


MEMORANDUM

TO : Jeffrey Smith, Chief Financial Officer
Office of Chief Financial Officer and Administrative Services

FROM : Aletha L. Brown, Inspector General 

SUBJECT : Transmittal of Office of Inspector General Frequent Telework
Pilot Program Final Report

During the past two years, the Office of Inspector General (OIG) explored the use of frequent telework through the lens of a Frequent Telework Pilot program (Pilot). Our Pilot required those OIG employees whose jobs were deemed suitable for inclusion in the Pilot, to work away from the central office two or more days a week. The primary objectives of our Pilot were twofold: 1) to determine if productivity could be maintained while frequently teleworking; and 2) to determine if OIG could reduce its infrastructure costs through extensive use of frequent telework.

While we understand that OIG is small in comparison to other offices within the Agency, we felt it prudent to place ourselves under the “microscope” to determine if it was plausible to reduce infrastructure cost through usage of frequent telework. Based on the results, we conclude that our Pilot was a success and that operating the Pilot program was worthwhile. Our analysis, using a cost model previously developed in OIG Report 03-15-AMR Increased Use of Telework to Reduce Infrastructure Costs at Headquarters, shows that we can reduce the amount of space that we currently occupy, thus significantly reducing infrastructure cost, while maintaining mission productivity. While this Pilot does not directly address how frequent telework may function in other EEOC offices, it is our opinion that it, along with the results from previously issued telework reports from this office, demonstrates the strong potential for substantial cost savings while maintaining or possibly improving mission related performance.

The attached report is a detailed discussion regarding OIG’s findings during our Pilot. If you have any questions regarding this report or the Pilot, please contact Deputy Inspector General Milton Mayo for assistance.

Thank you for your cooperation and assistance.

c: Anthony Kaminski, Chief Operating Officer
Angelica Ibarguen, Director, Office of Human Resources

PREFACE

Telework has proven benefits including pollution reduction, energy savings, improved recruitment and retention, improved employee work/life balance, and continuity of operations. In addition, some organizations use telework to reduce their real estate costs. As the nation's largest employer, the Federal government should be the model for telework for every level of government.

According to Congressman Frank Wolf, the lessons from the September 2005 Hurricane Katrina tragedy, which disrupted and destroyed the lives, property and livelihoods of so many Americans, present an opportunity to ensure that government and private sector businesses can continue to operate if our nation is faced with similar disasters in the future. Many of the nation's leading security experts have pointed to telework as a key component in ensuring that the government continues to operate during and after catastrophic events.

1.0 BACKGROUND – OIG Frequent Telework Pilot Program

In fiscal year 2003, the Office of Inspector General (OIG) began exploring frequent telework, as a means for EEOC to reduce its infrastructure costs. Our work resulted in two assessments of frequent telework for EEOC (*Evaluation of Headquarters Infrastructure*, OIG Report Number 03-15-AMR, and *Reducing Infrastructure Costs through Increased Use of Telework*, Report Number 01-13-AMR). Each report found, using an OIG-developed cost model analysis, that implementation of frequent telework could result in substantial net savings for the EEOC.

In fiscal year 2004, OIG began a frequent telework pilot (Pilot) with the following objectives:

- determine if OIG could, through frequent telework, reduce its real estate costs without impairing productivity
- determine how OIG productivity and work processes would be affected as a result of frequent teleworking

In Phase I of our Pilot (which ended September 30, 2005) we identified four individuals with jobs suitable for frequent teleworking. These individuals would work at an alternative worksite (their place of residence) for two or more days a week. Frequent teleworkers were provided a laptop, multi-purpose printer, file cabinet, roller carrying case, high-speed internet access, necessary supplies (e.g. paper, pens, pencils, ink cartridges etc.) and an external router/firewall to be used at their frequent telework location.

Our objective was to outfit frequent teleworkers with equipment and supplies that are equivalent to what they use in the central office. During Phase I, we identified no technical, operational, or managerial barriers that could prevent effective institution of frequent telework within the OIG.

In September 2005, following an assessment of Phase I, the OIG telework project team (consisting of the Deputy Inspector General, Senior Evaluator, and the Management Analyst) concluded that the Pilot needed to be extended and expanded. The team then planned Phase II of the Pilot to include the office's two criminal investigators. Phase II began in January 2006 and

ended in September, 2006. In an effort to test all aspects of the model, arrangements were made to have each frequent teleworker work at a federally funded telework center (at least four times) to assess using a telework center as an alternate worksite. Moreover during this Phase, we required all frequent teleworkers to use a single laptop as their primary computer.⁽¹⁾

The total cost of both phases was approximately \$19,706 (an average of \$3,284 per teleworker). This includes all equipment (excluding telephones) referenced in *OIG Report 03-15-AMR Increased Use of Telework to Reduce Infrastructure Costs at Headquarters*.

