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*J. O. J.*

# REPORT TO THE CONGRESS

*72-2352*



## Need For Improving The Administration Of Study And Evaluation Contracts B-164031(1)

Office of Education  
Department of Health, Education,  
and Welfare

**BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

AUG. 16, 1971

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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-164031(1)

To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on the need for improving the administration of study and evaluation contracts by the Office of Education, Department of Health, Education, and Welfare.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Health, Education, and Welfare; and the Commissioner of Education.

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General  
of the United States

D I G E S T

WHY THE REVIEW WAS MADE

The Office of Education has entered into contracts for studies and evaluations of Federal educational programs to determine whether these programs are meeting their objectives. The information obtained is used in the development, design, and management of the programs and to inform educators about the programs.

The studies are performed by public or private agencies, organizations, groups, or individuals.

The General Accounting Office (GAO) reviewed the Office of Education's administration of these contracts to determine whether its policies and procedures were adequate for ensuring that the information obtained was useful and provided the benefits intended.

GAO identified 86 study and evaluation contracts, totaling about \$22 million, which had completion dates after January 1, 1969. Of these contracts, GAO selected 24 for review. At the time of GAO's review, 14 of the contracts had been completed at a cost of \$2.2 million. The remaining 10 contracts were still in progress and were estimated to cost about \$9.1 million.

FINDINGS AND CONCLUSIONS

Office of Education officials considered the information produced by five of the 14 completed studies to be of limited use. The cost of the five studies (\$935,000) represented 41.6 percent of the total cost of the 14 completed contracts.

The results of the nine other completed contracts were considered by the Office of Education to be adequate and useful.

Two of the 10 ongoing studies may also fall short of meeting their objectives.

--A study, costing \$542,000, to evaluate curriculum for the environmentally deprived child probably will not meet the objectives set by the Office of Education.

--A \$7 million contract to study the Follow Through program may not produce the information desired unless the Office of Education clarifies the objectives of the study. (See p. 6.)

Numerous problems were encountered with some of the studies.

--Certain of the studies lacked sufficient research, test data, and analyses to support their conclusions.

--One contained little or no original data; another contained inaccurate data. (See p. 8.)

Weaknesses in the administration of the contracts contributed to the failure of these studies to produce the desired results.

In a number of instances, the contractors' descriptions of work to be performed were not specific enough to ensure that the work performed would provide the Office of Education with useful information. Written agreements were not obtained on significant changes in the work. Also contracts were not monitored closely enough to keep responsible Office of Education officials informed on a contractor's progress.

Under such circumstances it is difficult to hold the contractors responsible for poor performance. (See p. 14.)

The following two examples illustrate the poor administrative practices of the Office of Education.

--Office of Education officials concluded that research conducted under a \$103,000 contract was performed poorly and that the final report contained many unsubstantiated statements. GAO attributes the poor results to a lack of specific contract objectives.

--Office of Education officials concluded that the report produced under a \$200,000 contract lacked sufficient data or research findings to be of value. GAO believes that this resulted because the Office of Education did not formally amend the contract to include work it considered important. (See p. 19.)

If the Office of Education is to receive the benefits intended from study and evaluation contracts, improvements are needed in the administration of these contracts.

At the close of GAO's review, the Department of Health, Education, and Welfare (HEW) was preparing a guide for its project monitors, which was to deal with many of the problem areas discussed in this report. GAO believes that the guide can result in a significant improvement.

RECOMMENDATIONS OR SUGGESTIONS

In preparing the guide for project monitors, the Secretary of HEW should provide for inclusion of:

- Guidance to help ensure that the objectives and requirements of contracts are clearly understood by the contractors and that the scope of work is described in sufficient detail in the contract.
- The methods to be used in monitoring the contractor's progress such as required site visits at specified points in the contract period.
- Criteria for use by agency personnel in evaluating a final report prior to acceptance to determine whether the contract objectives have been satisfied.
- The steps required to be taken when considering action against a contractor for poorly performed work, including consultation with legal counsel and contracting officials.

In addition, the Secretary should provide for the establishment of an orientation course to acquaint agency program personnel involved in the administration of study and evaluation contracts with the requirements of Federal Procurement Regulations and agency instructions. (See p. 28.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Assistant Secretary, Comptroller, of HEW concurred in GAO's recommendations and described actions taken or planned to implement the specific recommendations or to otherwise improve contract management in the Office of Education. (See p. 29.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

The use of contractors by the Office of Education to conduct studies and evaluations has increased substantially over the years. This report illustrates the need for improved contract administration so that the Office of Education can realize the maximum benefits from the funds expended for these studies.

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ABBREVIATIONS

GAO General Accounting Office  
HEW Department of Health, Education, and Welfare  
ERIC Educational Resources Information Center

D I G E S T

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Numerous problems were encountered with some of the studies.

--Certain of the studies lacked sufficient research, test data, and analyses to support their conclusions.

--One contained little or no original data; another contained inaccurate data. (See p. 8.)

Weaknesses in the administration of the contracts contributed to the failure of these studies to produce the desired results.

In a number of instances, the contractors' descriptions of work to be performed were not specific enough to ensure that the work performed would provide the Office of Education with useful information. Written agreements were not obtained on significant changes in the work. Also contracts were not monitored closely enough to keep responsible Office of Education officials informed on a contractor's progress.

Under such circumstances it is difficult to hold the contractors responsible for poor performance. (See p. 14.)

The following two examples illustrate the poor administrative practices of the Office of Education.

--Office of Education officials concluded that research conducted under a \$103,000 contract was performed poorly and that the final report contained many unsubstantiated statements. GAO attributes the poor results to a lack of specific contract objectives.

--Office of Education officials concluded that the report produced under a \$200,000 contract lacked sufficient data or research findings to be of value. GAO believes that this resulted because the Office of Education did not formally amend the contract to include work it considered important. (See p. 19.)

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In addition, the Secretary should provide for the establishment of an orientation course to acquaint agency program personnel involved in the administration of study and evaluation contracts with the requirements of Federal Procurement Regulations and agency instructions. (See p. 28.)

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The Assistant Secretary, Comptroller, of HEW concurred in GAO's recommendations and described actions taken or planned to implement the specific recommendations or to otherwise improve contract management in the Office of Education. (See p. 29.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

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## CHAPTER 1

### INTRODUCTION

The study and evaluation of educational programs financed with Federal funds has been emphasized increasingly by the Congress; the Office of Management and Budget; the Department of Health, Education, and Welfare; and the Office of Education. The Congress has indicated that some of this work should be done under contracts with profit-making and nonprofitmaking firms outside the Federal Government. This is illustrated by section 412 of the General Education Provisions Act (20 U.S.C. 1231 a), which authorizes the Office of Education to enter into contracts with private and public firms for the purpose of obtaining objective measurements of the effectiveness of educational programs.

