QUALITY ASSURANCE SURVEILLANCE PLAN (QASP)

1.0 INTRODUCTION

This Quality Assurance Surveillance Plan (QASP) is pursuant to the requirements listed in the performance-based Performance Work Statement (PWS) entitled “Section III”. This performance-based plan sets forth the procedures and guidelines that the IRS will use in evaluating the technical performance of the contractor.

1.1 PURPOSE

1.1.1 The purpose of the QASP is to describe the methods used to measure contractor performance and to identify the reports required and the validation of Taxpayer complaints. The QASP provides a means for evaluating whether the contractor is meeting the performance standards identified in the PWS.

1.1.2 This QASP is designed to define roles and responsibilities, identify the performance objectives, define the methodologies used to monitor and evaluate the contractor’s performance, describe quality assurance reporting, and describe the analysis of quality assurance monitoring results.

1.2 PERFORMANCE MANAGEMENT APPROACH

1.2.1 The performance-based PWS defines “what” services are required as opposed to “how” the contractor should perform the work. This QASP will define the performance management approach taken by the IRS to monitor, inspect and take appropriate action on the contractor’s performance against expected outcomes or performance objectives communicated in the PWS. Performance management rests upon developing the capability to review and analyze information generated through performance metrics. The ability to make decisions based on the analysis of performance data is the cornerstone of performance management. The data generated in a performance management approach provides information that indicates whether or not expected outcomes for required services are being achieved satisfactorily by the contractor.

1.2.2 Performance management also represents a significant shift from the more traditional Quality Assurance (QA) concepts in several ways. Performance management focuses on assessing whether or not outcomes are being achieved and migrates away from scrutiny on compliance with the processes and practices used to achieve the outcome. The only exceptions to process reviews are those required by law (Federal, State and local), the Security/Disclosure requirements unique to collecting IRS tax debt and reviews specified in the Private Collection Agency Policy and Procedures Guide. An outcome focus provides the contractor with flexibility to continuously improve and innovate over the course of the contract as long as the critical outcomes expected are being achieved at the desired levels of performance.
1.3 PERFORMANCE MANAGEMENT STRATEGY

1.3.1 The contractor’s Quality Assurance Surveillance Plan (QASP) will set forth the procedures for inspecting the quality, timeliness, responsiveness, customer satisfaction, and other performance requirements in the PWS. The contractor will develop and implement a performance management system with processes to assess and report their performance to the designated IRS representative on a monthly basis.

At a minimum, the QASP shall address the following:

- Identify the person(s) or team(s) responsible for quality control during the performance of the contract.
- Explain what that person(s) or team(s) will do to ensure contract performance and quality.
- How your company will ensure compliance with all applicable regulations, State, Federal & local laws (inclusive of but not limited to Fair Debt Collection Practices Act, Unfair Deceptive or Abusive Acts and Practices, Fair Credit Reporting Act, Telephone Consumer Protection Act and Service members Civil Relief Act).
- Internal performance audits of the company, employees and subcontractors to assess quality and compliance.
- How your company will ensure that the taxpayer’s best interests are being served and no misrepresentations occur.
- Recording and retention of all taxpayer calls.
- Intake, reporting, validating and resolution of taxpayer complaints.
- Access by the Government to monitor any phone call throughout the duration of the contract.
- Dispute resolution process when the taxpayer challenges the validity of a tax liability.
- Measures in place to assess IRS debt collection activity.

1.3.2 The Contracting Officer’s Representative (COR) representative will monitor performance and review performance reports furnished by the contractor to determine how the contractor is performing against communicated performance objectives. The IRS will make decisions based on performance measurement metric data and notify the contractor of those decisions. The contractor will be responsible for developing and implementing required changes in processes and practices to ensure performance is managed effectively.
2.0 ROLES AND RESPONSIBILITIES

2.1. The Contracting Officer (CO) is responsible for monitoring contract compliance, contract administration and cost control; and resolving any differences between the observations documented by the Contracting Officer's Representative (COR) and the contractor's performance.

