Audit Report

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR THE REALIGNMENT OF GRISSOM AIR RESERVE BASE, INDIANA

Report No. 96-144

June 6, 1996

Department of Defense

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Acronyms

BRAC	Base Realignment and Closure
MILCON	Military Construction

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

June 6, 1996

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

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana (Report No. 96-144)

We are providing this audit report for information and use. This report is one in a series of reports about FY 1997 Defense base realignment and closure military construction costs. Management comments on this report were considered in preparing the final report.

Management comments on a draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Joseph P. Doyle, Audit Program Director, at (703) 604-9348 (DSN 664-9348) or Ms. Deborah L. Culp, Audit Project Manager, at (703) 604-9335 (DSN 664-9335). See Appendix F for the report distribution. The audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 96-144
(Project No. 6CG-5001.32)

June 6, 1996

Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana

Executive Summary

Introduction. This report is one in a series about FY 1997 Defense base realignment and closure military construction costs. This particular report discusses one FY 1997 project and two projects submitted as FY 1996 items. 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 Defense 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 Office of 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. Our audits address all projects valued at more than $1 million.

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 three projects, valued at $2.48 million, for the realignment of Grissom Air Reserve Base, Indiana. The three projects were originally included in the FY 1995 Defense base realignment and closure military construction budget and were among the eight projects covered in a prior Inspector General, DoD, report on the realignment.

Audit Results. The Air Force could not support the cost estimates for three projects for the realignment of Grissom Air Reserve Base, Indiana. As a result, we could not validate the $2.48 million funding requests for projects CTGC939001, "Base Boundary Fence/Main Gate"; CTGC959008, "Vehicle Maintenance"; and CTGC959019, "Munitions Storage."

See Part I for a discussion of the audit results. See Appendix D for a summary of partially valid requirements for the projects we reviewed.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) place on administrative withhold funds for the three projects involved in realigning Grissom Air Reserve Base. We also recommend that the Air Force revise budget estimates and submit revised DD Forms 1391, "FY 1996 Military Construction Project Data," for projects CTGC939001 and CTGC959008 and a revised DD Form 1391, "FY 1997 Military Construction Project Data," for project CTGC959019. The revised DD Forms 1391 should be based on the final configuration plans for the base and should not include costs that the Air Force agreed to delete in response to our prior audit of the same projects.

Management Comments. The Under Secretary of Defense (Comptroller) concurred with the recommendation to place on administrative withhold the three projects for the realignment of Grissom Air Reserve Base. The Air Force concurred with the recommendation to revise budget estimates and submit revised DD Forms 1391 by July 1, 1996. See Part III for the complete text of management comments.

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Part I - Audit Results

Audit Background

The Office of 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 1997 BRAC military construction (MILCON) costs.

This report provides the results of the audit of three BRAC MILCON projects for the realignment of Grissom Air Reserve Base, Indiana. The three projects were previously included in the FY 1995 BRAC MILCON budget and were among the eight projects covered in Inspector General, DoD, Report No. 95-289, "Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana," August 8, 1995. The report states that the estimated cost of $3.8 million for the three projects that are the subject of this audit contained $2 million of overstated and unsupported requirements. The report recommended that the Air Force revise and resubmit DD Forms 1391 for all eight projects for the realignment of Grissom Air Reserve Base, Indiana. Of the three projects covered by this audit, projects CTGC939001 and CTGC959008 were resubmitted as FY 1996 BRAC MILCON projects, and project CTGC959019 was resubmitted as a FY 1997 BRAC MILCON project.

For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C. See Appendix D for a summary of invalid and partially valid requirements for the projects we reviewed.

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, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. Another objective was to assess the adequacy of the management control program as it applied to the overall audit objective.

The following table describes the projects that this audit reviewed.

BRAC MILCON Projects Reviewed

Project Number	Project Location	Description	DD Form 1391 Amount (millions)
CTGC939001	Grissom ARB*	Base Boundary Fence/Main Gate	$0.64
CTGC959008	Grissom ARB*	Vehicle Maintenance	0.34
CTGC959019	Grissom ARB*	Munitions Storage	1.50
Total			**$2.48**

*Air Reserve Base.

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 objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

Realignment Projects

The Air Force could not support the cost estimates for projects CTGC939001, "Base Boundary Fence/Main Gate"; CTGC959008, "Vehicle Maintenance"; and CTGC959019, "Munitions Storage," for realigning Grissom Air Reserve Base, Indiana. The cost estimates were not supported because the Air Force had not finalized plans for the buildings involved; architect and engineering design studies were not complete; and the projects contained errors, deficiencies, and non-BRAC-related items. As a result, we could not validate the cost estimates totaling $2.48 million for the three projects for the base realignment.