2.0 OBSERVATIONS ON COST SAVINGS AND REDUCING SPACE

This Pilot explored frequent telework as a means to reduce OIG’s real estate/infrastructure costs. Determining real estate cost savings is necessary in order to verify the Pilot’s success. Net savings are the difference between annual real estate savings and annual costs. Cost savings are effective when the new Headquarters lease begins in 2008. As the following Exhibit 1 shows, the net savings for 2008-2012 are \$66,475.

Year	Savings	Costs*	Net Savings**
2008	\$16,900	\$2,718	\$14,182
2009	17,576	10,090	7,486
2010	18,279	4,562	13,717
2011	19,010	3,685	15,326
2012	19,771	4,007	15,764
TOTAL	\$91,537	\$25,062	\$66,475

*Costs are: computers, computer peripherals, equipment and supplies, and internet access

**Some totals may not add due to rounding

These savings are equal to \$2,216 per teleworker, per year.⁽²⁾ Net savings are lower in 2009 than other years due to the purchase of new laptop computers and printers for all frequent teleworkers. With a new lease, OIG will occupy different space from what it currently occupies. The configuration costs for OIG’s space will be **less** if OIG enacts space saving because configuration costs are on a per/foot basis.

Types of cost savings due to OIG frequent telework:

- office space reduced by 33 percent for frequent teleworkers who currently have private offices
- office space reduced by 25 percent for the four frequent teleworkers in cubicles
- corresponding reductions in space associated with the frequent teleworkers (e.g., hallways next to their offices)

The cost savings are the result of a space reduction of 325 square feet, which is 28% of the teleworkers current space requirements (this is 9.80% of OIG's current space requirements). This estimate is made using the cost model developed in our studies of EEOC Field Offices and Headquarters and using real estate costs based on current costs at the Headquarters' building with a 4 percent increase each year.

3.0 OBSERVATIONS ON PRODUCTIVITY AND RELATED ISSUES

What follows are observations regarding the effects of frequent telework during the Pilot. These observations on productivity and related issues have two major themes:

- no significant effect on the quantity, timeliness, or quality of our products; and
- several work and work-life advantages to frequent telework caused frequent teleworkers to prefer frequent telework and view their job more favorably

3.1 Productivity

The Pilot had no significant effect on quantity, quality, or timeliness of products. Frequent teleworkers enjoyed several aids to productivity, as well as a few challenges. Individuals observed this about their own work, and managers confirmed the teleworkers' observations.

The following observations on productivity were made by frequent teleworkers:

- frequent teleworkers performed work not easily accomplished with frequent interruptions faster while at the home office
- frequent teleworkers lost no time due to traffic congestion or to the stresses associated with commuting

Frequent teleworkers used less sick leave because staff generally use health care providers located close to home (so no work time was lost due to commuting) and frequent teleworkers often worked at home for part of a work day instead of taking additional leave.

Continuity of Operations (COOP)

Our frequent telework model was not developed with COOP in mind. The attacks of September 11, 2001, Hurricanes Katrina and Rita, potential catastrophes such as the Asian Bird Flu, or other unexpected events, have/would force field and/or Headquarters' staff to work remotely or not work at all. Therefore as the Pilot progressed, we believe it provided a prime opportunity to explore the COOP related benefits of frequent telework.

The water line break at EEOC Headquarters that caused the building to close on January 17, 2007, provided an unplanned test of frequent telework during a COOP event. The chart below shows that all the frequent teleworkers (and both occasional teleworkers) worked on that day, even though several were not scheduled for telework. The events of that day show:

- OIG staff were productive, and would not have been without a **flexible** telework program

- productivity of those not scheduled for telework could not have been achieved without the proper equipment and preparation for the unexpected
- no administrative leave (unproductive but fully paid leave) charged to the Government

Table 2: OIG Telework on January 17, 2007		
OIG Staff	Scheduled to Telework on 01/17/07	Teleworked on 01/17/07
Frequent Teleworkers (6)	3	6
Occasional Teleworkers* (2)	0	2
Non-teleworkers (3)	0	0
Total 11	3	8

*Occasional Teleworker: a staff member in a position judged suitable for telework less than two times per week.

3.2 Work Processes and Communication

Observations by staff indicate work processes and communication evolved and improved significantly during the Pilot. Several issues were resolved, and observations indicate improvement compared to pre-Pilot communication and teamwork. For example, staff became well accustomed to using electronic (as opposed to face-to-face) communication, for all but the most sensitive of conversations. In addition, significant changes in project planning and concerns about progress on various assignments were effectively discussed via a combination of email and telephone conversations.

Teleworkers showed improved diligence about checking email, and ensuring phone calls were answered and messages returned promptly. In addition, teleworkers communicated their whereabouts and schedules more efficiently.

3.3 Frequency of Telework

Overall, frequent teleworkers teleworked 75-90% of the scheduled number of telework days. Frequent teleworkers reported differing rates of reporting to the central office on scheduled telework days and different reasons for reporting to the central office. One teleworker reported to the central office more often than anticipated due to personal reasons.

