

Report Summary

Social Security Administration Office of the Inspector General

September 2010



Objective

To (1) review the services provided by Softmart and the related costs charged to the Social Security Administration (SSA) for adherence to the negotiated terms and applicable regulations, and (2) ensure the Agency received the goods and services for which it paid.

Background

In September 2003, SSA awarded a delivery order to purchase Microsoft licenses and maintenance for Microsoft products. The award amount was \$87 million with a period of performance from September 30, 2003 to October 22, 2008. Because of modifications and the extension of the performance period, the cumulative delivery order award total was increased to approximately \$105 million.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-06-10-11019.pdf

Delivery Order with Softmart Government Services, Inc., for Microsoft Licensing and Maintenance (A-06-10-11019)

Our Findings

Amounts paid for services provided under the delivery order were in accordance with prices negotiated under the General Services Administration contract, and SSA received the goods and services for which it paid. However, SSA did not adequately document its need for the number of software licenses maintained. The number of software licenses is the primary factor in determining overall maintenance costs.

SSA officials acknowledged the contract file did not contain documentation supporting the need for 107,946 licenses. An SSA official stated the number of licenses maintained under the contract was simply carried forward from the prior contract (awarded to a different contractor). SSA officials stated they believed the need for this number of licenses was documented in the prior contract file. However, we could not confirm this since SSA destroyed the contract file after the required retention period.

Our Recommendation

We recommend SSA document its computation of the number of software licenses maintained and retain this documentation in the contract file.

SSA agreed, in principle, with the recommendation.