



SOCIAL SECURITY

MEMORANDUM

Date: October 28, 2009

Refer To:

To: The Commissioner

From: Inspector General

Subject: Office of Acquisition and Grants' Staffing to Process *American Recovery and Reinvestment Act of 2009* Acquisitions (A-15-10-11011)

The attached final report presents the results of our review. Our objective was to determine whether the Social Security Administration's Office of Acquisition and Grants had sufficient qualified staff to process Agency acquisitions funded with *American Recovery and Reinvestment Act of 2009* dollars.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr." with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Attachment

QUICK RESPONSE EVALUATION



Office of Acquisition and Grants' Staffing to Process American Recovery and Reinvestment Act of 2009 Acquisitions

A-15-10-11011



October 2009

Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

OBJECTIVE

Our objective was to determine whether the Social Security Administration's (SSA) Office of Acquisition and Grants (OAG) had sufficient qualified staff to process Agency acquisitions funded with *American Recovery and Reinvestment Act of 2009* (Recovery Act) dollars.

BACKGROUND

Under the Recovery Act, SSA received \$1.09 billion for program and operational purposes.¹ Additionally, Congress provided \$2 million for SSA's Office of the Inspector General (OIG) to conduct oversight and audit of SSA programs, projects, and activities funded by the Recovery Act.² The Recovery Act established a Recovery Accountability and Transparency Board (the Board) to coordinate and conduct oversight of covered funds to prevent fraud, waste, and abuse.³ Specific functions of the Board include determining whether (1) there are sufficient qualified acquisition and grant personnel overseeing covered funds and (2) personnel whose duties involve acquisitions or grants made with covered funds receive adequate training.⁴

At the request of, and in consultation with, the Board, the Department of Commerce's OIG developed a survey⁵ to obtain a current benchmark of the acquisition and grant staffing levels in the Government. The survey also attempted to capture projected workforce staffing and qualifications data over the next year as Recovery Act funds continue to be disbursed.

The OIGs of Federal agencies that received Recovery Act funds were requested to coordinate the completion of the survey by their respective agencies. As requested by the Department of Commerce's OIG, we forwarded SSA's completed survey on September 11, 2009.

To perform this evaluation, we interviewed Agency staff to determine how OAG ensures contracts and grants staff receive required training and certification and how the Agency

¹ Pub. L. No. 111-5, Division A, Title VIII, H.R. 1-71 to H.R. 1-72; and Division B, Title II § 2201(e)(2), H.R. 1-339.

² Pub. L. No. 111-5, Division A, Title VIII, H.R. 1-72.

³ Pub. L. No. 111-5, Division A, Title XV § 1523 (a)(1), H.R. 1-176.

⁴ Pub. L. No. 111-5, Division A, Title XV § 1523 (a)(2)(D) and (E), H.R. 1-176.

⁵ RAT Board Contract and Grant Staffing and Qualification Survey.

manages the additional Recovery Act work (see Appendix B). Additionally, we reviewed SSA's completion of the Contract and Grant Staffing and Qualification Survey and validated the responses.⁶

The quality and effectiveness of the Federal acquisition process depend on the development of a competent workforce. The Office of Management and Budget's (OMB) Office of Federal Procurement Policy (OFPP) has statutory responsibilities⁷ to foster and promote the development of a professional acquisition workforce for employees in civilian agencies of the Executive Branch. The passage of the *Services Acquisition Reform Act of 2003* provided the backdrop for more strategic human capital planning of the acquisition workforce in civilian agencies. Since 2003, OFPP has issued the following policies and guidance related to the acquisition workforce.

- April 15, 2005 - OFPP Policy Letter 05-01, *Developing and Managing the Acquisition Workforce*.
- January 20, 2006 - OMB Memorandum, *The Federal Acquisition Certification in Contracting Program*.
- April 25, 2007 - OFPP Memorandum, *The Federal Acquisition Certification for Program and Project Managers*.
- November 26, 2007 - OFPP Memorandum, *The Federal Acquisition Certification for Contracting Officer Technical Representatives*.
- May 21, 2008 - OFPP Memorandum, *Conducting Acquisition Assessments Under OMB Circular A-123*.

OMB's *Updated Implementing Guidance for the Recovery Act of 2009* issued April 3, 2009,⁸ describes specific contract-related risk mitigation actions that agencies should consider. It is critical that agencies evaluate their workforce needs so they are able to appoint qualified Contracting Officers (CO), Contracting Officer Technical Representatives (COTR), and Program and Project Managers (P/PM) with certification levels appropriate to the complexity and risk of Recovery Act projects.

⁶ The survey included questions about contracts and grants. SSA does not plan to use any Recovery Act funds to award financial assistance agreements, such as grants, loans, or cooperative agreements. Therefore, the survey questions related to grants did not apply to SSA and were not addressed.

