



Report Summary

Social Security Administration
Office of the Inspector General



Congressional Response Report: The Social Security Administration's Data Center Alternatives (Limited Distribution) (A-14-10-21095)

The American Recovery and Reinvestment Act provided \$500 million to replace the National Computer Center (NCC). The Office of the Inspector General (OIG) has been tasked to provide oversight for the development and implementation of the NCC replacement. On December 3, 2009, we received a letter from the Chairman of the Subcommittee on Social Security, Committee on Ways and Means, requesting assistance in evaluating the Social Security Administration's decision process regarding building its new data center outside the Woodlawn, Maryland, campus. We initiated this review to address the Chairman's concerns. OIG contracted with Strategic e-Business Solutions, Inc. (SeBS) and its subcontractor, Fortress International Group, to assist with this review.

The Chairman's questions were:

- Did the agency follow industry best practices in its evaluation process, and was the decision not to proceed with this option based on quantifiable cost data and other supporting documentation?
- If a cost analysis was done, what time period was used to measure costs?
- Further, is the same analysis being conducted with respect to any alternative locations for a new facility (i.e., under Alternative 1 [to build/lease a new off-campus data center with utility infrastructure]), and if so, which costs were considered?

SeBs evaluation indicated that in general, SSA had conducted a sophisticated evaluation of its data center requirements, timeframes, and options in planning to replace its NCC facility. However, additional due diligence efforts may be warranted. In particular, there are questions about the costs and the risks that have been assigned to the different options for building a new data center. SeBs made several recommendations related to costs and risks. SSA agreed with the recommendations.

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