Proposed Projects for the Air Reserve Base Realignment

As a result of decisions that the BRAC Commission made, Grissom Air Force Base was realigned as an Air Reserve Base in September 1994. The configuration of the former Air Force Base must be reduced to fit, to the maximum extent possible, within the confines of the cantonment area of the Air Reserve Base. All property outside the cantonment area is to be excessed. Some functions retained by the Reserve base outside the cantonment area must be relocated within the cantonment area. Also, the cantonment area must be fenced to provide security for the Reserve base. The Air Force prepared DD Forms 1391 for the following projects:

- CTGC939001, "Base Boundary Fence/Main Gate," valued at $640,000, to relocate the main gate and construct a fence;

- CTGC959008, "Vehicle Maintenance," valued at $340,000, to construct a parking area for eight refueling vehicles; and

- CTGC959019, "Munitions Storage," valued at $1,500,000, to relocate the existing munitions storage area and firing range.

Projects CTGC939001 and CTGC959008 are FY 1996 BRAC projects, and project CTGC959019 is an FY 1997 BRAC project.

Project Cost Estimates

The Air Force could not support the cost estimates for the three projects for the realignment of Grissom Air Force Base to Grissom Air Reserve Base. The Air Force has not finalized the project configurations or received architect and

engineering designs and cost estimates for the projects. In addition, the proposed scopes of the projects contained errors and non-BRAC-related items that precluded us from validating the information on the DD Forms 1391.

Project CTGC939001. The Air Force could not support the cost estimates for project CTGC939001, "Base Boundary Fence/Main Gate." Costs for the main gate were not current, and fence requirements for the cantonment area had not been finalized.

The Air Force could not support the costs on the current DD Form 1391 because the costs were not derived from the current proposed location of the main gate. The proposed location of the main gate for the Reserve base has been changed three times in the last year. Currently, the Air Force has no construction plans or site studies that correspond to the latest main gate location. The location of the main gate will have an impact on the cost of utilities, pavement, and site improvements and may impact the cost of the main gate itself.

The Air Force could not justify the amount of fence needed to secure the cantonment area because the current DD Form 1391 contains deficiencies and errors. The Air Force did not include 6,300 lineal feet of fence necessary to secure the southeast boundary of the runway from a prison facility that is to be built on excessed Air Force property. The DD Form 1391 included a fence around an island outside the cantonment area; however, Air Force Reserve personnel stated that a fence around the island was not necessary because the buildings within the island will be abandoned in the future.

We do not dispute the fact that the realignment of Grissom Air Reserve Base requires a new gate and some fence, but we are unable to validate the cost estimate until the Air Force finalizes the location of the main gate and the amount of fence required.

Project CTGC959008. The Air Force could not support the cost and scope of project CTGC959008, "Vehicle Maintenance." Grissom Air Reserve Base did not support the DD Form 1391 and included non-BRAC-related costs in the total project cost.

The Air Force could not support the costs on the current DD Form 1391. The DD Form 1391 shows project costs of $305,000, plus contingency, supervision, and other costs. However, Grissom Air Reserve Base personnel indicated that the estimated cost of the project is $273,500, plus add-ons. The Air Force could not explain the reason for the difference between amounts on the DD Form 1391 and the Grissom Air Reserve Base estimate.

The project contained non-BRAC-related construction. The $273,500 estimate includes about $40,000 for a 288-square-foot storage building and about $31,600 for repairs to the refueling fill stations that, in our prior audit of the project, we considered as non-BRAC-related construction. Currently, a prefabricated shed is used to store six wheels and some tools for the refueling vehicles. Air Force Reserve personnel stated that the base should construct a "lean-to" attached to the existing petroleum farm guard building. The personnel

stated that a lean-to is all that is needed to store spare parts and tools to support the refueling vehicles. In response to Inspector General, DoD, Report No. 95-289, "Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana," August 8, 1995, the Air Force agreed that the costs for the building and the repair to the refueling fill stations would be eliminated from the project.

We agree that Grissom Air Reserve Base needs to provide parking for eight refueling vehicles within the cantonment area. However, as a result of the difference between the cost estimates shown on the DD Form 1391 and the Grissom Air Reserve Base cost estimate and the fact that non-BRAC costs were included in the cost estimates, we could not validate the costs for the construction of the vehicle parking area.

Project CTGC959019. The Air Force could not support the cost estimate for project CTGC959019, "Munitions Storage." The current DD Form 1391 does not reflect the current scope of the munitions storage project or agree with the U.S. Army Engineer District, Louisville, Corps of Engineers, cost estimate.

The Air Force could not support the cost estimate because, in a January 1996 meeting with the architect and engineering firm, the Air Force made numerous changes to the scope of the project that will impact its cost. The changes are not reflected in the current DD Form 1391. Changes were to reduce the roadway width from 24 feet to 20 feet, design the roadway for light duty traffic instead of heavy duty traffic, reduce the firing range from 15 to 14 positions, delete the parking lot, and reduce the length of the concrete magazine from 80 feet to 60 feet. Further, during the January 1996 meeting, questions were raised concerning the type of construction for and the method of heating the buildings.

