

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR REALIGNMENT OF THE
HAVE NAP MAINTENANCE COMPLEX FROM
CASTLE AIR FORCE BASE, CALIFORNIA, TO
BARKSDALE AIR FORCE, LOUISIANA**

Report No. 95-282

August 1, 1995

Department of Defense

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Acronyms

| | |
|--------|------------------------------|
| ACC | Air Combat Command |
| BRAC | Base Realignment and Closure |
| MILCON | Military Construction |



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



August 1, 1995

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND CONTROLLER)

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for
Realignment of the HAVE NAP Maintenance Complex from Castle
Air Force Base, California, to Barksdale Air Force Base, Louisiana
(Report No. 95-282)

We are providing this audit report for your review and comment. Comments from the Under Secretary of Defense (Comptroller) on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all audit recommendations and monetary benefits be resolved promptly. Therefore, we request that the Air Force provide comments on the recommendations and monetary benefits in this final report by August 31, 1995

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Terry L. McKinney, Audit Program Director, at (703) 604-9288 (DSN 664-9288) or Ms. Bobbie Sau Wan, Audit Project Manager, at (703) 604-9259 (DSN 664-9259). See Appendix F for the report distribution. The audit team members are listed inside the back cover.

David K. Steensma

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 95-282
(Project No. 5CG-5017.35)

August 1, 1995

Defense Base Realignment and Closure Budget Data for Realignment of the HAVE NAP Maintenance Complex from Castle Air Force Base, California, to Barksdale Air Force Base, Louisiana

Executive Summary

Introduction. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. This report is one in a series of reports about FY 1996 Defense base realignment and closure military construction costs.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the results of the audit of one project, valued at \$1.5 million, for the realignment of the HAVE NAP* maintenance complex from Castle Air Force Base, California, to Barksdale Air Force Base, Louisiana. This audit also assessed the adequacy of the management control program as it applied to the audit objective.

Audit Results. The Air Force did not adequately justify or document the requirements for the realignment of the HAVE NAP maintenance complex to Barksdale Air Force Base. The accuracy of the estimated cost of \$1.5 million for project AWUB962401 could not be validated and is therefore questionable. See Part I for details of the finding and Appendix D for a summary of potential benefits of the audit. The review of the management control program will be discussed in a summary report on Defense base realignment and closure military construction budget data.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) suspend the \$1.5 million requested for project AWUB962401, "HAVE NAP Maintenance Complex," until the Air Force submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," based on documented and validated requirements.

We recommend that the Commander, Air Combat Command, validate and document the Defense base realignment and closure military construction requirements relevant to

*The missile name HAVE NAP was a Strategic Air Command code name when the missile was secret and under development. The name is still used and does not refer to any known words.

the realignment of the HAVE NAP complex to Barksdale Air Force Base and revise and resubmit DD Form 1391, "FY 1996 Military Construction Budget Data," based on validated and documented requirements.

Management Comments. The Under Secretary of Defense (Comptroller) concurred with the report and stated that funds will be placed on administrative withhold if the issue is not resolved by the time funds become available. The Air Force has not responded to the draft report. A discussion of management comments received is in Part I, and the complete text of those comments is in Part III of the report.

Audit Response. We consider the Under Secretary of Defense (Comptroller) comments responsive to the report. We request comments from the Air Force by August 31, 1995.

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Part I - Audit Results

Audit Background

The Inspector General, DoD, is performing various audits of the Defense base realignment and closure (BRAC) process. This report is one in a series of reports about FY 1996 BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed project was a valid BRAC requirement and whether the decision for MILCON was supported with required documentation. The audit also assessed the adequacy of the Air Force management control program as it applied to the overall audit objective.

This report provides the results of the audit of BRAC MILCON project AWUB962401, valued at \$1.5 million, for the realignment of the maintenance complex for the HAVE NAP* missile from Castle Air Force Base, California, to Barksdale Air Force Base, Louisiana. See Appendix A for a discussion of the scope and methodology and Appendix B for a summary of prior coverage related to the audit objectives. The management control program will be discussed in a summary report on BRAC MILCON budget data. Therefore, this report does not discuss our review of management controls.

*The missile name HAVE NAP was a Strategic Air Command code name when the missile was secret and under development. The name is still used and does not refer to any known words.

