:

- individual/group interviews and telephone survey work were rated higher in quality;
- mailing, data base management, and technical assistance tasks were rated at about the middle in quality; and
- data collection instrument design and statistical analysis were rated lower in quality.

Outside expert found few major differences in quality

We gave 17 of the more complex task products from both contractors and GAO assignments (including data collection instruments, statistical analyses, and technical assistance products) to a non-federal expert methodologist to review and score on the same 5-point quality scale. We carefully masked each product so the origin could not be identified. The expert judged the products of all kinds from both sources generally acceptable. In the only

⁹We asked for ratings on the following scale: 5-superior work; 4-above average; 3-average; 2-below average; and 1-poor work, unacceptable. We gave specific criteria suited to different kinds of work. We asked about accuracy and completeness, in the case of survey mailings. For telephone or personal interviews and data base management we asked about technical quality of the data gathered and the appropriateness of the techniques employed. For the most complex tasks such as instrument development, statistical analysis, and technical assistance, we asked judges to consider technical sophistication, appropriateness, completeness and accuracy, and presentation of results.

exception, the expert found contracted statistical analyses slightly lower in quality than those done by GAO (but not so flawed as to undermine soundness of conclusions).

Contract referencing
proved high in quality

The contractor did find virtually all the intentional errors inserted in 6 of the 7 reports referenced, missing the 90 percent criterion level specified in the contract in only one case.¹⁰ (See table 4.) Quantity is not a complete indicator of quality referencing; missing even one error, if it were a crucial element of data or analysis, could be very consequential. The trial period did not permit the broadest conclusions, however, as GAO managers typically inserted small, mechanical errors such as transposed figures, rather than major problems of logic and evidence that would pose the most stringent test.

Table 4: Referencing Quality

<u>Referencing Trials</u>	<u>Errors Inserted</u>	<u>Errors Identified</u>	<u>Percent Identified</u>
1	14	14	100
2	29	22	76
3	26	25	96
4	25	24	96
5	31	30	97
6	31	30	97
7	30	30	100

Comparing differences in the number of issues raised by contract referencers and GAO referencers in the same (or a comparable) report, we found that the outside referencers noted 100 percent more points than did GAO staff. GAO managers had initially been skeptical about the use of contractors for such an important step of quality control in GAO's work, but in final interviews, with one exception, they were very pleased with the firm's thoroughness and accuracy. Many did complain, however, that the contract staff, perhaps under the pressure of the performance contract, "went overboard" in raising points more stylistic or editorial than substantive. We observed, however, that some of the contractor's points were significant and contributed fully to GAO's objective of high quality work, such as identifying inaccuracies in agency data that had not been picked up by the report's authors.

¹⁰Two of the nine reports referenced by the contractor did not contain intentional errors.

CONCLUSIONS

GAO's experiences in using task order contracts to perform mission work were mixed. However, the results of a 1-year trial only partially suggest future results because of three limitations. First, the GAO and contractor performance that we observed might have been influenced by the special nature of the trial, its special internal arrangements, and the visibility of its evaluation. Second, this probably affected the tasks volunteered to be contracted under this trial, so that the pool may not have been representative of GAO work, especially in terms of time pressure. Third, the performance of contract and GAO staff that we examined over this first year is not indicative of levels of performance in the future given the progress that can be expected based on the increased knowledge and confidence that can come with experience. In consequence, despite their mixed nature, the results of this evaluation--together with the probability of future improvement in performance--support the feasibility and advisability of using contracting to perform specific elements of GAO work. Contracted services and products we reviewed, even in the novel situation of a trial period were acceptable and useful (with a few exceptions) and did not differ dramatically from work done by GAO staff. We provide detailed conclusions concerning the implementation experience and the four evaluation dimensions we set out to study.

Implementation

This evaluation uncovered cautiousness on the part of GAO staff members in the use of outside contractors. Staff had little prior knowledge about the contracting process and may have hesitated to perform new roles. Also, the high pressure characteristics of many GAO assignments and the agency's great emphasis on independence, high quality and accountability in all products may have added to staff uncertainty. Again, the evaluative requirements of this trial may have had an adverse effect on participation if staff regarded the general data-gathering as burdensome or the likelihood of independent quality judgments as intrusive.

Feasibility

It is clear that, using task order contracts, an expanded volume of contracts could be awarded and still meet GAO project schedules. While 9 months were required to write and award the original master contracts, showing that regular contracting will not be feasible in many shorter assignments, the amount of time subsequently needed to order specific tasks did not adversely affect the schedules of the assignments we studied. However, most of the tasks contracted were not considered time critical when selected for the evaluation. While delays of a week or more--such as those experienced in ordering several data collection, statistical analysis and technical assistance tasks--might have

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adverse effects on the timeliness of some GAO assignments, most work could be arranged without delay. Continued feasibility, however, may depend on review and reconsideration of the more typical conditions for budgeting and reviewing contracts, which were to some degree altered in the trial period and therefore not studied.

The new roles required by contracting, such as writing task orders and monitoring external work, presented challenges to evaluators managing certain types of tasks, and GAO staff managers generally displayed competence in designing and overseeing contracted work. Problems in designing and overseeing referencing and technical assistance work were minimal. Referencing is a routine activity with set expectations and contracted referencers had received formal training from GAO staff in referencing. These conditions enabled managers of referencing tasks to use a brief, simple form to order work. In addition, referencing occurs after audit and evaluation work has been completed, a time when coordination and planning are less demanding. Although managers of referencing tasks underestimated the actual time needed by outside referencers to complete work, much of the extra time may have been due to a unique performance contract feature in which the contractor was required to locate in the draft texts a high proportion of deliberately inserted errors. Technical assistance services, which were requested in the early planning stages of assignments before audit and evaluation work was implemented, did not require coordination of internal and external work. (Because of the small number of examples that could be arranged in the trial period, no firm conclusions were possible on the special question of the feasibility of contracting for direct technical assistance to regional offices though regional offices did take part without difficulty in a number of cases of headquarters task orders with the data gathering and statistical analysis contractor.)

