

The Social Security Administration's Analysis of Alternatives for the Disability Case Processing System

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Office of Audit Report Summary

Objective

To evaluate the Social Security Administration's (SSA) analysis of alternatives for the Disability Case Processing System (DCPS).

Background

In December 2010, SSA awarded a contract to develop DCPS, a common system the Agency intends will simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs.

In June 2014, a consulting firm contracted by SSA noted that, despite a \$288-million investment over 6 years, DCPS delivered limited functionality and faced schedule delays and increasing stakeholder concerns.

After a "reset" to get the project on track, SSA conducted two Proofs of Concept to help the Agency decide how to move forward. Proof of Concept 1 examined the potential use of off-the-shelf software for DCPS' case management component. Proof of Concept 2 explored the possibility of using SSA-developed software in DCPS.

The Chairman of the Subcommittee on Social Security, Committee on Ways and Means, House of Representatives, requested that we provide regular reports to keep the Subcommittee informed of SSA's DCPS-related efforts.

Findings

We identified concerns with SSA's analysis of alternatives for DCPS. The Agency did not fully evaluate all potential alternatives—including whether to discontinue all efforts entirely and continue maintaining the legacy systems. Furthermore, the alternatives SSA evaluated did not include some critical functionality that could have had a significant effect on the long-term costs and schedule.

SSA stated it used the proof-of-concept process as a decision-making tool, and, while it conducted a full alternatives analysis before it awarded the original DCPS contract, such analysis was not required after the project reset. However, without a comprehensive analysis of alternatives, the Agency cannot be assured the chosen path will be the best path to simplify system support and maintenance and reduce infrastructure costs—key objectives for the DCPS project. Furthermore, because SSA based some of its conclusions on high-level assessments and did not prepare detailed documentation, we were unable to independently evaluate the reasonableness of the Agency's cost and implementation estimates. As a result, we could not conclude whether the Agency's chosen path forward is most likely to result in the timely delivery of a cost-effective solution that meets users' needs.

Since conceiving of a common case processing system in 2008, SSA has invested over \$300 million in the DCPS project—equivalent to the cost of maintaining the legacy systems for over 9 years—for which it appears the Agency will receive little benefit. The Agency estimated the first release of the new Core system will cost between \$90 and \$165 million. However, this estimate does not account for costs to operate the new system after it is implemented. Further, the first release of Core will not include all the functionality the 54 disability determination services need to fully process their workloads.

To ensure its chosen solution will enable the Agency to meet its disability case processing needs at the lowest cost to the taxpayers, we believe SSA should identify all the costs the Agency expects to incur to fully develop, implement and maintain the new DCPS application.