Contracts are awarded by the Office of Education for a variety of products and services, including various types of studies and evaluations. Study contracts are awarded for research which generally seeks to develop or test new knowledge, concepts, instruments, or techniques or for the collection of basic data and statistics which describe such factors as educational activities, characteristics, and composition of target groups. Other contracts are awarded for evaluation which is defined by the Office of Education as the process of gathering and analyzing information about program effectiveness and impact to assist in making decisions about alternative courses of action.

We compiled a listing of about 1,300 contracts of all types, totaling approximately \$276 million, which were open during fiscal year 1969. Because a central record which identified contracts by type was not maintained, we made a determination of the number of study and evaluation contracts. We identified 86 contracts, totaling about \$22 million, which had completion dates after January 1, 1969, and selected 24, totaling about \$11.3 million, for review. We selected a variety of contracts, considering contract size, type, and the awarding activity within the Office of Education.

At the time of our selection, 14 of the contracts had been completed at a cost of \$2.2 million. The remaining 10 contracts were still in progress and were estimated to cost about \$9.1 million.

## CHAPTER 2

### REPORTS WERE OF LIMITED USEFULNESS

#### AND OTHER CONTRACT WORK

#### WAS NOT PROGRESSING SATISFACTORILY

The Office of Education's objective in awarding study and evaluation contracts was to obtain timely and objective information that could be used in the development, design, and management of its programs or that was of a quality that could be provided to the educational community. Our review of Office of Education records and discussions with agency officials showed, however, that the results of five of the 14 completed contracts included in our review did not fully meet this objective. The cost of the five studies (\$935,000) represented 41.6 percent of the total cost of the 14 completed studies. The results of the other nine completed contracts, costing about \$1.3 million, were considered adequate by the Office of Education and were useful. (See p. 11 and app. II for details on use.)

Although a final judgment had not been made by the Office of Education on the 10 ongoing studies--expected to cost about \$9.1 million--the record indicates that one of the studies estimated to cost about \$542,000 probably will not meet the objectives specified by the Office of Education.

Information on an ongoing \$7 million contract indicated that, unless the Office of Education gave immediate attention to specifying what it expected to obtain from the contract, there was considerable likelihood that the product it received would not be as useful as desired. In several cases the files did not contain for our consideration up-to-date reports on the work in progress.

Because of the absence of a system at the Office of Education for evaluating and recording the use of reports produced under study and evaluation contracts, we had to rely on discussions with Office of Education officials and available records for assessment of report quality and use.

The five completed contracts which produced results of limited usefulness and the two ongoing contracts with potential problems are listed below followed by comments made by certain Office of Education officials or consultants hired by the Office of Education. Additional details are given in appendix II. In chapter 3 we discuss the need for improving the policies and procedures for administering study and evaluation contracts to provide greater assurance that such contracts will produce useful information.

<u>Title of study</u>	<u>Approximate cost</u>
Completed:	
Establishment of a National Planning Congress in the Field of Higher Education	\$ 200,000
National Evaluation of Project Follow Through	146,100
Analysis of the 1968 Survey of Compensatory Education	80,579
Study of Students Graduated from the Public Schools of (city deleted)	103,172
Design, Test, Operate and Evaluate Institute Information System for National Defense Education Act--1966	<u>404,880</u>
Total	\$ 934,731
Ongoing:	
Evaluation of the Effectiveness of an Enriched Curriculum in Overcoming the Consequences of Environmental Deprivation	542,180
Longitudinal Evaluation of the National Follow Through Program	<u>7,028,805</u>
Total	<u>7,570,985</u>
Total	<u>\$8,505,716</u>

## COMPLETED CONTRACTS

1. The Chief of the Planning, Evaluation, and Reports Staff, Bureau of Higher Education, criticized the \$200,000 study of higher education planning because:

"There does not seem to be much in the report by way of data or research findings. \*\*\* In short, we have a negative report, filled with broad and frequently obvious generalizations and opinions, lacking in data and proposing Federal legislation that contains little or nothing original."

This official recommended limited distribution because, in his opinion, there did not appear to be much of substantive value in the report.

2. A report produced under the \$146,100 contract for the evaluation of Project Follow Through was criticized by Office of Education officials, including the Director of the Follow Through Branch. These officials stated that the report lacked significant test data and that it did not accurately reflect the analyses that had been completed. They also considered it to be of limited usefulness because of significant changes in program emphasis during the contract period. For these reasons they felt that the report was misleading and that distributing it, without revision, would have been irresponsible. The Director of the Follow Through Branch, however, agreed to accept the report without revision because he felt that there was nothing to be gained from further negotiation with the contractor.
3. In the case of the \$80,579 analysis of the 1968 survey of compensatory education, the project monitor stated that the materials delivered by the contractor were of variable quality but were, for the most part, unacceptably poor. Part of the analysis had to be redone by another contractor at additional cost to the Government.

4. The project monitor for the \$103,172 study of students graduated from a public school system stated that:

"\*\*\* the research it describes was poorly conducted and the report contains many unsubstantiated statements which would be misleading to readers."

Another Office of Education official concluded that the report was of absolutely no use to the Office of Education.

5. An important objective of the \$404,880 contract was not accomplished in that information considered by the Office of Education to be needed for program planning and decisionmaking purposes was late by as much as 1 year. The contract was for designing, testing, operating, and evaluating an information system for various institutes' programs, such as the Arts and Humanities Institutes Program and the Experienced Teacher Fellowship Program, which were established in accordance with the National Defense Education Act of 1966.

An important objective of the contract was to develop timely statistical data on persons applying for, and participating in, the various institute programs. The data on the participants in the summer of 1966 were to be submitted to the Office of Education in time to be used for planning the program for 1967. According to Office of Education officials, however, correct data were not received in time to be of benefit for this purpose; therefore the value of the data was diminished.

#### ONGOING CONTRACTS

1. The Office of Education has recognized that one of the major objectives of the \$542,180 contract for the evaluation of the effectiveness of an enriched curriculum for the environmentally deprived child probably will not be achieved fully, because the unique aspects of the curriculum which affect the

child's performance will not be identified fully. The Office of Education became aware of this problem in 1967 at which time the project monitor stated that "no valid conclusions about the effectiveness of the 'enriched' curriculum will be possible."

Furthermore, on October 12, 1970, the contractor informed the Office of Education that all of these aspects would not be identified in the final report and that one must speculate on some of the results and interpret as well as possible from the data.

In addition, the curriculum being evaluated was developed by the same contractor. Although the effect of the contractor's vested interest on the objectivity of his evaluation cannot be determined, it appears desirable to avoid situations where the contractor evaluates the effectiveness of work that he has performed.

2. Action had not been taken to clarify objectives on the \$7 million study of the national Follow Through program to be completed in December 1971, even though independent consultants and an Office of Education official had concluded that the objectives of the study had not been specified in sufficient detail to ensure a successful outcome. As a result of our review, Office of Education officials agreed to develop a specific work statement. They also informed us that they planned to establish a team of experts to monitor the study for the remaining months.

