

Report Summary

Social Security Administration Office of the Inspector General

March 2009



Objective

Our objectives were to (1) review the services provided by Abt Associates, Incorporated, (Abt) under Contract Number SS00-04-60110 and the related costs charged to the Social Security Administration (SSA) for adherence to the negotiated contract terms and applicable regulations and (2) ensure SSA received the goods and services for which it contracted.

Background

SSA contracted with Abt to develop the Benefit Offset National Demonstration (BOND) project to test alternate methods of treating work activity in the Title II disability program. A \$2.4 million cost-plus-fixed-fee contract was awarded to Abt with a period of performance from September 2004 to September 2006.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-05-08-18041.pdf>

Contract for the Benefit Offset National Demonstration Project with Abt Associates, Incorporated (A-05-08-18041)

Our Findings

Abt generally adhered to the terms of the contract and delivered the services and final design options SSA requested under the contract. However, multiple modifications extended the contract period from 2 to 4 years, and obligated costs for the design phase increased to \$10.6 million, \$8.2 million more than initially expected. In addition, the delay of the BOND design phase led to additional costs under the Four-State Pilot, or \$4.5 million more than initially expected. In terms of contract management, prior SSA management demonstrated inadequate oversight of the contract's planning, scope and expenditures. And while current SSA management attempted to streamline the BOND project's design, financial monitoring of the project was inadequate. Furthermore, prior and current SSA management did not monitor the contract in a way that allowed for quickly detecting or avoiding cost overruns for tasks. Moreover, we found that SSA management had not performed timely contractor performance evaluations, as required by the contract and recommended by the Federal Acquisition Regulation. In terms of contract coordination, we believe earlier communication between BOND and the Four-State Pilot regarding the project's design would have enhanced the Pilot's usefulness to the BOND contractor. Finally, we found that the sole-source contract lacked clear separation of duties by allowing the contractor to evaluate its own performance.

Our Recommendations

We made six recommendations to improve oversight of the BOND contract and similar contracts. In response to the report, SSA noted it had already made a number of changes and concurred with four recommendations but disagreed with two - improved financial monitoring and using an independent party to evaluate the contract.