In contrast to those overseeing referencing, managers of most data collection and statistical analysis activities did not demonstrate the ability to write task orders that contained from the outset adequately detailed descriptions of the work requested or the level of effort needed to complete an activity according to schedule. In some cases, job schedules did not allow managers sufficient time to write detailed task orders; in other cases, constraints on the schedule necessary to permit the evaluation data gathering needed in this special trial period might have had adverse effects on the quality of task orders. Managers changed the specifications after task orders were finalized through informal discussions with contractor staff, which undermined contractual safeguards and made resolution of subsequent disagreements difficult.

No major difficulties of coordination concerning GAO policies or the handling of information surfaced during the trial period, so we conclude that it is feasible for GAO staff to integrate internal and external work under the same general policies about how we do our work.

Timeliness

Although contractors were late more often than not, our managers were nevertheless generally satisfied with the timeliness of the contractors' products and services. In most cases, the delays were not completely in the contractor's control and did not seriously affect the job's progress. Not surprisingly, performance was most timely for such clearly defined tasks as mailing data collection instruments and referencing. Delays were greatest for relatively open-ended tasks such as statistical analysis and data base management.

GAO staff doing similar tasks generally said they accomplished them in less time and more often according to schedule, but we did not have very strong data to support this point. Also, it should be noted that the assignments nominated for the evaluation were often not urgent and as a result may not have been monitored as aggressively as they might otherwise have been.

A further impediment to contractor timeliness was our own inexperience overseeing contractor performance. We sometimes inadvertently contributed to contractor delays by estimating overly optimistic timeframes, not being sufficiently detailed when specifying tasks, and revising tasks during the course of the assignment. More experience overseeing the work of contractors could minimize such problems, resulting in a corresponding increase in timeliness.

Cost

Many task orders eventually cost GAO more than the original negotiated price, but again most GAO managers did not complain about the cost of contracted services. It may be that GAO staff underestimated the scope or complexity of the work they had ordered. Managers also may have lacked the skills and knowledge needed to determine a fair and appropriate price and to object knowledgeably to upward adjustments in price, a problem that additional experience would remedy. Our analysis of labor costs indicated that costs for contracted mailing, telephone, statistical analysis, and database services were similar to the costs of the GAO performance of similar work. Some other work (referencing, data collection instrument design, and interviewing) cost more when done outside, but the higher prices might be acceptable in situations where GAO lacks enough people to do all that needs to be done. The cost picture we observed may change in either direction, however. In one contractor's case it seems that



some costs deliberately not billed GAO in the first year might be added in future, if the firm aims to recover all costs. Alternatively, costs could come down as GAO learns how to better specify its needs and contractors learn how to anticipate and meet them in more and more efficient ways. Some form of forecasting could be a useful tool in this regard.

Quality

This trial of contracting did not disclose any performance failures or examples of problems with the discrete tasks assigned that were severe enough to damage GAO's performance to any degree. On the contrary, products were generally acceptable with simpler tasks done more successfully, in the opinion of GAO staff, than more complex ones. Specifically, GAO staff judged the contractor's interview and telephone survey work higher in quality; mailing, data base management, and technical assistance were rated in the middle; data collection instrument design and statistical analysis were rated lower in quality. An independent expert who reviewed the work products did not find major differences in the quality of technical products. Referencing was a qualitative success by both empirical criteria and in the judgment of 8 of the 9 managers who used the outside referencers.

RECOMMENDATIONS

With more experience with contractors, GAO staff will more decisively be able to identify suitable tasks and assign them as a more routine part of assignment planning--thus overcoming some of the hesitation or caution we observed. More experience will in turn yield more knowledge about effective ways to work with contractors. Since expanded contracting will almost certainly be necessary in the future to relieve pressure on GAO staff being caused by increased work but no increase in personnel, the data from the trial period suggest that improved experience with contracting is more likely if the following recommended steps are taken:

- Concerning internal administrative procedures: Review regular GAO internal procedures for contracting (including steps such as budgeting funds and obtaining approvals) in light of the experience from the special trial period, to identify any steps that need to be changed to enhance sound, timely contracting.
- Concerning expanded contracting and better coordination with often-used contractors: Review GAO assignments to identify additional common activities where staff would use one or more additional task order contractors; proceed with procurement steps so that contractors are available in advance of need. In task areas where there is some experience from the trial and where continued use of an existing contractor is planned,

develop and test a workload forecasting method that could help contractors anticipate GAO needs and meet them in the most timely way.

- Concerning GAO staff skills: Establish training for evaluators in aspects of contracting where their skills are crucial, such as developing statements of work, assessing proposals, monitoring contractor performance, and providing feedback. Alternatively, units which anticipate significant contracting could establish specialized support staff who could provide expertise as needed to groups of staff.
- Concerning GAO support to evaluators using contractors: Review the central administrative staff in light of projected growing workloads of audit and evaluation kinds of contracting; establish additional positions and additional training as needed to assure that evaluators can get timely help in carrying out their roles with respect to purchases that differ from the more familiar commercial contracting used in GAO up to the trial period.
- Concerning GAO policy on use of contractors: Based on continuing review of the results of contracting, consider providing policy guidance to staff about the kinds of tasks where contracting has proven most successful. Such guidance would help staff readily review their own plans for such opportunities when the need arises and help communicate shared understanding of the degree of acceptability of contracting that GAO has achieved.