## DISPOSITION OF CONTRACT RESULTS

### Contracts of limited usefulness

The \$200,000 study of higher education planning eventually was placed in the Office of Education's Educational Resources Information Center system. The Office of Education, however, did not reproduce or disseminate the report by other means, such as distribution through the Government Printing Office, as is done with studies deemed fully satisfactory. The results of the \$146,100 evaluation of a Follow Through project and the \$103,172 study of students graduated from a public school system were withheld from the Educational Resources Information Center and were never distributed formally by other means. According to Office of Education officials, only limited use was made of the \$80,579, 1968 survey of compensatory education and much of the work had to be redone by another contractor.

The Office of Education considered the final report of the \$404,880 study contract for designing, testing, operating, and evaluating an information system for various institute programs to be useful, even though the interim product had not been received in time to be useful in planning program activities for the summer of 1967. Information has been extracted from the final report on several occasions for use in Office of Education publications and for satisfying public requests.

### Contracts considered useful

The results of the remaining nine completed studies were considered acceptable and useful to Office of Education needs. For example, the Bureau of Education for the Handicapped within the Office of Education intends to utilize the results of the \$430,487 study of the need for educational manpower for handicapped children and youth in its planning efforts with State education agency officials to help them to more adequately assess manpower needs in special education. Also part of the information will be used in conducting a future Bureau program.

Another illustration of a useful end product was the report produced under the \$24,750 study of special adult

basic education projects. The Office of Education's project monitor informed us that the product had been disseminated to State officials as well as to officials within the Office of Education. For additional information on the usefulness of reports produced under these nine contracts, see appendix II, page 41.

## CHAPTER 3

### NEED FOR IMPROVED POLICIES AND PROCEDURES

#### IN ADMINISTERING STUDY AND EVALUATION CONTRACTS

Because of numerous new educational programs enacted by the Congress in recent years in such areas as research and training, the administrative responsibilities of the Office of Education have increased sharply. To assist the Office of Education in carrying out the provisions of these many programs, legislation, such as section 412 of the General Education Provisions Act, authorizes the Commissioner of Education to enter into contracts with public or private agencies, organizations, groups, or individuals for data-gathering studies and evaluations.

In some respects this has created new problems for Office of Education program and contracting personnel who face a number of problems that normally would not be present in the procurement of such specifiable items as supplies and furniture. In this latter type of procurement, the product to be produced or supplied under the contract can be described with enough exactness to permit the buyer to place considerable reliance on the description of the item to be procured or the work to be done to ensure that he will receive a satisfactory end product.

On contracts for studies and evaluations of complex educational programs, however, it is difficult to specify exactly what is to be accomplished and what is to be submitted as a final product. The Office of Education expects a product under this type of contract, which is usually in the form of a report, but the methodology to be used in conducting the study and the nature of the final report is not always subject to exact definition.

Although Federal Procurement Regulations and agency instructions provide considerable guidance on contracting in general, we believe that the problems revealed by our review point out the need for more specific direction as to how Office of Education personnel are to deal with the relatively unique problems associated with the management of study and evaluation contracts. We noted administrative weaknesses

in 20 of the 24 contracts reviewed. We believe that, to effectively cope with such problems, the following improvements are required in contract administration.

1. More specific descriptions of work to be performed.
2. Formal records of agreements with the contractor.
3. Effective monitoring procedures.

NEED FOR MORE SPECIFIC DESCRIPTION  
OF WORK TO BE PERFORMED

If the Office of Education is to obtain useful and reliable information from studies performed under a contract, it is essential that there be a clear understanding between the contractor and the Office of Education concerning the work to be performed. According to the Federal Procurement Regulations, the contract specifications should describe clearly and accurately the technical requirements for a material, product, or service, including the procedure by which it will be determined that the requirements have been met. The need for clear work statements also is recognized in procurement regulations issued by HEW, which are to be followed by the Office of Education.

In each of the contracts reviewed, the study was required to be made in accordance with a proposal submitted by the contractor to the Office of Education. In a number of instances the contractor's proposal was not specific enough to ensure that the work to be performed would provide the Office of Education with useful information.

For example, after the Office of Education had determined that the final report submitted by the contractor under the \$103,172 contract for the study of students graduated from a public school system was of poor quality, a meeting was held between Office of Education officials and members of the Office of General Counsel, HEW, to discuss the possibility of withholding final payment. A memorandum summarizing the results of this meeting stated that:

"A subsequent review of the description of activities contained in the contractors proposal, which is incorporated into the contract, revealed that the activities are not specified in adequate

detail to form a basis for the government to claim non-performance. The government's task of demonstrating that 'best efforts' were not devoted would be nearly impossible."

For the above reason, a decision was made to accept the report "despite its serious deficiencies," and final payment was made.

In another case the Office of Education did not clearly specify what it expected the contractor to do under the \$404,880 study contract for designing, testing, operating, and evaluating an information system for various institutes' programs. The Office of Education intended that the contractor develop timely statistical data, which were to be used for program planning and decisionmaking purposes, on persons applying for, and participating in, these institutes. The requirement for submission of interim data before the contract completion date, however, was not incorporated into the contract. The contractor forwarded the information to the Office of Education at least 13 months after it was expected, which was too late to be of any use for the subsequent year's planning for institute participation.

In a letter dated December 27, 1966, the contractor acknowledged its tardiness in supplying statistical data to the Office of Education and stated that the

"\*\*\* best solution on your [the Office of Education's] part would be to set down complete specifications including timetable and see that we [the contractor] attach our signature."

In October 1967 an official of the Division of Educational Personnel Training, Office of Education, stated in a memorandum to the Contracts Division of the Bureau of Elementary and Secondary Education that:

"Due largely to the fact that this contract is the first of its type in which this Division has been involved, it has been found that some of the highly technical specifications were not sufficiently definitive and explicit to permit the contractor to complete all of the work contracted for within the original time span."

We were informed by the Office of Education's project monitor that the contractor's work load had been reduced in the latter years of performance of the contract so that the contractor would be in a position to complete the required statistical tables more timely. These tables were considered useful to the Office of Education.

The \$7 million study of the national Follow Through program is another example of the need for more specific statements of contract objectives and requirements. According to Office of Education officials, it was recognized from the beginning of the program that precise specifications for the evaluation task could not be provided in advance. In fact, the project monitor informed us that one of the contract objectives was to have the contractor develop the detailed specifications of the evaluative study. The importance of clear objectives on this contract, however, was recognized in a letter, dated July 3, 1969, to the Commissioner of Education from the Assistant Secretary for Planning and Evaluation, HEW, in which he stated that:

"\*\*\* an evaluation of this magnitude because of its extreme complexity requires the closest possible monitoring and the performance of the contractor \*\*\* must be measurable against items specifically called for in the contract."

We noted that, during the period of contract performance, the Office of Education had the study reviewed by consultants and in-house personnel on four occasions. The results of each review indicated that detailed specifications had not been set forth.

The initial review of the interim report submitted by the contractor covering the period July 1968 to November 1969 was conducted by a consultant. In his comments on the report, the consultant stated that:

"The major weakness of the program is, as admitted in the report itself, its inconclusiveness from an evaluation standpoint. It would seem that "Follow-Through" would have certain identifiable objectives for each year of operation and that some evaluation of progress in achieving these could be made."

