

National Support Center Cost Savings (Limited Distribution) A-14-12-12107



March 2013

Office of Audit Report Summary

Objective

To determine whether (1) the selected Design/Build proposal fully incorporates the Social Security Administration's (SSA) Program of Requirements (POR). Specifically, our contractor determined whether the Design/Build proposal provides reasonable assurance as to whether SSA will receive a data center that is cost-effective, efficient, with the required capacity, and operational in the required timeframe as well as has an appropriate useful life. The contractor also determined whether there were any additional cost savings opportunities that could be incorporated into the National Support Center (NSC) POR without significantly impacting the project's schedule while still meeting the Agency's needs.

Background

The *American Recovery and Reinvestment Act* provided \$500 million to replace the National Computer Center (NCC). The Office of the Inspector General has been tasked with providing oversight for the development and implementation of the NCC replacement.

We contracted with Strategic e-Business Solutions, Inc. (SeBS) and its subcontractor, Fortress International Group, to assist with this review.

SeBS' Findings

The Design Team's proposed design documents met or exceeded the original POR. If the NSC is constructed as outlined in the conceptual documents, the result will be a dependable and efficient facility. The steps taken by both the design-build team and SSA to ensure the design meets all documented requirements were comprehensive, thorough, and exemplary. The NSC Design/Build is a large, complex undertaking, and Team SeBS evaluated the proposed approach against a significant number of best practices. The NSC design team followed best practice conventions with only a few issues or concerns. Team SeBS identified 27 observations.

Team SeBS also identified additional capital cost savings for the Agency's consideration. Two significant cost savings include designing a Multi-Tier Data Center and Electrical power distribution options. These options are affected by current and future equipment procurements, equipment refresh plans and the transition strategy from the NCC to the NSC. The total cost of these missed opportunities is approximately \$30 million.

SeBS' Recommendations

SSA, working with the Design Team, should evaluate these cost saving observations, assess the impact of these cost saving observations on the overall NSC schedule, and decide whether implementation of the observations is warranted.

SSA agreed with 17 of 27 observations and recommendations.