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# COOPERATIVE ADMINISTRATIVE SUPPORT UNIT PROGRAM

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## *TECHNICAL REPORT I*

### USER ASSEMENT OF SERVICES



**OFFICE OF INSPECTOR GENERAL**  
**OFFICE OF ANALYSIS AND INSPECTIONS**

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JUNE 1989

## OFFICE OF INSPECTOR GENERAL

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This report was prepared as part of a study designed to 1) provide a user assessment of CASU services in operational CASUs; 2) give the National CASU Board an overview of the CASU Program from a user or customer perspective; and 3) identify the generic strengths and weaknesses that affect the program's workability and success. This report is the first of three technical reports resulting from the study.

The report was prepared under the direction of Ralph Tunnell, the Regional Inspector General of Region VI, Office of Analysis and Inspections. Participating in this project were the following people:

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**COOPERATIVE ADMINISTRATIVE  
SUPPORT UNIT PROGRAM**

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***TECHNICAL REPORT I***

**USER ASSESSMENT OF SERVICES**

**RICHARD P. KUSSEROW  
INSPECTOR GENERAL**

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## EXECUTIVE SUMMARY

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### PURPOSE

The purpose of this study was to conduct a qualitative user evaluation of the Cooperative Administrative Support Unit (CASU) Program.

Overall inspection aims were to: 1) conduct a user assessment of CASU services in operational CASUs; 2) provide the national CASU board with an overview of the CASU Program from a user or customer perspective; and 3) identify the generic strengths and weaknesses that affect the program's workability and success. This report was prepared at the request of the national CASU board and staff.

### BACKGROUND

The CASU Program is a Government-wide program, sponsored by the President's Council on Management Improvement (PCMI), which operates under authority of Section 601 of the Economy Act of 1932. At the national level, the PCMI established a CASU Program National Board of Directors which sets policy, provides guidance, approves lead agencies and charters CASUs. In addition, an interagency staff has also been organized to serve as a focal point for day-to-day operations of the national CASU Program. The local CASU support structure includes policy direction from a tenant board of directors, and managerial direction from a lead agency. The day-to-day operations of the local CASU are supervised by a local CASU director.

The CASU Program was established under the concept that local Federal agencies could cooperatively combine their resources to share common administrative services at reduced costs and with better service quality. Under the CASU concept, building tenants jointly share in establishing and managing an administrative support unit that provides, on a reimbursable basis, administrative services commonly needed by its members.

### FINDINGS

**OVERALL, CURRENT USERS ARE VERY SATISFIED WITH CASU SERVICES AND PARTICIPATION**

***CASU User Satisfaction Is High.***

A strong majority (86 percent) rate overall service quality as excellent to good.

Most users feel they are getting their money's worth from the CASU.

***Users Are Generally Pleased With CASU Participation.***

Most users (89 percent) say they would still opt to join the CASU if they had it to do over again.

Further, 92 percent say their agency will likely continue with the CASU in the future.

***CASU Service Effectiveness Indicators Are Positive.***

Overall, 91 percent of users say the CASU has effectively handled their service needs.

Most users (4 of 5) say the CASU promptly handles and effectively resolves any service issues or complaints that arise.

Since the CASU establishment, service accessibility has either improved or remained the same for most users.

The CASU staff are sufficiently skilled and trained to deliver services effectively, say 90 percent of users.

Forty-five percent of users say existing services were modified or new services were added (34 percent) to better serve their needs.

**THE EXTENT OF CASU COST SAVINGS IS UNCERTAIN**

User perceptions vary widely about the CASU effect on the costs of services delivered:

- 27 percent see costs as decreased;
- 27 percent think costs are about the same;
- 38 percent say costs have increased.

Somewhat higher service costs are the top concern users express in rating the specific CASU services they receive.

Very few users report achieving dollar savings (14 percent) or full time equivalent (FTE) staff savings (8 percent).

Most CASU directors were unable or chose not to provide CASU cost saving estimates.

Only 4 of the 10 operational CASUs supplied savings estimates.

These 4 reported modest cumulative total savings of \$1,278,000 and 15 FTEs.

Most users (52 percent) felt that initial CASU savings were “about the same as expected.”

It appears that lead agency and CASU indirect costs are sometimes absorbed rather than billed to users, as is the reported common practice.