2.2 The IRS will designate a COR as the Government authority for performance management. The number of additional representatives serving as Technical Support depends upon the complexity of the services measured as well as the contractor's performance.

2.3 The COR is responsible for monitoring, assessing and communicating the technical performance of the contractor. The COR will have the responsibility for completing the “QASP Scorecard (Attachment #2) used to document the inspection and evaluation of the contractor's work performance. Government surveillance may occur under the contract.

3.0 IDENTIFICATION OF SERVICES TO BE PERFORMED

The contractor shall provide tax debt collection services in accordance with the PWS. The performance standards are primarily in Sections – 4.3 & 4.4 of the PWS.

4.0 METHODOLOGIES TO MONITOR PERFORMANCE

4.1 In an effort to minimize the contract administration burden, simplified methods of surveillance techniques shall be used by the Government to evaluate contractor performance. The primary methods of surveillance are planned inspections, random checks, observations, taxpayer complaints, monthly reports and review of those records and files that are required to be maintained and delivered under this PWS.

4.2 The contractor is expected to establish and maintain professional communication between its employees and taxpayers. The primary objective of professional communication between employees and taxpayers is customer satisfaction. Customer satisfaction is the most significant external indicator of the success and effectiveness of all services provided and can be measured through customer complaints. Performance management drives the contractor to be customer focused through initially addressing customer complaints and investigating the issues and/or problems.

4.3 The Acceptable Quality Levels (AQL) for contractor performance are outlined in the Required Performance Metrics (RPM) (Attachment #1) and are structured to allow the contractor to manage how the work is performed while providing fee reductions for performance shortfalls. On-site compliance reviews will be completed before the placement of IRS accounts; the desired performance level is established at one hundred percent (100%).

5.0 QUALITY ASSURANCE REPORTING

5.1 The performance management feedback loop begins with the communication of expected outcomes. Performance standards are expressed in the PWS and measured by the Required Performance Metrics (RPM).
5.2 The Government’s QASP monitoring, accomplished by the COR, will be reported using the QASP Scorecard. The form, when completed, will document the COR’s understanding of the contractor’s performance under the contract to ensure that the PWS requirements are being met.

5.2.1 The contractor’s Project Manager or “Acting” designee shall sign acknowledging “Receipt Only” of the QASP Scorecard and return it electronically the next business day to the COR.

6.0 ANALYSIS OF QUALITY ASSURANCE MONITORING RESULTS

6.1 The Government will use the observation methods cited to determine whether the Acceptable Quality Levels (AQL) have been met. The Government will evaluate the results which then will be translated into specific fee reductions that cause adjustments to the contractor’s total monthly fee payment, should performance not meet the AQL.

6.2 The COR will conduct a monthly review of the quality assurance reports provided by the contractor and ensure that the AQL have been met in Required Performance Metrics (RPM) Scorecard (Attachment 1). The COR will prepare the QASP Scorecard and any documentation for the IRS summarizing the overall results of the contractor’s performance. The completed QASP Scorecards (Attachment 2) will become part of the QASP documentation.

6.3 The Government may require the contractor’s Project Manager, or a designated alternate, to meet with the COR and other IRS personnel as deemed necessary to discuss performance evaluations. The IRS will define the frequency of in-depth reviews with the contractor, however if the need arises, the contractor will meet with the COR as often as required or at the contractor’s request. The agenda of the reviews may discuss:

- Monthly performance measured by the metrics and trends
- Issues and concerns of both parties
- Projected outlook for upcoming months and progress against expected trends
- Recommendations made by the COR based on contractor information
- Issues arising from independent reviews and inspections

6.4 In addition to monitoring, the COR will use the information contained in the contractor’s monthly reports to assess the contractor’s level of performance for each standard measured in the QASP Scorecard. The COR will communicate with the contractor to resolve issues and concerns of marginal or unacceptable performance. The contractor will discuss with the COR any RPM standards receiving a “less than acceptable” rating. For such cases, the contractor should present plans to adjust service levels or change the Contractor’s Operating Plan accordingly to bring the AQL rating up to an acceptable level.