Adequacy of Base Realignment and Closure Project Documentation

The Air Force did not adequately justify or document the requirements for the realignment of the HAVE NAP maintenance complex to Barksdale Air Force Base. Requirements were not adequately justified or documented because the Air Force did not comply with established MILCON procedures for estimating and documenting facility requirements. As a result, the accuracy of the estimated cost of \$1.5 million for project AWUB962401 could not be validated and is therefore questionable.

HAVE NAP Maintenance Complex

The HAVE NAP, also referred to as the AGM-142, is an air-to-ground precision guided missile. The HAVE NAP maintenance complex supports all munitions, maintenance, and inspections functions associated with the HAVE NAP missile system. The facility performs receiving and shipping inspections, annual visual inspections, guidance system testing, routine parts repair and replacement, and special missile inspections and modifications.

Criteria for Supporting BRAC MILCON Projects

Applicable Criteria for Developing MILCON Cost Estimates. Air Force Regulation 86-1, "Programming Civil Engineer and Appropriated Fund Resources," describes the detailed documentation needed to support MILCON project requirements and the estimated MILCON costs. The regulation requires major commands to prepare cost estimates on DD Form 1391, "Military Construction Project Data," in sufficient detail to permit cost validation. Further, the regulation requires that the host installation prepare a detailed data sheet listing existing facilities and space requirements for the proposed project.

Air Force Manual 86-2, "Civil Engineering Programming, Standard Facility Requirements," establishes the criteria for estimating and documenting standard facility requirements.

Major Command Responsibilities for Developing Cost Estimates. Air Force instructions for preparing cost estimates for the 1993 Commission designated

Adequacy of Base Realignment and Closure Project Documentation

the major commands as the focal point for command-wide BRAC actions. According to the Air Force instructions, major commands are responsible for:

- o preparing cost estimates for BRAC actions,
- o validating all costs and verifying that costs directly result from BRAC actions,
- o validating the need for the project by doing the site survey work, and
- o validating that project estimates can be supported so that someone totally unfamiliar with the area can reconstruct each step of the cost derivation.

Adequacy of Justification and Supporting Documentation

The Air Combat Command (ACC) did not adequately justify or document the requirement factors used to estimate the facility requirements for the realignment. As a result, the requirements and estimated costs submitted on the DD Form 1391 could not be validated.

The ACC is the major command that has cognizance over project AWUB962401, "HAVE NAP Maintenance Complex." The ACC planning officials developed project requirements based on a May 1994 meeting of the Site Activation Task Force. The task force concluded that the existing maintenance complex at Castle Air Force Base satisfactorily supported mission requirements. Therefore, ACC planning officials developed project requirements based on a blueprint of the existing HAVE NAP complex at Castle Air Force Base.

Facility Requirements. Project AWUB962401, valued at \$1.5 million, includes 9,000 square feet for a HAVE NAP maintenance complex and general purpose storage. As a result of the closure of Castle Air Force Base, the HAVE NAP maintenance function was transferred to Barksdale Air Force Base, where the function is being performed at an interim facility. According to the ACC planning officials, the interim facility is inadequate because munitions personnel can maintain only two weapons simultaneously. The ACC planning officials stated that four weapons needed to be maintained simultaneously to meet the HAVE NAP mission. However, the ACC was unable to provide adequate documentation to support the requirement to maintain four weapons simultaneously. As a result, we could not validate the facility requirements related to the realignment.

Estimated Costs. The ACC planning officials developed and validated the \$1.5 million budget estimate utilizing the "Historical Air Force Construction Cost Handbook." The handbook provides historical costs, and is used in preparing cost estimates and doing analyses in advance of Air Force construction. Costs contained in the handbook support the unit costs shown on

the DD Form 1391. However, the lack of documentation supporting the facility requirements precluded us from determining the reasonableness of the \$1.5 million project estimate.

Planning Officials' Compliance With MILCON Procedures

The ACC planning officials did not comply with established Air Force criteria for developing and validating BRAC MILCON requirements and associated cost estimates. Established Air Force criteria were not followed because ACC planning officials considered the existing Castle Air Force Base HAVE NAP maintenance complex as an adequate basis for developing facility requirements. Air Force Regulation 86-1 requires major commands to prepare cost estimates on the DD Form 1391 in sufficient detail to permit cost validation. Air Force Manual 86-2 establishes the criteria for estimating and documenting standard facility mission-essential requirements. ACC was unable to provide adequate documentation to support the requirements and estimated cost shown on the DD Form 1391. Also, our review disclosed that planning officials did not utilize Air Force Manual 86-2 when developing project requirements. The project requirements were not adequately supported with a detailed justification based on mission requirements such as time, workload, and scheduling requirements.