In addition, he concluded that "The absence of actual evaluation in an evaluative study \*\*\* could be a major weakness."

In May 1970 a group of consultants reviewed the contract and stated that:

"The major concern of this reviewing 'team' \*\*\* lies in the design of the project in terms of its actually evaluating Follow-Through Projects. While the potential of most information collected for this purpose (evaluation) was explained, there seems to be an absence of a definite detailed plan designed to serve the major objective of evaluation. In fact, there seems to be some hesitancy to evaluate--in either a comparative sense--that is to compare project against project or to evaluate against specific goals."

Furthermore, at our request an Office of Education official and an outside consultant reviewed the contractor's performance and informed us on November 4, 1970, that:

"\*\*\* in the absence of any detailed statement of work \*\*\*, it will be impossible to determine whether the contractor is actually doing the job which he is supposed to do. Apparently several millions of dollars of effort has been contracted for without a specification of the tasks and products of that effort."

We discussed these comments with officials of the Follow Through program to determine what action they had taken to remedy the situation. The Director of the Follow Through Branch stated that, after the various criticisms were received, he had talked to the contractor about the matter. He stated, however, that he had not put any specific objective into writing. He informed us that immediate priority would be given to correcting this matter. The Acting Director of Program Planning and Evaluation, Bureau of Elementary and Secondary Education, stated that the Office of Education also was considering the possibility of having a group of consultants monitor the contract, which would entail some monitoring at the contractor's site in an attempt to rectify the current situation.

We believe that, had more specific work statements been included in the two completed contracts cited above, the chances of the Office of Education's receiving a better product would have been increased substantially. As previously discussed, agency officials advised us during our review that they planned to develop a specific work statement for the \$7 million contract and to establish a team of experts to monitor the contract. We believe that the Office of Education should follow up on the implementation of these actions.

NEED FOR FORMAL RECORD OF  
AGREEMENTS WITH CONTRACTOR

It is a well-established policy within the Federal Government that agreements reached by the contracting agency with the contractor, which change the scope of work, should be put in writing. In some instances, however, suggested changes or improvements, essential to the scope of work, were not agreed to, in writing, by the contractor and the Office of Education. We believe that this contributed to the failure of the Office of Education to receive the quality report that it expected and placed it in an awkward position in dealing with the contractor.

The importance of written agreements is illustrated by the problems associated with the \$200,000 study of planning in higher education. This study was conducted in accordance with the contractor's proposal which was reviewed formally within the Office of Education. According to the reviewers, the proposal lacked sufficient detail to ensure that the contractor understood the objectives of the study; therefore a meeting was held between the Office of Education and the contractor to clear up certain matters prior to contract award. According to a memorandum of the meeting, it was orally agreed to incorporate several additions to the scope of work in the contractor's proposal. Parts of the agreements were as follows:

1. Committees to be involved in the project were to include a mixture of research personnel, teachers, students, and others, to present a balanced picture of higher education and to avoid overconcentration of those responsible for administration.
2. Products to be delivered at the end of phase I of the project were to include a series of analytic reports or statements of higher education issues, problems, and needs.

The Office of Education, however, never formally requested a revised proposal from the contractor to incorporate the changes discussed at the meeting. Office of Education officials informed us that, throughout the contract period, they were aware that the contractor was not adhering to the

agreements reached and, on at least one occasion, advised the contractor of that fact. We found no written agreements prior or subsequent to contract award, however, which indicated that the contractor was obligated by the changes discussed at the meeting or that the contractor had agreed to correct the deficiencies brought to his attention.

The criticisms of the contractor's interim and final reports by officials of the Office of Education and/or HEW were concerned primarily with the failure of the contractor to complete the work orally agreed upon by the parties to the contract prior to award. Several criticisms of the interim report, which was submitted about 1 year after the contract award, were that the contractor did not seem to understand the meaning of the project, the study appeared to have involved only a very select group of persons and institutions, and the report was considered to be high in rhetoric but low in substance.

The criticisms of the final report were essentially the same. For example, one of the reviewers stated that the report did not have much substantial value. Other reviewers added that the report lacked a data base for recommendations and did not contribute in any way to information about planning needs. The project monitor informed us that the contractor had not included a comprehensive spectrum of discussions with persons, including students, faculty members, and members of the business community, who could have contributed greatly to the project.

The problems associated with the \$146,100 evaluation of the Follow Through program further illustrate the importance of having major changes in the scope of work agreed upon in writing. This contract was awarded in August 1967. Between that time and about June 1968, the contractor was primarily gathering data on 29 different Follow Through projects.

When the contractor started to analyze the data collected on the 29 projects, as required in the contract, the Office of Education decided that an analysis more sophisticated than originally called for in August 1967 would produce a more meaningful report on the true impact of the national Follow Through program.

The contractor was told of this decision; however, it informed the Office of Education that it did not have the capacity to perform the more sophisticated analysis. As a result, the Office of Education had another contractor perform the analysis but asked the original contractor to include the results in its report. We found no written agreements between the Office of Education and the two contractors concerning this arrangement.

The Director of the Follow Through Branch informed us that the contract never had been amended formally to incorporate the additional requests of the Office of Education. The Director stated, however, that the contractor's final report included the additional analyses but that the conclusions drawn from them by the contractor had been criticized by the Office of Education.

According to the Director of the Follow Through Branch, the Office of Education accepted the report because it fulfilled the contract requirements, as stated in 1967, which never had been amended formally. He stated, however, that the report had not been released to the public because of the belief that it would be misleading.

We believe that, had written agreements been reached on needed changes in the scope of work to be performed under the two contracts cited above, the chances of receiving more useful products would have been increased and the Office of Education would have been in a better position to hold the contractors responsible for performing the intended objectives of the contracts.

#### NEED FOR EFFECTIVE MONITORING PROCEDURES

Although the contractor is responsible for timely and satisfactory performance of its contract, some form of monitoring is necessary to keep the Government informed of the contractor's progress and to identify potential problem areas. Monitoring of the contract could consist of visits to the contractor's site, written progress reports from the contractor, and timely actions to deal with problems disclosed during contract performance.

Need for site visits and  
adequate progress reports

According to an HEW procurement manual dated January 31, 1964, project monitors were responsible for guiding the technical aspects of the projects and supervising the scope of the contractors' work. HEW's procurement manual, as well as the Office of Education's contract and grant management guidelines dated June 1970, assigned the same responsibilities to these persons. We found no written guidelines, however, for use by project monitors in determining what they should do to monitor contractors' progress effectively. Our discussions with many of these monitors revealed that the Office of Education had not established any detailed guidance for their use.

Site visits were made on only 12 of the 24 contracts from the time the contracts were awarded through September 1970; contract periods ranged from about 1 to 6 years. For two of these contracts, only one visit was made on each, although both contracts had been outstanding for over 5 years.

Some files contained comments on the progress of the work and others did not. Most contracts required progress reports to be submitted by the contractor. In a number of cases, however, the reports were too sketchy to keep the project monitor informed as to the progress of the work.