The CASU users view cost savings as very important, though not the sole program priority.

Many potential users (62 percent) say hard evidence on cost savings potential would be the top factor that might convince them to join the CASU.

## **RECOMMENDATIONS**

### ***Recovery of Operating Costs***

The CASU Program should adopt a policy of full recovery of all operating costs, including indirect costs, through charges to users.

### ***Cost Savings***

The CASU staff should seek to 1) quickly identify verifiable savings being achieved in existing CASUs, 2) assure that an accurate and complete cost baseline is established when any new CASUs are added to the program, 3) establish an effective mechanism to track cost saving accomplishments over time, and 4) move to the fullest application of unit cost pricing of services in all existing and new CASUs.

## **COMMENTS ON THE DRAFT REPORT**

We shared the draft of our Executive Report on the CASU Program, and the three supporting technical reports, with the CASU National Board of Directors and the CASU national staff. They addressed their comments to the recommendations in the Executive Report since these are compiled from our three supporting technical reports. They generally agree with the report findings and concur, with only minor qualifications, with all our recommendations. The full text of their comments is included in the appendix of the Executive Report.

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## INTRODUCTION

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### **PURPOSE**

The purpose of this study was to conduct a qualitative user evaluation of the Cooperative Administrative Support Unit (CASU) Program.

Overall inspection aims were to: 1) conduct a user assessment of CASU services in operational CASUs; 2) provide the national CASU board with an overview of the CASU Program from a user or customer perspective; and 3) identify the generic strengths and weaknesses that affect the program's workability and success. This report was prepared at the request of the national CASU board and staff.

### **BACKGROUND**

The CASU Program is a Government-wide program, sponsored by the President's Council on Management Improvement (PCMI), which operates under authority of Section 601 of the Economy Act of 1932. Under the CASU concept, agencies in multi-tenant, federally occupied buildings jointly share in establishing and managing an administrative support unit that provides, on a reimbursable basis, administrative services commonly needed by its members.

In October 1985, as part of a shared services initiative, the heads of the General Services Administration, the Office of Management and Budget, and the Office of Personnel Management, issued a joint memorandum to the heads of all Federal agencies introducing and encouraging support for the CASU Program.

To ensure strong policy support at the national level, the PCMI established a CASU Program National Board of Directors. The national board sets policy and provides program guidance, approves lead agencies and charters CASUs. A national interagency staff has also been organized to serve as a focal point for day-to-day operation of the national CASU Program. The staff advises the CASU board on policy and program issues and provides technical assistance in organizing and operating CASUs.

The national board has established a prototype structure for local CASUs which includes policy control and direction from a tenant board comprised of CASU service users or potential users. A lead agency, selected by the tenant board of directors, provides administrative management support to the CASU in such areas as financial management, staffing, personnel services, etc. The day-to-day direction and management of the CASU staff is provided by a CASU director.



Through marketing and intervention by the national CASU staff, the CASU Program recruits Federal agencies located in a single building or cluster of buildings to become members of a local CASU and to participate in its development, organization, and management. Recruited CASU sites undertake a feasibility study to determine if a CASU could successfully operate at their site, what administrative services their CASU should provide, and how a CASU could most effectively supply these services.

Once the decision to establish a CASU has been made, its prospective members establish its operating plans through a series of interagency memorandums of understanding. The national CASU board reviews these plans and, if appropriate, grants a CASU charter to the local site.

Current CASUs provide such services as mail, moving and labor, physical fitness, shipping and receiving, photocopying, personal property management, conference and training room scheduling, child care, imprest fund and employee assistance programs. These services may be provided directly by the CASU staff, through shared services arrangements from the lead agency or other CASU participating agency or secured through private contracts. By consolidating services, the CASUs expect to provide less expensive, more accessible, and better quality services. The CASUs also expect to standardize and share administrative systems, accelerate use of automation, and to improve management information systems.

Currently, operational CASUs exist at the following locations: Anchorage, Alaska; Atlanta, Georgia; Chicago, Illinois; Cincinnati, Ohio; Cleveland, Ohio; Denver, Colorado; Fort Worth, Texas; Jackson, Mississippi; Indianapolis, Indiana; Kansas City (12th Street), Missouri; Los Angeles, California; New York City (Javits Building), New York; and, Seattle, Washington. Additionally, five CASUs have been chartered at these locations: Boston, Massachusetts; Fresno, California; Kansas City (South), Missouri; New York City (Varick Street), New York; and, Pittsburgh, Pennsylvania.