Conclusion

The ACC needs to revise and resubmit DD Form 1391 associated with the realignment of the HAVE NAP maintenance complex from Castle Air Force Base to Barksdale Air Force Base. The revised DD Form 1391 should include adequate supporting documentation for the requirements and costs, based on documented and validated HAVE NAP maintenance requirements.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Under Secretary of Defense (Comptroller) suspend the \$1.5 million of funding requested for project AWUB962401, "HAVE NAP Maintenance Complex," until the Air Force submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," based on documented and validated requirements.

Under Secretary of Defense (Comptroller) Comments. The Under Secretary of Defense (Comptroller) concurred with the finding and recommendation and agreed to place the funds on administrative withhold and to reprogram the savings to support other valid Defense base realignment and closure requirements.

2. We recommend that the Commander, Air Combat Command:

a. Validate and document the Defense base realignment and closure military construction requirements relevant to the realignment of the HAVE NAP complex to Barksdale Air Force Base.

b. Revise and resubmit DD Form 1391, "FY 1996 Military Construction Budget Data," based on validated and documented requirements and military construction standards in DoD and Air Force guidance.

Management Comments. The Air Force did not provide comments on a draft of this report. Therefore, we request the Air Force provide comments in response to the final report.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We examined the FY 1996 BRAC MILCON budget request and related documentation for one project regarding the realignment of the HAVE NAP maintenance complex from Castle Air Force Base to Barksdale Air Force Base.

Audit Period, Standards, and Locations. This economy and efficiency audit was made from April through May 1995 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary. The audit did not rely on computer-processed data or statistical sampling procedures. See Appendix D for the potential benefits resulting from the audit. Appendix E lists the organizations visited or contacted during the audit.

Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists selected DoD BRAC reports.

Inspector General, DoD

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|---|---------------|
| 95-278 | Defense Realignment and Closure Budget Data, Fort Huachuca, Arizona, Family Practice Clinic | July 14, 1995 |
| 95-276 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment to Naval Air Station Whidbey Island, Washington | July 7, 1995 |
| 95-272 | Defense Information School at Fort George G. Meade Base Realignment and Closure Military Construction Project | June 30, 1995 |
| 95-258 | Defense Base Realignment and Closure Budget Data for the Naval Hospital Lemoore, California | June 28, 1995 |
| 95-257 | Defense Base Realignment and Closure Budget Data for the Realignment of the National Airborne Operations Center Forward Operating Base From Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio | June 27, 1995 |
| 95-250 | Defense Base Realignment and Closure Military Construction Budget Data for Randolph Air Force Base, San Antonio, Texas | June 23, 1995 |
| 95-249 | Defense Base Realignment and Closure Military Construction Budget Data for Goodfellow Air Force Base, San Angelo, Texas | June 23, 1995 |

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|---|---------------|
| 95-248 | Defense Base Realignment and Closure Military Construction Budget Data for Sheppard Air Force Base, Wichita Falls, Texas | June 23, 1995 |
| 95-247 | Defense Base Realignment and Closure Military Construction Budget Data for the Naval Aviation Depot North Island, California | June 23, 1995 |
| 95-226 | Defense Base Realignment and Closure Budget Data for the Realignment of Rickenbacker Air National Guard Base, Ohio | June 8, 1995 |
| 95-223 | Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin California, and Realignment to Naval Air Station Miramar, California | June 8, 1995 |
| 95-222 | Defense Base Realignment and Closure Budget Data for the Proposed Construction of the Automotive Vehicle Maintenance Facility, Guam | June 7, 1995 |
| 95-221 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center San Diego, California | June 6, 1995 |
| 95-213 | Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois | June 2, 1995 |
| 95-212 | Defense Base Realignment and Closure Budget Data for Fort Jackson, South Carolina | June 2, 1995 |
| 95-208 | Defense Base Realignment and Closure Budget Data for Realignment of Construction Battalion Unit 416 from Naval Air Station Alameda, California, to Naval Air Station Fallon, Nevada | May 31, 1995 |