We believe that the failure of the Office of Education to provide its project monitors with detailed guidance on methods to be used in monitoring contractors' progress has been a contributing cause of the limited usefulness of some of the study results.

For example, difficulties have been encountered with the \$542,180 contract for the evaluation of the effectiveness of the enriched curriculum for the environmentally deprived child. The curriculum was developed under a contract with the Office of Economic Opportunity, and the Office of Education contract was awarded for the purpose of evaluating this curriculum. The lack of effective monitoring appeared to be a major cause of the difficulties encountered with the Office of Education contract.

The first visit to the contractor site by Office of Education officials to review the progress of the work was made by a team of three reviewers and the Office of Education project monitor in September 1967, more than 3 years after the project started. Apparently one reason for this visit was that officials of the Office of Economic Opportunity had discovered in an earlier visit that the contractor's work was not progressing as satisfactorily as expected.

During the Office of Education visit, it was discovered that the contractor had not achieved a major contract objective which was to identify the unique aspects of the curriculum contributing primarily to the increased knowledge of the participating children. We were informed by the former Director of the Division of Elementary and Secondary Education Research that such identification was important so that the results of the study could be disseminated to other schools. He said that this was why the evaluation had been made. The failure to achieve this objective had not been communicated to the Office of Education by other means, such as progress reports, prior to the 1967 visit.

Primarily because of the failure to achieve this major objective, the Office of Education project monitor, in a letter to the Acting Chief of the Instructional Materials and Practices Branch dated October 19, 1967, recommended termination of the contract by August 31, 1968, for the following reasons.

1. It would not be possible to form valid conclusions about the effectiveness of the enriched curriculum.
2. It would not be possible to say anything about varying lengths of exposure to the curriculum.

The Acting Chief of the Branch agreed with the recommendation to terminate; however, the contract was continued. We found no documentation supporting the decision to continue the contract. The former Director of the Division of Elementary and Secondary Education Research informed us, however, that he had decided to continue funding the project for the following reasons.

1. A significant amount of money had already been invested in not only the enriched curriculum but also in its evaluation.
2. The enriched curriculum was important and needed to be evaluated.
3. Two reviewers had not recommended termination but had suggested that there be an improvement in data-gathering procedures.

In our opinion, the critical problem with this contract was that Office of Education officials were not aware that the contractor was having problems until the September 1967 site visit, more than 3 years after the work started. The former Director of the Division of Elementary and Secondary Education Research informed us further on October 2, 1970, that, had he been aware of the problems earlier in the contract period, it possibly could have made a difference in his decision to continue funding. He stated that action could have been taken to correct the problems and that, if that had failed, the contract could have been terminated since the investment in the project would not have been as great as it was in September 1967. He added that by September 1967 it had been too late to change the direction of the contractor's efforts.

Need to initiate timely actions  
to correct identified problems

An important part of a project monitor's responsibilities is to deal effectively with problems identified during the contract period. Such problems may be detected through the use of site visits and progress reports or through the assessment of interim and final products submitted by the contractor. Assessment of the final contract product is required by Federal Procurement Regulations before acceptance of the product by the Government. Within the Office of Education this assessment helps the project monitor discharge his responsibilities for seeing that the product is responsive to the intent and purpose of the study. As stated in Federal Procurement Regulations, assessment provides the agency with a record of contractors' past performances for use in awarding new contracts.

We did not find any agencywide criteria for use by a project monitor in determining whether the contractor's product was, in fact, responsive. Furthermore we did not find any guidance for the monitor's use in dealing with a contractor whose performance was unacceptable, nor did we find a central location where Office of Education officials could go to determine the quality of a contractor's past performance. As a result, there seemed to be a lack of understanding within the Office of Education concerning what could and should be done when a contractor performed poorly, which caused Office of Education officials to deal inconsistently and ineffectively with problem contractors.

For example, an official stated with reference to the \$146,100 evaluation of the Follow Through program that he was not familiar with procedures for terminating a contract. He stated that he had been "pulled off a college campus" to head the program but never had been given any training in contract administration by the Office of Education. A former project monitor on the \$103,172 study of students graduated from a public school system stated that he had not attempted to terminate the contract because his supervisors had considered it too much trouble.

When an attempt was made to hold the contractor responsible for its work, no set procedure was followed. For example, the report produced under the \$103,172 study was reviewed by various persons within the Office of Education, including the project monitor and project co-monitor. The project monitor inquired whether payments on the contract could be withheld but was told by an official of the Office of General Counsel, HEW, that, primarily because of the vagueness of the contract work statement, it would be very difficult to hold the contractor responsible for poor contract performance.

We discussed this matter with the official of the Office of General Counsel, and he informed us that he felt that action against the contractor would have been difficult because the contract work statement was vague and at the time there was some disagreement between the project monitor and the project co-monitor concerning the seriousness of the

deficiencies of the report.<sup>1</sup> He stated that, if a formal review of the report by a panel of experts had supported the deficiencies, he would have been in a much better position to take action against the contractor.

In the case of the \$80,579 analysis of the 1968 survey of compensatory education, a systematic approach was not taken to hold the contractor responsible even though Office of Education officials decided to have part of the work redone because it had been performed so poorly. The misunderstandings and lack of coordinated action on this contract are discussed below.

During the period of contract performance, the Office of Education became aware that the work had not progressed as planned and, on three occasions, had assigned persons to assist the contractor in developing the statistical tables required in the work statement. The Assistant Director of Program Planning and Evaluation, Bureau of Elementary and Secondary Education, informed us that the tables completed as a result of this assist work were the only ones acceptable to the Office of Education.

Several Office of Education officials made comments on the poor quality of the work, and on February 25, 1969, the Director of Program Planning and Evaluation wrote to the contractor and stated that "most of the important tables were incorrect and unusable." In July 1969 the contractor submitted a voucher for the total amount of the contract. The voucher was not paid at that time, and in November 1969, over 3 months later, the Chief of Evaluation Design, Program Planning and Evaluation, Bureau of Elementary and Secondary Education, requested the Fiscal Branch to withhold payment.

In March 1970 the Assistant Director of Program Planning and Evaluation authorized payment and stated that the Office of Education had no legal way to continue withholding payment even though there had been dissatisfaction with the final report and the quality of the contractor's work. The payment was made on April 20, 1970.

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<sup>1</sup>In our discussions with the project monitor and the project co-monitor, we found that they later agreed that the report had serious deficiencies.

Our discussions with this official revealed that he had not consulted with legal counsel concerning the legality of withholding payment. He informed us that, when he authorized final payment in March 1970, he was under the impression that all but about \$20,000 of the total \$80,579 had been paid to the contractor. He stated that, had he known that none of the \$80,579 had been paid at that time, he would not have authorized the payment. In a memorandum dated June 15, 1971, the Office of General Counsel, HEW, stated that no practicable remedial action against the contractor appeared to be available to the Office of Education.