6.5 The contractor should formulate tactical and long-term courses of action. Decisions regarding changes to metrics, thresholds or service levels should be clearly documented. Any changes to service levels, procedures, and metrics may need to be incorporated into the Contractor’s Operating Plan or a contract Modification issued should the CO deem it necessary.
7.0 QASP REPORTS AND CONTRACT PAYMENT DEDUCTIONS

7.1 Deductions, while related to the QASP evaluation are a separate and distinct contract administrative action. Deductions from the contract will be based upon the COR’s analysis which will document nonconforming services or validated complaints in the Monthly QASP Summary Report regardless of the inspection method executed.

7.2 Nonconforming services are recorded for each occurrence that either is not performed or is performed unsatisfactorily and is incorporated into the COR Monthly QASP Summary Report and documented in the COR’s contract file. For all methods of surveillance, deductions for only the inspected/observed and documented nonconforming services are appropriate. Simply stated, the Government should not pay for a product or service not received, or received in an unsatisfactory condition. However, appropriate specific inspection and performance documentation of each nonconforming service must be captured before deductions are executed.

7.3 Deductions will be taken from each monthly payment by the Monthly QASP Summary Report when the monthly QASP Scorecard AQL drops below 100% for any “Performance Standard”.

7.4 If a substandard trend is observed by the COR or poor performance in a specific QASP element, the COR will notify the Contracting Officer and/or the Contractor’s Project Manager of the findings to resolve the performance issue promptly.

7.5 COR Monthly QASP Summary Report:

The overall Monthly QASP Summary Report will be generated by the COR from data extracted from the contractor’s monthly reports, from information provided by TAS or any other IRS unit and will be furnished to the Contracting Officer each month. This report will also be the basis for determining the contractor’s deductions and performance rating. The COR will review all of the data provided in the contractor’s monthly inspection reports and ensure that all reports reflect consistent and accurate evaluations for the appropriate QASP Scorecard elements with adequate documentation to support the resulting AQL rating for each.

Should errors be discovered by the COR in the monthly reports/validated complaints submittal, the COR shall request that the individual reports be modified to ensure the accuracy in rating Scorecard elements.

Monthly contract payment deductions will be taken for any Scorecard AQL ratings less than the AQL identified with each of the associated RPM. Each rating lower than the AQL percentage required by a given element will reduce the monthly contract payment amount.

Subsequently, the COR’s Monthly QASP Summary Report (with the supporting documentation) will be provided to the Contracting Officer (CO) for his/her review and approval. After reviewing and approving the contents of the report, the CO will formally issue the report to the contractor for comment.
The Contractor's Project Manager will have five (5) workdays to respond to the findings of the Monthly QASP Summary Report. If the contractor agrees with the report, the Contractor may generate an Invoice for the amount identified by the Contracting Officer in the final QASP report issued to the Contractor for the previous month’s services of the contract.

If the contractor disputes the finding in the report, the contractor’s Project Manager shall provide a written response documenting the rationale for disputing each of the nonconforming services/validated complaints cited in the report. After taking into consideration the findings identified in the Monthly QASP Summary Report and any relevant and timely contractor performance documentation provided by the contractor’s Project Manager, the CO will make a final determination and inform the contractor and COR of the appropriate Invoice amount that can be submitted for payment.

If the Contractor and Contracting Officer are still not in agreement on the appropriate Invoice amount, the Contractor shall issue an Invoice as directed by the Contracting Officer and may seek additional payment via the disputes clause in the contract.

8.0. FAILURE TO PERFORM

8.1 The contractor may receive deductions or even termination based on failure to perform. The following criteria apply for determining appropriate action:

1. **Notifications.** The IRS shall notify the contractor of failure to meet standards through QASP monitoring forms, cure notices or show cause notices and shall inform the, project manager or designated alternate of such notices.

2. **Deductions.** The Government has the right to deduct a specified dollar amount for failure to meet performance standards. The amount is identified in the “Incentive” section of the Required Performance Metrics (RPM) in Attachment 1.