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|--|------------------|
| 95-205 | Defense Base Realignment and Closure Budget Data for the Relocation of Marine Corps Manpower Center at Marine Corps Combat Development Command, Quantico, Virginia | May 26, 1995 |
| 95-203 | Defense Base Realignment and Closure Military Construction Budget Data for the Army Reserve Center, Sacramento, California | May 25, 1995 |
| 95-198 | Defense Base Realignment and Closure Budget Data for the Closure of the Underway Replenishment Training Facility, Treasure Island, California, and Realignment to the Expeditionary Warfare Training Group Atlantic, Norfolk, Virginia | May 19, 1995 |
| 95-196 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Alameda, California, and Realignment to Puget sound Naval Shipyard, Washington | May 17, 1995 |
| 95-191 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Reserve Readiness Center San Francisco, California, and Realignment to Naval and Marine Corps Reserve Center Alameda, California | May 15, 1995 |
| 95-172 | Defense Base Realignment and Closure Budget Data for Griffiss Air Force Base, New York | April 13, 1995 |
| 95-154 | Construction Budget Data for Realigning Naval Training Centers Orlando and San Diego to Various Locations | March 21, 1995 |
| 95-150 | Defense Base Realignment and Closure Budget Data for Closing Naval Air Station Charleston, South Carolina, and Realigning Projects to Various Sites | March 15, 1995 |
| 95-051 | Defense Base Realignment and Closure Budget Data for Closing Mare Island Naval Shipyard, California, and Realigning Projects to Various Sites | December 9, 1994 |

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|---|-------------------|
| 95-041 | Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California and the Realignment to Naval Air Station Miramar, California | November 25, 1994 |
| 95-039 | Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning to Naval Air Station Fallon, Nevada | November 25, 1994 |
| 95-037 | Realignment of the Fleet and Mine Warfare Training Center from Naval Station Charleston, South Carolina, to Naval Station Ingleside, Texas | November 23, 1994 |
| 95-029 | Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning to Various Sites | November 15, 1994 |
| 95-010 | Defense Base Realignment and Closure Budget Data for Marine Corps Air Station Tustin, California, and Realignment to Marine Corps Air Station Camp Pendleton, California | October 17, 1994 |
| 94-179 | Defense Base Realignment and Closure Budget Data for McGuire Air Force Base, New Jersey; Barksdale Air Force Base, Louisiana; and Fairchild Air Force Base, Washington | August 31, 1994 |
| 94-146 | Defense Base Realignment and Closure Budget Data for Closing Naval Air Station Cecil Field, Florida, and Realigning Projects to Various Sites | June 21, 1994 |
| 94-141 | Defense Base Realignment and Closure Budget Data for Naval Air Stations Dallas, Texas, and Memphis, Tennessee, Realigning to Carswell Air Reserve Base, Texas | June 17, 1994 |

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|---|---------------|
| 94-127 | Defense Base Realignment and Closure Budget Data for the Realignment of the Defense Personnel Support Center to the Naval Aviation Supply Office Compound in North Philadelphia, Pennsylvania | June 10, 1994 |
| 94-126 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Glenview, Illinois, and Realignment Projects at Fort McCoy, Wisconsin, and Carswell Air Reserve Base, Texas | June 10, 1994 |
| 94-125 | Defense Base Realignment and Closure Budget Data for the Naval Medical Center Portsmouth, Virginia | June 8, 1994 |
| 94-121 | Defense Base Realignment and Closure Budget Data for Naval Air Technical Training Center, Naval Air Station Pensacola, Florida | June 7, 1994 |
| 94-109 | Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Training Center Great Lakes, Illinois | May 19, 1994 |
| 94-108 | Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Station Treasure Island, California | May 19, 1994 |
| 94-107 | Griffiss Air Force Base, New York, Defense Base Realignment and Closure Budget Data for Military Construction at Other Sites | May 19, 1994 |
| 94-105 | Defense Base Realignment and Closure Budget Data for a Tactical Support Center at Naval Air Station Whidbey Island, Washington | May 18, 1994 |
| 94-104 | Defense Base Realignment and Closure Budget Data for the Defense Contract Management District-West | May 18, 1994 |
| 94-103 | Air Force Reserve 301st Fighter Wing Covered Aircraft Washrack Project, Carswell Air Reserve Base, Texas | May 18, 1994 |

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|--|-------------------|
| 94-040 | Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994 | February 14, 1994 |
| 93-100 | Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993 | May 25, 1993 |

Appendix C. Background of Defense Base Realignment and Closures and Scope of the Audit of FY 1996 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the DoD Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress. The following table summarizes the current estimated costs and net savings for the previous three BRAC actions and the actions recommended in the 1995 Commission decisions:

BRAC Costs and Savings
(Billions of FY 1996 Dollars)

| | BRAC Actions | | Closure Costs | 6-Year Net Savings | Recurring Annual Savings | Total Savings |
|-----------------|--------------|------------|------------------|-----------------------|--------------------------------|------------------|
| | Realignments | Closures | | | | |
| 1988 | 86 | 59 | \$ 2.2 | \$0.3 | \$0.7 | \$ 6.8 |
| 1991 | 34 | 48 | 4.0 | 2.4 | 1.6 | 15.8 |
| 1993 | <u>130</u> | <u>45</u> | <u>6.9</u> | <u>0.4</u> | <u>1.9</u> | <u>15.7</u> |
| Subtotal | 250 | 152 | 13.1 | 3.1 | 4.2 | 38.3 |
| 1995 | <u>113</u> | <u>33</u> | <u>3.8</u> | <u>4.0</u> | <u>1.8</u> | <u>18.4</u> |
| Total | 363 | 185 | \$16.9 | \$7.1 | \$6.0 | \$56.7 |

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. Also, Public Law 102-190

Appendix C. Background of Defense Base Realignment and Closures and Scope of the Audit of FY 1996 Defense Base Realignment and Closure Military Construction Costs

prescribes that the Inspector General, DoD, must evaluate significant increases in MILCON project costs over the estimated costs provided to the Commission and provide a report to appropriate congressional committees.

Military Department BRAC Cost-Estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model (the Computer Model). The Computer Model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare DD Form 1391, "FY 1996 Military Construction Project Data," for individual MILCON projects required to accomplish the realigning actions. The Computer Model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because the Computer Model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1996 BRAC MILCON \$1.4 billion budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group.

Appendix D. Summary of Potential Benefits Resulting From Audit

| Recommendation Reference | Description of Benefit | Amount or Type of Benefit |
|--------------------------|---|--|
| 1. | Economy and Efficiency. Suspends the FY 1996 BRAC MILCON budget for project AWUB962401 until requirements are documented and validated. | Up to \$1.5 million of FY 1996 BRAC MILCON funds put to better use.* |
| 2.a. | Economy and Efficiency. Validates and documents BRAC MILCON requirements. Revise and resubmit DD Form 1391, "Military Construction Project Data," to reflect current mission facility allowances. | Undeterminable.* |
| 2.b. | Economy and Efficiency. Revises and submits BRAC MILCON estimates based on established criteria. | Undeterminable.* |

*Exact amount of additional benefits to be realized will be determined by future budget decisions and budget requests.

Appendix E. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC

Department of the Air Force

Deputy Assistant Secretary of the Air Force (Installations), Washington, DC

Air Combat Command, Langley Air Force Base, VA

93rd Bombardment Wing, Castle Air Force Base, CA

2nd Bombardment Wing, Barksdale Air Force Base, LA

Appendix F. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Under Secretary of Defense for Personnel and Readiness
Assistant Secretary of Defense (Economic Security)
Deputy Assistant Secretary of Defense (Installations)
Deputy Under Secretary of Defense (Acquisition Reform)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Deputy Assistant Secretary of the Air Force (Installations)
Auditor General, Department of the Air Force

Appendix F. Report Distribution

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, National Security Agency

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
General Accounting Office

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

Honorable John Breaux, U.S. Senate
Honorable J. Bennett Johnston, U.S. Senate
Honorable James McCrery, U.S. House of Representatives

Part III - Management Comments

Under Secretary of Defense (Comptroller) Comments



COMPTROLLER
(Program/Budget)

OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100



JUN 29 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: Draft Audit Report on Defense Base Realignment and Closure Budget Data for the Realignment of the HAVE NAP Maintenance Complex from Castle Air Force Base, California, to Barksdale Air Force Base, Louisiana (Project No. 5CG-5017.35)

This responds to your June 26, 1995, memorandum requesting our comments on the subject report.

The audit recommends that the USD(Comptroller) suspend funding for project AWUB962401, "HAVE NAP Maintenance Complex" at Barksdale Air Force Base, Louisiana, until the requirements and costs associated with it have been fully determined and validated.

The funding for this project is included in the FY 1996 BRAC budget report. We generally agree with the audit and recommendations and will place funds associated with the project on administrative withhold if the issue is not resolved by the time funds become available. Further, any savings resulting from the audit will be reprogrammed to other valid BRAC requirements as appropriate.


B. R. Paseur

Director for Construction

Audit Team Members

This report was produced by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

Paul J. Granetto
Terry L. McKinney
Bobbie Sau Wan
Marc E. Avers
Monica S. Rice