As discussed above, the contract-monitoring function has not been carried out sufficiently well to keep Office of Education officials informed regarding the progress of this work so that timely decisions can be made. Also the Office of Education has been placed in an unfavorable position in dealing with contractors who perform poor quality work, because there is no systematic approach for assessing the end product and taking follow-up action against the contractor. Since records of contractors' performances are not maintained in a central location, essential information is not available for persons making decisions on new contract awards.

We believe that monitoring problems have occurred partly because of the complex and subjective nature of some of the studies conducted under contract. Under a contract it is reasonable to expect some disagreements between persons within the Office of Education and between Office of Education personnel and contractors concerning the progress being made and the quality of the work.

In our opinion, the use of panels of experts to assist a project monitor in carrying out his responsibilities would eliminate some of the disagreements and would place the Office of Education in a stronger position to deal effectively with contractors that encounter problems in completing their work. Such panels could be used to evaluate periodically the progress of relatively large contracts. This was done on the contract for evaluation of the effectiveness of the enriched curriculum.

## CHAPTER 4

### CONCLUSIONS, RECOMMENDATIONS,

### AND AGENCY COMMENTS

#### CONCLUSIONS

The Office of Education has recognized the importance of study and evaluation contracts for providing useful and timely information, making decisions about the effectiveness of its programs, and determining the need for establishing new programs. If the Office of Education is to receive the benefits expected from the contracts, actions need to be taken to improve overall contract administration.

As stated on page 22, the Office of Education issued guidelines in June 1970 for use by contract and grant management personnel. These guidelines were not, however, sufficiently comprehensive for use by project monitors in determining the procedures to be followed to monitor contractors' progress effectively. At the close of our fieldwork, HEW was preparing a guide for use by project monitors. This guide can result in a significant improvement since it, as tentatively written, deals with some of the problem areas identified in our review. For example, it points out the need for clear work statements, the need for contract changes to be in writing, and the need for effective monitoring.

#### RECOMMENDATIONS TO THE SECRETARY OF HEW

We recommend that, in finalizing the guide, the Secretary of HEW provide for inclusion of:

1. Guidance to help ensure that the objectives and requirements of contracts are clearly understood by the contractors and that the scope of work is described in sufficient detail in the contract.
2. A requirement to amend contracts, in writing, when changes are made.

3. The methods to be used in monitoring the contractor's progress during the period of performance. Included in such methods should be the requirement for site visits at specified points in the contract period. As part of the monitoring process on relatively large contracts, the Office of Education should consider requiring the use of a panel of experts to review periodically the contractor's progress and to recommend any necessary changes in scope, emphasis, or level of effort. Such reviews might be made on or before expenditure of 25 percent of the effort planned for the project and at the halfway point, as well as at the end before accepting the final product.
4. Criteria for use by agency personnel in evaluating a final report prior to acceptance to determine whether the contract objectives have been satisfied.
5. The steps required to be taken when considering action against a contractor for poorly performed work, including consultation with legal counsel and contracting officials.

In addition, we recommend that the Secretary provide for the establishment of an orientation course to acquaint agency program personnel involved in the administration of study and evaluation contracts with the requirements of Federal Procurement Regulations and agency instructions.

#### AGENCY COMMENTS

The Assistant Secretary, Comptroller, of HEW commented on a draft of this report by letter dated June 1, 1971. (See app. I.) He stated that the report indicated that a comprehensive review had been performed and that, although limited as to the type of contracts reviewed, the report had identified areas of improvement needed in the overall administration of contracts and grants.

The Assistant Secretary informed us that HEW had incorporated all the guidelines and requirements recommended by GAO in the guide for project managers which HEW planned

to publish during July 1971. In commenting on the need for an orientation training course, the Assistant Secretary stated that the Office of Education had entered into a contract for this purpose. He said that a survey of training needs had been completed and that a course would be developed to start early in fiscal year 1972.

The Assistant Secretary stated also that the following additional actions had been taken or were planned by the Office of Education to improve contract management.

1. The goal of improving contract management was established as a primary component of the Commissioner's Management Objective for fiscal year 1972. Steps taken thus far to achieve this goal have been to (1) limit the authority to obligate the Government contractually only to those persons formally designated as contracting officers through the issuance of a personal warrant and (2) hire an experienced contracting officer to head the Office of Education's Division of Contracts and Grants and provide him with top-management support to accomplish his mission.
2. Advance planning will be undertaken for the purpose of formulating adequate scope of work specifications in future contracts.
3. A modified work statement is being incorporated in the contract for the study of the national Follow Through program (see p. 16) to provide for orderly completion of the contract. Monitoring of the contract is being elevated from branch to bureau level. At June 1, 1971, the Office of Education was negotiating with the contractor and expected to complete the modifications by June 30, 1971.

## CHAPTER 5

### SCOPE OF REVIEW

Our review was directed toward ascertaining whether the policies and procedures followed by the Office of Education in administering study and evaluation contracts were adequate for ensuring that the information obtained would serve the intended purpose effectively. Most of our work was performed at the Office of Education headquarters in Washington, D.C.

We initially compiled a listing of 86 study and evaluation contracts, totaling about \$22 million, from data furnished to us by the Office of Education and from listings prepared by GAO under a previous survey. All of these contracts were to be completed after January 1, 1969.

From the listing we selected for examination 24 contracts totaling about \$11.3 million. In selecting these contracts, we considered contracts with a high-dollar value, contracts that had been completed, contracts that had been active for relatively long periods of time, and contracts awarded by a cross section of the various bureaus within the Office of Education. We were concerned primarily with those contracts which required the contractor to submit an end product in the form of a report.

We reviewed the records for these 24 contracts and discussed the contracts with agency officials to determine whether the product produced or being produced by the contractor was acceptable to the Office of Education. We then concentrated our audit efforts on seven contracts where there were indications either that the Office of Education was not satisfied with the results or that action was necessary to improve the chances of receiving the results expected. We also interviewed selected contractors whose contracts were included in our review.

**APPENDIXES**



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20201

JUN 1 1971

Mr. Philip Charam  
Associate Director  
United States General  
Accounting Office  
Washington, D. C.

Dear Mr. Charam:

The Secretary has asked that I reply to your letter dated February 19, 1971, with which you forwarded the draft report of the General Accounting Office entitled "Need for Improved Procedures for Administration of Study and Evaluation Contracts." We appreciate the opportunity to review and comment on the report, the conclusions and recommendations.

The report indicates a comprehensive review was performed of the administration of the specific types of contracts examined and weaknesses in need of strengthening. Although limited in scope as to the types of contracts examined, the report identifies areas of improvements needed in the overall administration of contracts and grants.

Detailed comments on the recommendations together with the statements of actions taken or to be taken are set forth in the enclosures hereto.