## **METHODOLOGY**

This inspection is based on a mail survey, onsite structured interviews and review of selected background and informational materials provided by the national CASU staff. Our findings are based on the responses of 80 current and former CASU users at 13 of the 14 currently chartered CASUs which were operational or projected to be operational by the end of the second quarter of Fiscal Year (FY) 1989.

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## FINDINGS

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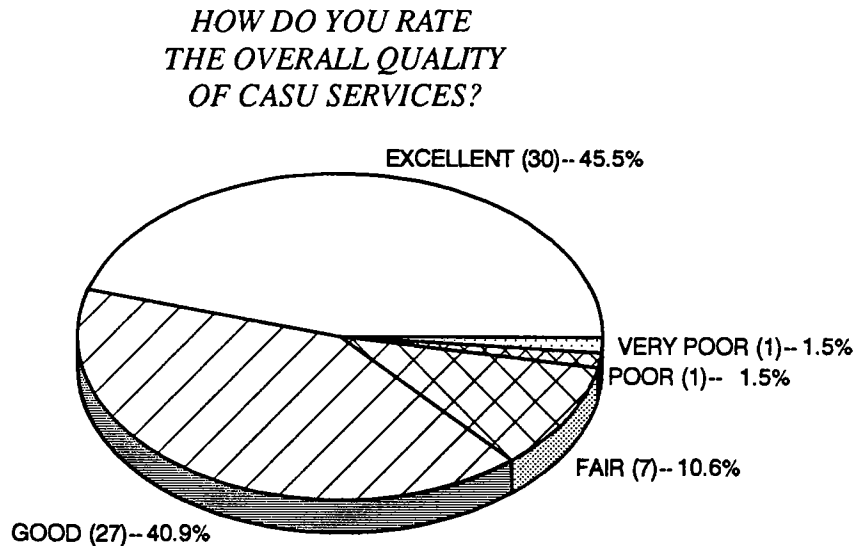
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This is one of three technical reports prepared in conjunction with our Executive Report on the CASU Program. The Executive Report, "An Assessment by Users and Local Officials," summarizes the chief findings of our study. The technical reports provide details on our study findings as they relate to three separate aspects of the CASU Program. This technical report is "User Assessment of Services." The other two are "User and Governing Official Perceptions of Local Management" and "Local Official Perceptions of Policies and Implementation."

### I. OVERALL, CURRENT USERS ARE VERY SATISFIED WITH CASU SERVICES AND PARTICIPATION.

#### A. CASU USER SATISFACTION IS HIGH.

1. CASU service quality is rated high.
  - a. Most users (86 percent) rate the overall quality of CASU services as good to excellent.



- b. A strong majority report the following positive ratings for the specific services they receive:

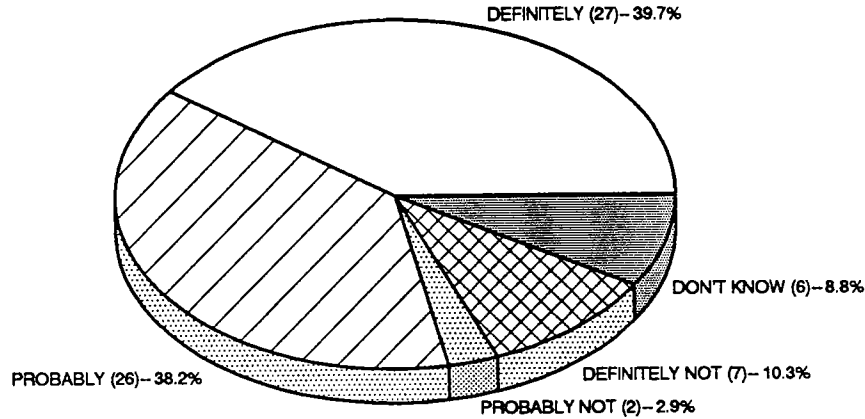
- high satisfaction with the CASU service;
- better service responsiveness or
- timeliness under the CASU;
- better service quality under the CASU;
- improved customer convenience due to the CASU;
- good customer control over service delivery under the CASU;

- improved overall service availability under the CASU.

