

Report Summary

Social Security Administration Office of the Inspector General

October 2011



Objective

To determine whether (1) the Social Security Administration (SSA) properly accounted for *American Recovery and Reinvestment Act of 2009* (Recovery Act) funds for the purchase of International Business Machines, Inc., (IBM) System i® hardware, software, and development tools; (2) the contractor complied with the contract terms and applicable regulations; and (3) SSA personnel properly monitored the contract.

Background

In 2009, the Recovery Act granted SSA additional funding for this Blanket Purchase Agreement (BPA) to help address the increased disability and retirement workloads caused by a combination of the economic downturn and the baby boomer retirement wave. To address the increased workloads, SSA issued Call Order 51 on BPA SS00-08-40004 to increase the Agency's computer capacity.

To view the full report, visit
<http://oig.ssa.gov/audits-and-investigations/audit-reports/A-15-11-11113>

The Social Security Administration's Recovery Act-Funded Contract with International Business Machines, Inc., Blanket Purchase Agreement SS00-08-40004, Call Order 51 (A-15-11-11113)

Our Findings

Based on our review at 10 disability determination services (DDS) locations and SSA Headquarters, we found that (1) SSA properly accounted for Recovery Act funds for the purchase of IBM System i® hardware, software, and development tools; (2) the contractors complied with the contract terms and applicable regulations; and (3) SSA personnel properly monitored the contract. In addition, we also determined that 3.54 jobs were created in relation to this contract.

During our audit, we identified three issues that did not negate IBM's performance or SSA's oversight of the contract. The issues were as follows.

1. SSA did not expend all the obligated funds related to Call Order 51.
2. We identified minor errors in price listings of hardware and software SSA used in determining the amounts to pay IBM for its DDS systems expansion costs.
3. Some DDSs allowed IBM staff without identification to enter their locations.

Our Recommendations

We recommended the Agency (1) verify that the Agency received all the IBM invoices and deobligate the \$28,958 in funds for the IBM contract that were not expended; (2) request IBM to repay the Agency \$9,184 for the hardware and software overpayment on Call Order 51; and (3) encourage DDSs to continue to have personnel check the identification badges of contractors who enter DDS sites.

SSA agreed with the recommendations.