3. **Termination.** If the COR determines that the contractor has failed to perform to the extent that a termination for default is justified, a notice of termination will be issued.
<table>
<thead>
<tr>
<th>Performance Standard</th>
<th>Required Service**</th>
<th>Acceptable Quality Levels</th>
<th>Method Of Surveillance</th>
<th>Frequency</th>
<th>Incentive (Negative Impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Resolution (See P&amp;P Guide, Attachment 4, Section 17)</td>
<td>Submit a Performance Management report containing key IRS debt collection metrics</td>
<td>100%</td>
<td>Files review, random checks, observations</td>
<td>Monthly, submitted by the 7th day of the following month</td>
<td>$500 for each documented instance when a report is not submitted accurately and timely</td>
</tr>
<tr>
<td>Quality Assurance (See P&amp;P Guide, Attachment 4, Section 17)</td>
<td>Provide a monthly Audit Report (Initial Contact Letter Reconciliation, dispute log)</td>
<td>100%</td>
<td>Files review, random checks, observations</td>
<td>Monthly, submitted by the 7th day of the following month</td>
<td>$500 for each documented instance when a report is not submitted accurately and timely</td>
</tr>
<tr>
<td>Complaint Management (See PWS, Section 4.4 and P&amp;P Guide, Attachment 4, Section 17)</td>
<td>Submit a detailed monthly Complaint Management Report</td>
<td>100%</td>
<td>Files review, random checks, observations</td>
<td>Monthly, submitted by the 7th day of the following month</td>
<td>$500 for each documented instance when a report is not submitted accurately and timely</td>
</tr>
<tr>
<td>Customer Satisfaction (See P&amp;P Guide, Attachment 4, Section 17)</td>
<td>Submit a Customer Satisfaction Report</td>
<td>100%</td>
<td>Files review, random checks, observations</td>
<td>Monthly, submitted by the 7th day of the following month</td>
<td>$500 for each documented instance when a report is not submitted accurately and timely</td>
</tr>
<tr>
<td>Validated Complaint (PWS, Section 4.4)</td>
<td>Validated complaints will be based on TIGTA review and determination.</td>
<td>100%</td>
<td>Review contractor recording of conversation; transcripts; documentation provided by contractor</td>
<td>Monthly, submitted by the 7th day of the following month</td>
<td>100% = No Deduction 1% of the month's invoice for each validated complaint for that month. Penalty will be assessed for substantiated statutory violation.</td>
</tr>
</tbody>
</table>

**Required Service reports including suggested format and metrics are located in the PCA Policy & Procedures Guide Section 17 Production Reports**
QASP SCORECARD - Attachment #2

REFERENCE: REQUIRED PERFORMANCE METRICS (RPM) Attachment #1

PERFORMANCE RATINGS: Elements rating is Pass or Fail
Pass = P or Fail = F
Scorecard AQL = 100%

<table>
<thead>
<tr>
<th>Month/Year:</th>
<th>Element</th>
<th>AQL Performance Criteria</th>
<th>Rating P/F</th>
<th>Rating Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Account Resolution</td>
<td>The AQL is achieved if 100% of all tasks were completed to the quality requirements outlined in Attachment #1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Quality Assurance</td>
<td>The AQL is achieved if 100% of all tasks were completed to the quality requirements outlined in Attachment #1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Complaint Management</td>
<td>The AQL is achieved if 100% of all tasks were completed to the quality requirements outlined in Attachment #1.</td>
<td></td>
<td></td>
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<td></td>
<td>4. Customer Satisfaction</td>
<td>The AQL is achieved if 100% of all tasks were completed to the quality requirements outlined in Attachment #1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Validated Complaints</td>
<td>The AQL is achieved if 100% of all tasks were completed to the quality requirements outlined in Attachment #1 and zero (0) complaints are validated for the month.</td>
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<td></td>
</tr>
</tbody>
</table>

Summary Documentation/Rating Comments:

IRS COR Signature: ____________________________________________ Date: ____________