Any user negative ratings for these indicators were very small as a percentage of all negative comments, ranging from only 2 to 8 percent of total.

2. Most users feel they are getting their money's worth from the CASU.

*ARE YOU GETTING YOUR MONEY'S WORTH FROM THE CASU?*

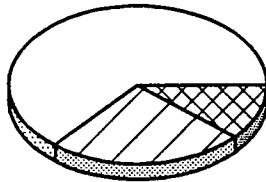


**B. USERS ARE GENERALLY PLEASED WITH CASU PARTICIPATION.**

1. Most users (89 percent) would still opt to participate in the CASU if they had it to do over again.
2. Most users (92 percent) say their agency will likely continue participating in the CASU in the future.

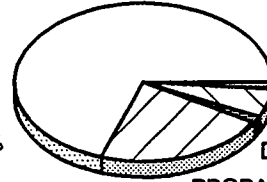
*ARE USERS PLEASED WITH CASU PARTICIPATION?*

DEFINETLY (44)--63.8%



PROBABLY (17)--24.6%

DEFINETLY (48)--69.7%



PROBABLY (15)--21.7%

**WOULD YOU DO IT AGAIN?**

**WILL YOU STAY IN?**

3. Among the benefits of CASU participation most frequently mentioned by current users are:

- a. Improved availability of administrative services. (12)
- b. Better concentration of staff resources on program needs rather than administrative support. (9)
- c. Improved service quality and delivery. (7)

4. Current users say the main strengths of the CASU concept are:

- a. Economies of scale (savings in providing services to multiple users). (42)
- b. Improved and more convenient services. (28)
- c. Increased availability of services. (26)

5. Current users say the main weaknesses of the CASU concept are:

- a. Lack of control over the services. (16)
- b. The voluntary nature of the program makes it difficult to recruit users. (8)
- c. High costs of CASU services. (7)

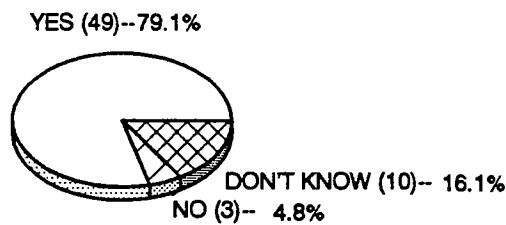
6. Current CASU users offer two main recommendations to the national board and staff.

- a. Encourage parent agency support for the CASU program at the national level. (11)
- b. Continue to allow for flexibility in the CASU program structure. (5)

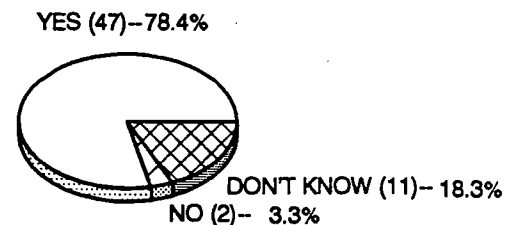
**C. CASU SERVICE EFFECTIVENESS INDICATORS ARE POSITIVE.**

- 1. Overall, 91 percent of the users say the CASU has effectively handled their service needs. Only five users indicated their agency's service needs have not been met by the CASU.
- 2. Most users (about 4 of 5) report that when service issues or complaints arise, the CASU generally handles them promptly and resolves them effectively.

