Costs Incurred in Developing the Disability Case Processing System
A-14-16-50099

SOCIAL SECURITY
ADMINISTRATION
OIG

Objective

To assess the accuracy of the costs the Social Security Administration (SSA) reported it incurred in developing the Disability Case Processing System (DCPS) as of September 30, 2015.

Background

SSA partners with State disability determination services (DDS) to evaluate disability claims and make disability determinations. The DDSs use various customized systems to process disability cases.

DCPS is an SSA initiative to develop a common system the Agency expects will simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs.

Findings

We concluded that SSA's reported costs of $356 million for the DCPS project for the 8-year period ended September 30, 2015 were reasonably accurate.

Category	Total Costs
Contractor Costs	$283,055,095
Supplemental Contractor Costs	$7,917,130
SSA Labor Costs	$62,123,943
Travel Costs	$2,808,613
Total	**$355,904,781**

However, SSA used contract award amounts in its DCPS cost figure—not the amounts actually paid for each contract. Further, SSA primarily included its Office of Systems employees' labor costs. The Agency did not always include the labor cost of employees in other SSA components and from DDSs that assisted in planning and testing DCPS.

While we did not consider these issues to be sufficiently significant to materially affect the overall DCPS cost figure, we believe they warrant SSA's attention.

SSA anticipated its DCPS-related costs for FY 2016 to be approximately $31 million—bringing the estimated total cost for DCPS for the 9-year period ending September 30, 2016 to about $387 million. Further, SSA expects it will spend an estimated additional $91 million between FYs 2017 and 2019 on the project.

As Chairman Johnson requested, we plan to continue monitoring the DCPS project and will issue regular reports on SSA's DCPS-related efforts.