Sincerely yours,

  
James B. Cardwell  
Assistant Secretary, Comptroller

Enclosures  
Tab A - Contracting Officer Authority in the Office of  
Education

## APPENDIX I

### Department of Health, Education and Welfare Comments Pertinent to the Draft Report to the Congress of the United States by the Comptroller General of the United States on "Need for Improved Procedures for Administration of Study and Evaluation Contracts"

#### OVERVIEW OF GAO REPORT

GAO's report indicates that they believe the Department needs to strengthen its policies and procedures in administering study and evaluation contracts let by the Office of Education (OE). To accomplish this, they offer recommendations calling for the Department to (i) incorporate certain criteria relative to contract administration into its forthcoming guide for project managers, and (ii) provide training in contract regulations and administration for such program personnel.

Our specific comments on each of GAO's two recommendations - paraphrased somewhat - follow:

#### GAO RECOMMENDATION

In its forthcoming guide for project managers, HEW should incorporate (i) guidance on defining contract scope and objectives, (ii) requirements calling for amending contracts in writing whenever significant changes to the scope of the work are made, (iii) information as to the methods to be used in monitoring contract progress on contract objectives; (iv) criteria for evaluating, before final acceptance, the suitability of final reports of contractors, and (v) information on a contractor's liability for unsatisfactory performance under the contract.

#### DEPARTMENT COMMENT

We have incorporated all of the GAO recommendation in the forthcoming guide for project managers. We expect that the guide will be published during July 1971.

#### GAO RECOMMENDATION

HEW provide training in contract regulations and administration for program personnel.

#### DEPARTMENT COMMENT

We concur with this recommendation.

OE has entered into a contract with Harbridge House, Inc. for a management training course. A survey of training needs has been completed and a curriculum will be developed for implementation in early fiscal year 1972.

GENERAL COMMENTS NOT RELATED TO SPECIFIC RECOMMENDATIONS

As recognized by the GAO, the Office of Education has formal guidelines for project monitors which they will continue to follow, except as noted below regarding scope of work specifications, until the Department's guide becomes effective.

In addition, OE has established a goal for improving contract management. The goal is a primary component of the Commissioner's Management Objective for FY 1972. It recognizes the present lack of effective contract policies and procedures and makes provisions to remedy the situation. Two steps have already been taken toward achievement of this goal. Effective July 1, 1971, only those individuals formally designated as Contracting Officers through the issuance of a personal warrant as a Contracting Officer will have authority to obligate the Government contractually (Tab A). Also, OE has employed from DOD a competent, experienced contracting officer to head its Division of Contracts and Grants who will have top management support to accomplish his mission.

Regarding the General Accounting Office identification of the difficulties encountered with precise specification of the scope of work on contracts for studies and evaluation of complex educational programs on pages 14 through 19 of the report under the heading "Need for More Specific Description of Work to be Performed", OE will engage in advance planning with the view to formulating adequate scope of work specifications.

Also, regarding contract OEC-0-8-522480-4633, a longitudinal evaluation of the national Follow Through Program, discussed in the same section of the report, OE is drafting a modified work statement which will be incorporated into the contract. This modification will be accomplished by June 1, 1971, and will provide for orderly completion of the contract. Contract monitoring will be elevated from branch to bureau level, and will be accomplished by the use of milestones. A report on this action will be available at OE for your review.

APPENDIX I

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF EDUCATION

*Date:* March 15, 1971

*Reply to*  
*Attn of:* ADM, CGD

*Subject:* Contracting Officer Authority in the Office of Education

*To:* Deputy Commissioners  
Associate/Assistant Commissioners

1. Effective 1 July 1971, Contracting Officer authority in the Office of Education shall be restricted to those individuals formally designated as Contracting Officers through the issuance of personal Contracting Officer's warrants. This policy shall apply to all discretionary grants and all contracts and agreements.

2. Bureaus requiring the designation of individuals as Contracting Officers shall make an individual application for each individual to the Director of Contracts and Grants Division by 15 April 1971. Applications shall contain the following data:

- a. Name, grade and position of the applicant.
- b. A copy of his position description.
- c. A reasonably detailed description of those specific duties that require his designation as a Contracting Officer.
- d. A reasonably detailed description of experience which qualifies him to act as a Contracting Officer.
- e. A statement as to the desired monetary limitation of the warrant.

3. For the purpose of this policy, contractual action, i.e., action that can be taken only by a Contracting Officer is defined as any action taken in connection with a discretionary grant, agreement, contract or other instrument which may obligate the Government contractually. It includes, but is not limited to:

- a. Solicitation of proposals.
- b. Synopsizing.
- c. Issuance of letters with contractual implications.
- d. Oral discussion of contractual matters with contractors, grantees, other than those matters of a technical nature which fall within the scope of the grant/contract.

- e. Contractual direction to contractors/grantees.
  - f. Change of work scope.
  - g. Time extensions.
  - h. Contractual approval of reports, documents, and materials called for by the contract/grant.
  - i. Approval of labor and indirect cost rates (Exclusive of functions under HEW jurisdiction).
  - j. Resolving of questions of allowability of costs.
4. Any question as to the contractual implication of a proposed action by any individual not designated as a Contracting Officer shall be referred to the Contracts and Grants Division for resolution.
5. Any action taken in violation of the policy set forth above will subject the individual concerned to disciplinary action and possible pecuniary liability.
6. All existing delegations of authority are being changed to reflect this policy.

Leon M. Schwartz  
Assistant Commissioner for Administration

OFFICE OF EDUCATION  
SCHEDULE OF CONTRACTS SELECTED BY GAO FOR REVIEW (note a)

<u>Contract number</u>	<u>Purpose of contract</u>	<u>Period of performance</u>
COMPLETED CONTRACTS (note d):		
OEC-0-9-099007-4581	Study of special adult basic education projects	6-20-69 to 12-15-69
OEC-0-8-001681-1882	Testing and further development of an operational model for the evaluation of alternative title I projects	2- 1-68 to 7-31-68 <sup>e</sup>
OEC-0-9-009001-1381	Perform analysis of 1968 Survey of Compensatory Education	12- 2-68 to 6- 1-69
OEC-0-9-089013-2471	A study of further selected programs for the education of disadvantaged children, a study of selected exemplary programs for vocational education in secondary schools, and field testing a prototype guide for authors of evaluation reports of educational programs	1-27-69 to 6-26-69
OEC-0-8-001714-1714	National evaluation of Project Follow Through	7-10-67 to 6-30-69
OEC-0-8-080346-2800	An investigation, analysis, and evaluation of activities connected with the operation of Educational Information Service Centers	2-12-68 to 6-11-70
OEC-0-8-080468-3534	Study of selected relationships between pupil and staff and educational facility characteristics associated with Public Law 89-10 title I projects in Iowa	4- 1-68 to 4-30-69
OEC-0-089017-3512(016)	Special dissemination project for programs financed under the Elementary and Secondary Education Act	3-26-68 to 3-25-69
OEC-0-8-000082-4720	Evaluation of Teacher Training Institutes	6-30-68 to 8-16-69
OEC-1-7-071052-2808	Study of National Defense Education Act, title IV Fellowship programs	5- 5-67 to 7-31-70
OEC-0-9-089028-0710	A study of the need for educational manpower for handicapped children and youth	8-12-68 to 7-31-70
OEC-6-99-147	To design, test, operate, and evaluate Institute Information System for National Defense Education Act institutes for 1966	12- 3-65 to 4- 1-70
OEC-1-7-071211-4577	To study students graduated from the public schools of (name of city deleted)	6-22-67 to 12-31-68 <sup>f</sup>
OEC-0-8-980797-4634	Establishment of a National Planning Congress	6-30-68 to 12-31-69