**ARE SERVICE ISSUES AND COMPLAINTS  
HANDLED PROMPTLY AND RESOLVED EFFECTIVELY?**



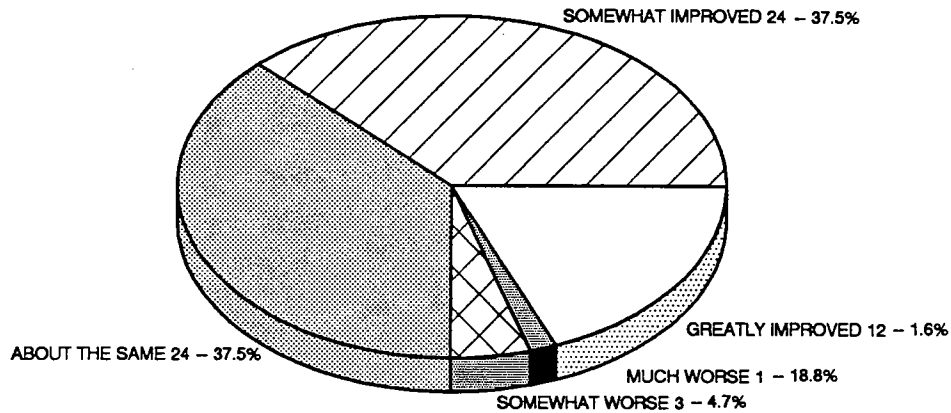
**HANDLED PROMPTLY?**



**RESOLVED EFFECTIVELY?**

3. Since the establishment of CASUs, service accessibility has improved (57 percent) or remained the same (37 percent) for most users, with only 6 percent saying accessibility has worsened.

*SERVICE ACCESSIBILITY UNDER THE CASU*



- a. Due to the CASU's establishment, new or additional services became available to 68 percent of the users.
  - b. The CASU services are equally available to both large and small tenants, according to 90 percent of the users.
4. The CASU staff generally have sufficient skills and training to deliver services effectively, according to 90 percent of the users.
  5. Service delivery methods and technology have improved for services delivered by the CASU, according to 56 percent of users.
    - a. Among the key improvements noted by users are:
      - new and better facilities;
      - better equipment and procedures;
      - more competent and better trained staff;
      - a CASU commitment to continuing service improvement.

While 37 percent of users say service delivery methods and technology are not improved, very few cite specific problems. This could indicate that CASU service technology is basically unchanged in many of these cases.

6. As indicators of CASU service responsiveness:
  - a. Forty-five percent of the users say their CASU has modified *existing* services to better serve their needs. Examples of such modifications include:

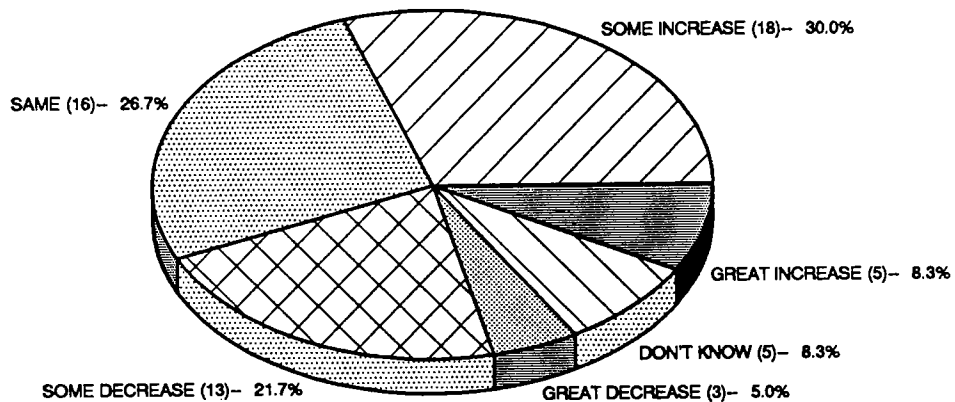
- **Mail** - method of delivery or frequency or time of delivery was accommodated.
  - **Labor/moving** - degree or type of service needed was accommodated.
  - **Copier** - cost per copy contracting was introduced and capacity was increased.
- b. Thirty-four percent of the users report their CASU has added *new* services to better meet their needs.
7. As an indicator of CASU service expansion potential, 41 percent of the users list additional services they need, and, in the majority of cases, state a preference for the CASU, rather than their own agency, to provide services.

**II. THE EXTENT OF CASU COST SAVINGS IS UNCERTAIN.**

**A. USER PERCEPTIONS VARY WIDELY ABOUT THE CASU EFFECT ON THE COSTS OF SERVICES DELIVERED**

For example: 1) 27 percent report costs decreased; 2) 27 percent report no changes in costs; and, 3) 38 percent report costs increased under the CASU.