⁷ 41 U.S.C. §§ 405(a) and 433(b)(3) and (g).

⁸ OMB Memorandum M-09-15 § 6.3; *Are there actions, beyond standard practice, that agencies must take related to the monitoring of contracts under Recovery Act?*

SSA plans to issue new awards and modifications to existing awards using Recovery Act funds to support the (1) issuance of Economic Recovery Payments;⁹ (2) Health Information Technology (HIT) awards;¹⁰ (3) purchase of equipment for the new employees hired, using Recovery Act funds, to process the disability and retirement workloads;¹¹ and (4) replacement of the Agency's National Computer Center (NCC).¹² The General Services Administration will acquire the land and building for the NCC. If any funds remain after the construction, OAG plans to acquire equipment for that facility. Additionally, the OIG received \$2 million to provide for audit and oversight of the Agency's programs, projects, and activities funded by the Recovery Act dollars.¹³ We are using a portion of these funds for a contract, awarded through OAG to provide consulting services to evaluate SSA's (1) process for selecting the replacement strategy for its NCC and (2) efforts toward implementing the strategy.

SSA has issued, or plans to issue, approximately 42 contract awards using Recovery Act funds. These include modifications to existing awards totaling an estimated \$21 million. Included in the 42, are 20 HIT awards, totaling \$24 million, the Agency anticipates awarding by January 2010.

⁹ Pursuant to the Recovery Act, Pub.L. No. 111-5, Division B, Title II § 2201, H.R. 1-336 to 1-341, \$90,000,000 was appropriated for SSA's costs incurred in carrying out the provisions of the Recovery Act related to processing a one-time payment of \$250 to qualified individuals receiving Social Security benefits and Supplemental Security Income.

¹⁰ The Recovery Act provides for an appropriation to SSA of "\$500,000,000 for processing disability and retirement workloads, including information technology acquisitions and research in support of such activities: Provided, That up to \$40,000,000 may be used by the Commissioner of Social Security for health information technology research and activities to facilitate the adoption of electronic medical records in disability claims, including the transfer of funds to 'Supplemental Security Income Program' to carry out activities under section 1110 of the Social Security Act." Pub. L. No. 111-5, Division A, Title VIII, H.R. 1-71 to 1-72.

¹¹ Id.

¹² The Recovery Act indicates that \$500,000,000 shall remain available until expended for necessary expenses of the replacement of the NCC and the information technology costs associated with the NCC.

¹³ The Recovery Act indicates that the \$2,000,000, shall remain available for such purposes through September 30, 2012. Pub. L. No. 111-5, Division A, Title VIII, H.R. 1-72.

Results of Review

OAG has taken steps to ensure it has sufficient qualified staff to process Agency acquisitions funded with Recovery Act dollars. OAG hired additional staff to support the work.

Staff Hired and Existing Staff Available to Handle Recovery Act Acquisitions

To ensure there is sufficient staff in OAG to process Recovery Act acquisitions, the Agency hired eight new staff. The eight individuals were either reemployed annuitants or transfers from other Federal agencies. The reemployed annuitants were former OAG employees and were given assignments to mentor trainees and manage the simplified acquisition workload.¹⁴ The transferred employees were assigned to existing workloads—including the administration of awarded contracts, contract closeout activities, and new awards—to allow existing staff to work on the Recovery Act workload. According to OAG, using COs to process Recovery Act contracts is expected to have minimal impact on SSA's non-Recovery Act acquisition workload.

The categories of staff covered in the Board survey and this evaluation are as follows:

- COs,
- COTRs,
- P/PMs, and
- Contracting Support Personnel.

Table 1 reflects the number of staff in each category on-hand to process Recovery Act transactions taken from SSA's response to the Board survey. These employees are not dedicated solely to Recovery Act work.

Table 1 – Number of Staff On-hand to Process Recovery Act Transactions As of the End Date for Each of the Specified Periods			
Agency Recovery Act Workforce	Actual 4/1/2009 - 6/30/2009	Forecasted 7/1/2009 - 12/31/2009	Forecasted 1/1/2010 - 6/30/2010
COs	15	16	9
COTRs	5	2	2
P/PMs	3	5	2
Contracting Support Personnel	7	4	4
Totals	30	27	17

The Agency's survey comments concluded it had sufficient qualified staff in each category to process Agency acquisitions funded with Recovery Act dollars.

¹⁴ Federal Acquisition Regulation (FAR) provides, in part, that Agencies shall use simplified acquisition procedures to the maximum extent practicable for all purchases of supplies or services not exceeding the simplified acquisition threshold. 48 C.F.R. § 13.003(a).

