# Tracking Hearing #2: GSA Stimulus Funds—Up, Out, and Creating Jobs

Statement of

Michael Gallagher
Assistant Deputy Commissioner for the Office of Budget, Finance and Management
Social Security Administration

Before the

Subcommittee on Economic Development, Public Buildings and Emergency Management

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**Madam Chair, Ranking Member Diaz-Balart and Members of the Subcommittee**:

Good afternoon. I am Michael Gallagher, Assistant Deputy Commissioner for Social Security's Office of Budget, Finance and Management. On behalf of Commissioner Michael Astrue, I thank you for the opportunity to discuss our partnership with the General Services Administration to construct a new data center using 500 million dollars appropriated to us in the Recovery Act. This new center will replace our aging 30-year-old National Computer Center. In addition to being state-of-the-art, the new facility will incorporate green building technology and use new energy efficient equipment and processes.

To ensure the project is completed on time, on budget, and in full compliance with Recovery Act requirements, we and GSA have both assigned experienced project managers. We look forward to this important collaboration, and I would like to thank GSA for its leadership of this vital project.

Our current data center is the technological heart of the agency, housing critical computer operations and essential data for prompt and accurate benefit payments to tens of millions of Americans. Let me put this work into context.

Last fiscal year, we paid over 650 billion dollars to more than 52 million Americans. We currently process an all-time high of over 75 million business transactions per day, and, to support our disability workload, we store nearly 370 million imaged health records to which we add 2 million more records each week. To manage benefits, annually, we exchange over 1 billion data files with federal and state governments and businesses.

Given the nature and volume of these workloads, it is clear that the successful construction of the new data center is essential for us to continue serving the American people. With Recovery Act funding, we and GSA will ensure that the new data center will be operational as our current facility nears the end of its functional life.

I am pleased to report that we and GSA are moving aggressively to build this new facility. We have already hired a construction management firm for this project and it has hit the ground running. In addition, we and GSA are:

- Formulating specific requirements to construct a state-of–the-art data center that meets industry standards;
- Developing the site selection criteria; and
- Developing a detailed construction plan.

GSA is primarily responsible for executing these steps; nevertheless, we will provide input and oversight throughout the process to ensure the facility is designed to meet our requirements.
Our key milestones for this project are:

- Acquiring the site in the 2nd quarter of FY 2010;
- Awarding the design-build contract in the 2nd quarter of FY 2011; and
- Completing construction in the 1st quarter of FY 2014.

GSA is working closely with us and industry experts to review procurement options so that we can expedite this project to the extent possible without compromising quality or accepting undue risks or added costs. Our joint efforts will meet all the accountability and transparency objectives set forth by the Administration and by Congress when these funds were appropriated.

Again, we thank the Congress for this important appropriation and we extend our appreciation to GSA for working so diligently with us to construct a new data center. Thank you for the opportunity to speak with you today. I look forward to answering your questions.