Because the Pilot allows rescheduling of telework days, one staff person was able to reschedule virtually all of his telework days to balance working in the central office on scheduled telework days. By this means, the occupancy rate of the central office is reduced, significantly improving the chances for reducing central office real estate without impairing productivity.

The need for access to large amounts of paper (e.g., work papers) is the most common reason for reporting to the central office on scheduled telework days. Other reasons include sensitive interviews and meetings, and malfunctioning frequent teleworker equipment.

3.4 Impact on Work-Life Balance

Frequent teleworkers report an improved work-life balance. For example, the flexibility frequent telework provides to take care of non-work issues allows more time for work and a more positive attitude about work. Frequent teleworkers also reported more time for self and family due to elimination of the commute, and savings due to spending less on commuting, clothing, and food.

3.5 Impact on Those Not Frequently Teleworking

Overall, staff continued to observe no major impacts for those not frequently teleworking. No staff stated they have taken on significant additional responsibilities as a result of the Pilot.

3.6 Customer Service

In focus groups and conversations, OIG staff said frequent telework caused no significant effect on the services OIG customers (internal and external to OIG) receive. OIG staff also said that customers are often unaware that frequent teleworkers are not in the central office.

4.0 OBSERVATIONS ON THE OIG TELEWORK ENVIRONMENT

The primary sources for our observations relating to our Pilot consist of written and oral observations made by OIG personnel during the course of the Pilot and during OIG focus group meetings.

4.1 Location of the Alternate Work Site

Our frequent teleworkers provided positive feedback regarding their experiences concerning using their home, as well as the federally funded telework location as an alternate worksite. During focus group meetings with our frequent teleworkers, they found no major impediments in using a federally funded telework center. However, they expressed several reasons why it was not a favorable choice. Reasons cited:

- frequent teleworkers felt their home-based environment was just as good as the telework center;
- going to a telework center would not save a large amount of time or reduce transportation, as well as other personal costs;
- environment was not conducive to privacy regarding conversations; and
- securing working documents and information displayed on computer screens was difficult

4.2 Cost for Equipment and High Speed Internet Use

For frequent telework to be effective, OIG determined it necessary to provide equipment to replicate the central office work conditions. Also, as part of frequent teleworking, we require all

of our frequent teleworkers to use high speed internet service⁽³⁾. Because our frequent teleworkers are required to work at an alternative worksite for two or more days, OIG determined that the office would bear the cost of high speed internet installation and service.⁽⁴⁾

4.3 Technology and Equipment Support

In order to ensure that all teleworker equipment was properly installed and hardware security settings were correctly established, our Management Analyst configured, tested, and installed telework equipment. Also, OIG provided training to each frequent teleworker regarding troubleshooting common computer problems. From this we observed:

- telework equipment was correctly installed from the beginning
- over time, teleworkers became more comfortable in performing their own computer diagnostics and were able to identify and fix many problems
- the frequent teleworkers often assisted one another in troubleshooting because all the frequent teleworkers used the same type of equipment

5.0 CONCLUSION

Frequent telework has proven successful for the OIG because the use of frequent telework did not reduce productivity and it also allows OIG to reduce infrastructure costs by reducing the space it occupies in EEOC's Headquarters building. Therefore, more funds might be available for mission related functions, or fewer funds would be used to accomplish the same amount of work, thereby increasing efficiency.

Additional conclusions:

1. For the OIG, cost savings from real estate will outweigh the costs of frequent telework—five year net savings of \$66,475.
2. The significant reduction of OIG space in the central office will not reduce productivity, cause hardships on staff, impair management/supervision, or reduce customer service.
3. The increased use of telework has not decreased OIG efficiency or productivity.
4. Most staff reported improved work-life balance

6.0 RECOMMENDATION

Because OIG maintained productivity during the Pilot, the Office of Inspector General recommends that its allocation of office and associated shared space be reduced by 325 square feet upon EEOC's tenancy under a new lease, in August 2008. The precise amount of the reduction depends on:

- the configuration/shape of the space
 - the furnishings and storage units of the space
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FOOTNOTES

[1] Use of a single laptop is a primary component of our frequent telework cost model and differs from the Agency's practice, during the Pilot, of maintaining a desktop at the central office and laptop at the teleworker's alternate worksite.

[2] Theoretically, there will also be cost savings from reduced costs for transit subsidies. Savings will accrue as a result of frequent telework because some frequent teleworkers will not receive a subsidy, or will receive a lesser subsidy, because of fewer commutes. However, we did not estimate these savings because of the uncertainty in accurately projecting the number or the amount of reduced subsidies.

[3] Our frequent teleworkers use either cable broadband or DSL high speed service.

[4] The Government Accountability Office ruled that the Patent and Trademark Office is permitted by law to use its appropriations to reimburse teleworkers for high-speed home Internet access. GAO Decision B-308044, Patent and Trademark Office--High-speed Internet Access in Employees' Homes, January 10, 2007.