Training and Certification of Recovery Act Acquisitions Staff

OFPP-published Policy Letter 05-01, *Developing and Managing the Acquisition Workforce*, established new training guidance for the entire civilian acquisition workforce and new certifications in targeted acquisition career fields. The Policy Letter required that the Federal Acquisition Institute (FAI) develop a certification program for contracting professionals in civilian agencies to reflect common standards. OFPP's goal in establishing the three resulting certification programs was to make available a Government-wide standard for education, training, and experience leading to core competencies in a variety of acquisition-related disciplines. While OFPP's certification programs are not mandatory, SSA had two internal certification programs for COs and P/PMs in place before converting to the OFPP programs. The requirements for OFPP programs are detailed below.

- The Federal Acquisition Certification (FAC) in Contracting (FAC-C) program established core requirements for education, training, and experience for contracting professionals in civilian agencies.¹⁵
- The FAC-COTR established general training requirements for COTRs in civilian agencies. Under this program, COTRs are required to obtain certain competencies for certification and maintain their certification through continuous learning opportunities.¹⁶
- The FAC-P/PM established general training and experience requirements for program and project managers in civilian agencies. The FAC-P/PM focuses on essential competencies needed for program and project managers; however, the program does not include functional or technical competencies, such as those for information technology or agency-specific competencies.¹⁷

Before implementing the FAC-C program, SSA had an internal certification program in place to certify its COs. OAG worked with FAI to crosswalk SSA's existing certification program with the new FAI certifications to ensure SSA staff met the requirements of the FAC-C program. Our review of the FAC-C certifications did not disclose any issues. During our review, we determined that eligible employees were certified, and new employees received the necessary training and experience to become eligible to apply for certification, including all COs processing Recovery Act awards.

SSA did not have a program in place for certifying its COTRs. SSA requires that individuals obtain 40 hours of training consistent with the requirements set forth by FAI

¹⁵ OMB Memorandum, *The Federal Acquisition Certification in Contracting Program*, January 20, 2006.

¹⁶ OMB Memorandum, *The Federal Acquisition Certification for Contracting Officer Technical Representatives*, November 26, 2007.

¹⁷ OMB Memorandum, *The Federal Acquisition Certification for Program and Project Managers*, April 25, 2007.

before serving as a COTR. SSA did have a draft plan to implement the FAC-COTR program and expects to implement the program by July 2010. During our review, we determined that all Agency COTRs assigned to active contracts were documented in OAG's training database. However, the database was not kept up-to-date to ensure COTRs who were no longer with the Agency were removed. Additionally, the database did not reflect a COTR's transfer from one Agency component to another.

We determined that all the Agency's P/PMs met the training and experience requirements for certification as FAC-P/PMs, which includes all P/PMs processing Recovery Act awards. The Agency crosswalked its certification program for P/PMs to the OFPP program to ensure SSA staff met the requirements of the FAC-P/PM program. Our review of the FAC-P/PM certifications did not disclose any issues.

Table 2 reflects the count of certified staffs in each category on-hand to process Recovery Act transactions, taken from SSA's response to the Board survey.

Table 2 – Number of Certified Staff On-hand in Each Category As of the End Date for Each of the Specified Periods			
Agency Recovery Act Workforce	Actual 4/1/2009 - 6/30/2009	Forecasted 7/1/2009 - 12/31/2009	Forecasted 1/1/2010 - 6/30/2010
COs who have received or will receive FAC-C or <i>Defense Acquisition Workforce Improvement Act of 1990 (DAWIA)</i> certification ¹⁸	10	14	7
COTRs who have received or will receive FAC-COTR certification ¹⁹	0	0	0
P/PMs who have received or will receive FAC-P/PM or DAWIA certification	3	5	2
Contracting Support Personnel who satisfy or will satisfy all agency-specific requirements ²⁰	0	0	0
Totals	13	19	9

Using newly hired and existing acquisition staff, SSA should have sufficient and adequately trained and certified staff to process all its planned and actual Recovery Act acquisitions.

¹⁸ Refer to Table 1: Actual—According to OAG, of 15 COs in Table 1, 10 are FAC-C certified. The following do not require a FAC-C certification: two with trainee warrants; two warranted under a prior Agency certification program; and one outside the GS-1102 series with a special delegation of authority. Forecasted 2009—14 of 16 COs reflected in Table 1 have been, or will be eligible to be, certified by period end date. Two with special delegation outside the GS-1102 series are not required to be FAC-C certified. Forecasted 2010—seven of the nine COs in Table 1 have been, or will be eligible to be, certified by period end date. Two with special delegation outside the GS-1102 series are not required to be FAC-C certified.

¹⁹ SSA does not have a formal program in place for certifying COTRs. However, SSA does have a draft plan and expects to implement it by July 2010. Agency requirements in place are minimally equivalent to the FAC-COTR program which is 40 hours of COTR training.

²⁰ There are no Agency or FAC certification requirements for Contracting Support Personnel.