*CASU EFFECT ON SERVICE COSTS*



**B. SOMEWHAT HIGHER SERVICE COSTS ARE THE TOP CONCERN USERS EXPRESS IN RATING THE SPECIFIC CASU SERVICES THEY RECEIVE.**

1. Eighty current and former CASU users rated the 164 services they are receiving or have received from the CASU. Their concerns in rating these services include:
  - a. Twenty-four percent of users, or 40 of the 164 service ratings, say service costs are somewhat to much higher under the CASU.

- b. Thirteen percent of users, or 21 of the 164 service ratings, say cost effectiveness is somewhat to much worse under the CASU.
  2. These two cost concerns comprise half of all user negative ratings of specific CASU services.
  3. It should be kept in mind, however, that most users think costs are reduced and cost effectiveness is improved for the individual services they get from the CASU.
- C. *VERY FEW USERS REPORT ACHIEVING DOLLAR OR FULL TIME EQUIVALENT (FTE) STAFF SAVINGS THROUGH CASU PARTICIPATION.*
1. Only 11 users (14 percent) indicate some dollar savings, ranging from \$1,000 to \$97,444, with an average of about \$18,313.
  2. Twenty users (26 percent) report no savings have been achieved. Forty-five (45) users or 59 percent did not respond regarding dollar savings.
  3. Only 6 users (8 percent) say that some FTE savings were achieved. However, 21 (28 percent) say no FTE savings have been realized. Forty-nine (64 percent) did not respond regarding FTE savings.
  4. Most of the dollar or FTE savings reported were classified as “best estimates” not based on actual data.
- D. *MOST CASU DIRECTORS WERE UNABLE OR CHOSE NOT TO PROVIDE OVERALL ESTIMATES OF DOLLAR AND FTE SAVINGS ACHIEVED BY THE CASU FROM INCEPTION TO THE FIRST QUARTER OF FY 1989.*
1. Only 4 of the 10 operational CASUs were able to provide rough estimates. (These were best estimates, extrapolations, and sometimes contained a mix of tangible and intangible savings.) None of the CASUs said their estimates were based on actual data.
  2. Reported total cumulative dollar and FTE savings realized at these 4 CASUs:
    - Dollar Savings \$ 1,278,000
    - FTE Savings 15

E. *MOST USERS (52 PERCENT) FELT THAT INITIAL CASU SAVINGS WERE "ABOUT THE SAME AS EXPECTED."*

Compared with their agency's initial savings expectations, users say achieved savings are:

- about the same as expected (52 percent);
- lower than expected (17 percent);
- higher than expected (10 percent);
- don't know (21 percent).

F. *IT APPEARS THAT LEAD AGENCY AND CASU INDIRECT COSTS ARE SOMETIMES ABSORBED RATHER THAN BILLED TO USERS, AS IS THE REPORTED COMMON PRACTICE.*

While most users (62 percent) think users get billed for lead agency and CASU indirect costs, 11 percent of users say the lead agency or CASU sometimes absorb these costs and 24 percent do not know.

G. *CASU USERS VIEW COST SAVINGS AS VERY IMPORTANT, THOUGH NOT THE SOLE PROGRAM PRIORITY:*

1. A slight majority (54 percent) of the users say the CASU Program should give **equal priority** to *both* 1) achieving cost savings through consolidated service delivery, and 2) improving the delivery of administrative services.
2. However, 29 percent of the users say the program's top priority should be improved delivery of administrative services, while 16 percent say the program's top priority should be achieving cost savings.

H. *MANY POTENTIAL USERS (62 PERCENT) SAY HARD EVIDENCE ON COST SAVINGS POTENTIAL WOULD BE THE TOP FACTOR THAT MIGHT CONVINC THEM TO JOIN THE CASU.*



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## RECOMMENDATIONS

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### *Recovery of Operating Costs*

The CASU Program should adopt a policy of full recovery of all operating costs, including indirect costs, through charges to users.

It would appear to serve the best long-term interests of both users and the CASU Program to seek a full identification and recovery of the total costs of CASU operations through user billings.

### *Cost Savings*

The CASU staff should seek to 1) quickly identify verifiable savings being achieved in existing CASUs, 2) assure that an accurate and complete cost baseline is established when any new CASUs are added to the program, 3) establish an effective mechanism to track cost saving accomplishments over time, and 4) move to the fullest application of unit cost pricing of services in all existing and new CASUs.

## COMMENTS ON THE DRAFT REPORT

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