Total completed contracts

## APPENDIX II

Type of contract	Amount of contract with amendments (note b)	Usefulness of end product and other comments (note c)
Fixed price	\$ 24,750	The final product was disseminated to State agency officials and through the Educational Resources Information Center (ERIC) system.
Fixed price	58,990	Model developed was considered satisfactory, but full-scale usage is not envisioned. The report was disseminated through the ERIC system.
Fixed price	80,579	The final report was considered of limited usefulness; however, certain analyses were useful for planning the new direction of the analysis.
Cost plus fixed fee	134,688	The final report was placed into the ERIC system, and the contractor published the report.
Cost reimbursement	146,100	The report was considered of limited usefulness. It was used, however, as background material for a subsequent evaluation. It was never disseminated to the public or placed in the ERIC system.
Cost plus fixed fee	277,608	The Directory of Information Centers was considered very acceptable. It was used internally as a reference document and was placed into the ERIC system; also, it is being published by a commercial firm.
Cost reimbursement	79,034	The final report was never submitted because the contract was terminated, but data received from the contractor were considered useful. The data were used in-house to supplement information on title I. The contractor received \$30,000 of the contract amount prior to its termination.
Cost reimbursement	100,000	Articles were considered very usable material. They were disseminated through educational magazines and the ERIC system. In addition, they have been incorporated into special Office of Education publications.
Fixed price	69,469	Product was considered very useful for decisionmaking purposes. It helped establish guidelines for the following year's institutes. It was disseminated through the ERIC system.
Cost plus fixed fee	135,948	Report was considered extremely useful for decisionmaking purposes. It will be used to establish guidelines for programs and will be inserted into the ERIC system.
Cost reimbursement	430,487	Product was being used as background information for future programs. The general plan was disseminated through the ERIC system.
Cost reimbursement	404,880	Report data were considered useful, but interim data were too late to be used for planning purposes. Information has been extracted from data for inclusion in Office of Education publications and reports; also, data were disseminated to the public upon requests.
Cost reimbursement	103,172	The end product was considered to be of no use to the Office of Education. In addition, it was never placed into the ERIC system or disseminated publicly.
Cost reimbursement	200,000	This report was criticized as containing little or nothing original; however, it was used for program planning in-house. Further, it was disseminated through the ERIC system.
<u>\$ 2,245,705</u>		

<u>Contract number</u>	<u>Purpose of contract</u>	<u>Period of performance</u>
ONGOING CONTRACTS (note g): OEC-0-8-080431-2999	Study the use and effectiveness of title III funds in selected developing institutions	3- 1-68 to 2-28-69
OEC-5-85-038	An integrated, longitudinal study of practical nursing	6- 1-65 to 6-30-69
OEC-5-10-045	An evaluation of the effectiveness of an early enriched school curriculum in reversing the effects of environmental conditions which lead to failure in school	7- 1-64 to 6-30-70
OEC-5-10-219	A cross national study of socialization into compliance systems	3- 1-65 to 3-31-69
OEC-1-6-061774-1887	Study of school integration	6-27-66 to 9-30-69
OEC-09-099004-3332	Development of a research design for a comparative longitudinal study of Demonstration Education Programs	3-12-69 to 7-31-70
OEC-1-7-070992-5022	Survey and analysis of educational information	6-30-67 to 10-30-70
OEC-0-8-522480-4633	Longitudinal evaluation of the national Follow Through program	6-27-68 to 12-31-70
OEC-0-8-080310-3742	A study of resources and major holdings available in U.S. Federal libraries maintaining extensive or unique collections	6-20-68 to 9-19-70
OEC-0-9-482025-3726	Evaluation of a program to train teachers to manage social and emotional problems in the classroom	6- 2-69 to 2-28-71
Total ongoing contracts		
Grand total		

<sup>a</sup>Contracts selected had a completion date subsequent to January 1, 1969.

<sup>b</sup>Contract amount computed through June 30, 1970.

<sup>c</sup>Comments in this column are based on Office of Education records and on discussions with Office of Education officials.

<sup>d</sup>Contracts whose final reports were submitted prior to September 1, 1970.

<sup>e</sup>The Office of Education informally extended the contract to May 1969 at which time the contractor submitted the final product.

<sup>f</sup>The Office of Education informally extended the period of performance to March 1969. Nevertheless, the contractor did not submit the final report until September 11, 1969.

<sup>g</sup>August 31, 1970, was used as a cutoff date for our fieldwork. However, we contacted Office of Education officials in June 1971 to obtain the current status of these contracts and were informed that eight had been completed and two--OEC-5-85-038 and OEC-0-8-522480-4633--were still ongoing.

<u>Type of contract</u>	Amount of contract with amendments (note b)	<u>Usefulness of end product and other comments (note c)</u>
Fixed price	\$ 74,461	Report was 18 months overdue at August 31, 1970.
Cost reimbursement	395,393	Report was 14 months overdue at August 31, 1970.
Cost reimbursement	542,180	Report was 2 months overdue at August 31, 1970.
Cost reimbursement	300,000	Report was 17 months overdue at August 31, 1970.
Cost reimbursement	209,026	Report was 11 months overdue at August 31, 1970.
Fixed price	254,023	Report was 1 month overdue at August 31, 1970.
Cost reimbursement	55,890	Report due after August 31, 1970.
Cost plus fixed fee	7,028,805	Report due after August 31, 1970.
Cost reimbursement	137,118	Report due after August 31, 1970.
Cost plus fixed fee	<u>111,618</u>	Report due after August 31, 1970.
	<u>9,108,514</u>	
	<u>\$11,354,219</u>	

PRINCIPAL OFFICIALS OF THE  
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
RESPONSIBLE FOR ADMINISTRATION OF ACTIVITIES  
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<b>SECRETARY OF HEALTH, EDUCATION, AND WELFARE:</b>		
Elliott L. Richardson	June 1970	Present
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	Mar. 1968	Jan. 1969
John W. Gardner	Aug. 1965	Mar. 1968
Anthony J. Celebrezze	July 1962	Aug. 1965
<b>ASSISTANT SECRETARY (EDUCATION):</b>		
Vacant	June 1970	Present
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Lynn M. Bartlett	July 1968	Jan. 1969
Paul A. Miller	July 1966	July 1968
Francis Keppel	Oct. 1965	May 1966
<b>COMMISSIONER OF EDUCATION:</b>		
Sidney P. Marland, Jr.	Dec. 1970	Present
Terrel H. Bell (acting)	June 1970	Dec. 1970
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Harold Howe II	Jan. 1966	Dec. 1968
Francis Keppel	Dec. 1962	Jan. 1966

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