Matters for Consideration

SSA has a database to document the names of staff who have taken the Agency's required COTR training. We found the database was not updated as employees left the Agency or transferred from one Agency component to another. OAG staff informed us that they merely add newly trained staff to the database but do not monitor the system to reflect changes in the status of employees. The database should be periodically reconciled with SSA's Office of Personnel.

Our review also noted that SSA did not have a formal program in place for certifying its COTRs. However, SSA has a draft plan to meet the FAC-COTR requirements and expects to implement it by July 2010. Currently, SSA requires that individuals obtain 40 hours of training consistent with the requirements set forth by FAI before serving as a COTR. COTRs perform critical Agency acquisition and technical functions. The Agency should continue its plan to implement the FAC-COTR structured training program for COTRs and other individuals performing these functions to achieve standard competencies and training. SSA anticipates it will no longer need the COTR training database once SSA implements the FAC-COTR program in July 2010.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – OIG Contacts and Staff Acknowledgments

Acronyms

Board	Recovery Accountability and Transparency Board
CO	Contracting Officer
COTR	Contracting Officer Technical Representative
DAWIA	<i>Defense Acquisition Workforce Improvement Act of 1990</i>
FAC	Federal Acquisition Certification
FAC-C	Federal Acquisition Certification for Contracting Officer
FAC-COTR	Federal Acquisition Certification for Contracting Officer Technical Representative
FAC-P/PM	Federal Acquisition Certification for Program and Project Manager
FAI	Federal Acquisition Institute
HIT	Health Information Technology
NCC	National Computer Center
OAG	Office of Acquisition and Grants
OFPP	Office of Federal Procurement Policy
OIG	Office of the Inspector General
OMB	Office of Management and Budget
P/PM	Program and Project Managers
Pub. L.	Public Law
Recovery Act	<i>American Recovery and Reinvestment Act of 2009</i>
SSA	Social Security Administration
U.S.C.	United States Code

Scope and Methodology

To accomplish our objective we:

- Reviewed applicable sections of the *American Recovery and Reinvestment Act of 2009* (Recovery Act).
- Reviewed Office of Management and Budget (OMB) memorandums for the heads of departments and agencies.
 - ✓ M-09-10, *Initial Implementing Guidance for the America Recovery and Reinvestment Act of 2009*, February 18, 2009
 - ✓ M-09-15, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*, April 3, 2009
 - ✓ M-09-21, *Implementing Guidance for the Reports On Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009*, June 22, 2009, and Supplement 1, *List of Programs Subject to Recipient Reporting Requirements*, and Supplement 2, *Recipient Reporting Data Model*
 - ✓ M-09-25, *Improving Government Acquisition*, July 29, 2009
 - ✓ *The Federal Acquisition Certification in Contracting Program*, January 20, 2006
 - ✓ *The Federal Acquisition Certification for Program and Project Managers*, April 25, 2007
 - ✓ *The Federal Acquisition Certification for Contracting Officer Technical Representatives*, November 26, 2007
- Reviewed OMB Circular No. A-11, Part 7, *Planning, Budgeting, Acquisition, and Management of Capital Assets*.
- Reviewed the Social Security Administration (SSA) Flash Notice 05:09-01, *Requirements for Contract Actions Funded by The American Recovery and Reinvestment Act (Recovery Act)*.
- Reviewed SSA's Recovery Act information posted at www.socialsecurity.gov/recovery and www.recovery.gov.

- Assessed the Office of Acquisition and Grants' (OAG) completion of the Recovery Accountability and Transparency Board Contract and Grant Staffing and Qualification Survey by
 - ✓ interviewing OAG employees to discuss the methodology used to respond to the survey questions,
 - ✓ reviewing documentation to validate survey responses, and
 - ✓ reviewing contracting officers' and program and project managers' certifications of training and education documentation maintained by OAG.
- Interviewed OAG staff to determine how
 - ✓ OAG ensures contract staff has completed their certification and hours, and
 - ✓ SSA prepared for the additional Recovery Act work.
- Provided the Department of Commerce's Office of Inspector General with SSA's survey response by Friday, September 11, 2009.

We performed our review in Baltimore, Maryland, from July through September 2009. We conducted our review in accordance with the President's Council on Integrity and Efficiency's¹ *Quality Standards for Inspections*.

¹ In January 2009, the President's Council on Integrity and Efficiency was superseded by the Council of the Inspectors General on Integrity and Efficiency, Inspector General Reform Act of 2008, Pub. L. No. 110-409 § 7, 5 U.S.C. App. 3 § 11.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Victoria Vetter, Director, Financial Audit Division

Deborah Kinsey, Audit Manager

Acknowledgments

In addition to those named above:

Jackie Patel, Senior Auditor

Donna Parris, Auditor

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Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.