

The Social Security Administration's Information Technology Support Services Contract with Northrop Grumman Systems Corporation

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Office of Audit Report Summary

Objectives

To ensure the Social Security Administration (SSA) received the services for which it contracted with Northrop Grumman Systems Corporation (NG) and review the services NG provided and related costs charged to the Agency for adherence to the negotiated contract terms and applicable regulations.

Background

SSA's Office of Systems designs, develops, and implements new software to support SSA's program, administrative, management information, and office automation systems. To do so, the Office of Systems must take advantage of current and emerging technologies and acquire skilled personnel.

On September 10, 2010, SSA awarded the Information Technology Support Services Contract (contract number SS00-10-60082) to NG for skilled information technology (IT) support services. The contract period was 7 years: 1 base year and six, 1-year options. SSA issues task orders against the contract on a firm-fixed-price, time-and-materials basis. Through option year 1, SSA had authorized about \$73.5 million under the contract.

Our Findings

We determined that SSA had received the IT services required under the NG contract. NG billed SSA for services (labor hours) in accordance with the contract terms. Specifically, NG billed the correct labor rates for the labor categories identified in the contract. Further, NG's employee or subcontractor time records properly supported the labor hours it billed SSA. NG submitted invoices to SSA promptly, and SSA made timely and accurate payments. SSA personnel also properly monitored the contract.

However, we found instances where SSA did not timely terminate contractors' and subcontractors' access to the Agency's systems when they stopped working on the contract. In some cases, the systems access termination date was more than 100 days after their departure date. While SSA implemented procedures during our audit period to improve this process, we believe the Agency has a responsibility to ensure these controls are effective in preventing untimely systems access terminations.

Our Recommendation

For the remaining contract option years, we recommend SSA management perform periodic reviews to ensure that system access for contractor staff no longer working under a contract is terminated in accordance with SSA's policies and procedures.

SSA agreed with our recommendation.