The current DD Form 1391 does not agree with the U.S. Army Engineer District, Louisville, Corps of Engineers, cost estimate for the project. The current DD Form 1391 shows a cost of $1.5 million that includes 5 percent for contingency for the project. The U.S. Army Engineer District, Louisville, Corps of Engineers, estimate for the project is $1,947,620, which includes a contingency factor of 15 percent and an escalation factor of 10 percent. The DD Form 1391 indicates the cost of the munitions storage igloo to be $221,000; the U.S. Army Engineer District, Louisville, Corps of Engineers, estimated the cost of the igloo at $136,500. Further, the DD Form 1391 indicates that the munitions storage igloo building will be 240 square meters (2,582 square feet), but Air Force Reserve personnel stated that the building will be 1,716 square feet.

We could not validate the costs for the munitions storage project because the Air Force made numerous changes to the scope of the project, and we could not reconcile the costs on the current DD Form 1391 with the U.S. Army Engineer District, Louisville, Corps of Engineers, cost estimate.

Project Funding

Until decisions are made on the final configuration of the projects, the Air Force cannot accurately estimate the costs associated with the projects. Because the scopes of projects CTGC939001, CTGC959008, and CTGC959019 have not been definitized and project costs cannot be accurately estimated, the $2.48 million of funds that the Air Force requested should be withheld. When the projects are definitized, the Air Force should prepare revised DD Forms 1391 that reflect the estimated costs to accomplish the realignment at Grissom Air Reserve Base.

Recommendations and Management Comments

1. We recommend that the Under Secretary of Defense (Comptroller):

a. Place funds for project CTGC939001, "Base Boundary Fence/Main Gate," on administrative withhold until the Air Force Reserve submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," to accurately reflect requirements and costs.

b. Place funds for project CTGC959008, "Vehicle Maintenance," on administrative withhold until the Air Force Reserve submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," to accurately reflect requirements and costs.

c. Place project CTGC959019, "Munitions Storage," on administrative withhold until the Air Force Reserve submits a revised DD Form 1391, "FY 1997 Military Construction Project Data," to accurately reflect requirements and costs.

Management Comment. The Under Secretary of Defense (Comptroller) concurred with the recommendation.

2. We recommend that the Chief, Air Force Reserve:

a. Revise budget estimates and submit a revised DD Form 1391, "FY 1996 Military Construction Project Data," that reflects valid Defense base realignment and closure requirements and costs for project CTGC939001, "Base Boundary Fence/Main Gate."

b. Revise budget estimates and submit a revised DD Form 1391, "FY 1996 Military Construction Project Data," for project CTGC959008, "Vehicle Maintenance," that does not include costs for the storage building and repairs to the refueling fill stations that the Air Force agreed to delete in response to Inspector General, DoD, Report No. 95-289, "Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana," August 8, 1995, and reflects valid Defense base realignment and closure requirements and costs.

c. Revise budget estimates and submit a revised DD Form 1391, "FY 1997 Military Construction Project Data," that reflects valid Defense base realignment and closure requirements and costs for project CTGC959019, "Munitions Storage."

Management Comment. The Air Force concurred with the recommendation and stated that revised documentation will be completed by July 1, 1996.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We examined the FY 1996 and 1997 BRAC MILCON budget requests for three projects regarding the realignment of Grissom Air Reserve Base, Indiana. The projects and values are CTGC939001, "Base Boundary Fence/Main Gate," $640,000; CTGC959008, "Vehicle Maintenance," $340,000; and CTGC959019, "Munitions Storage," $1,500,000. Projects CTGC939001 and CTGC959008 are FY 1996 BRAC MILCON projects, and project CTGC959019 is a FY 1997 BRAC MILCON project.

Audit Period, Standards, and Locations. This economy and efficiency audit was performed from February through March 1996 in accordance with auditing standards issued by Comptroller General of the United States as implemented by the Inspector General, DoD. The audit did not rely on computer-processed data or statistical sampling procedures. 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 the summary reports for the audits of BRAC budget data for FYs 1992 through 1996 and BRAC audit reports published since the summary reports.

Inspector General, DoD

Report No.	Report Title	Date
96-137	Defense Base Realignment and Closure Budget Data for the Realignment of March Air Force Base, Riverside, California	May 31, 1996
96-136	Defense Base Realignment and Closure Budget Data for the Closure of Gentile Air Force Station, Dayton, Ohio, and Realignment of Defense Logistics Agency Components to Wright-Patterson Air Force Base, Ohio	May 31, 1996
96-135	Defense Base Realignment and Closure Budget Data for the Fleet Anti-Submarine Warfare Training Center Pacific, San Diego, California	May 30, 1996
96-131	Defense Base Realignment and Closure Budget Data for Realigning Elements of Headquarters, Department of the Navy, to the Washington Navy Yard	May 28, 1996
96-127	Defense Base Realignment and Closure Budget Data for the Closure of Roslyn Air National Guard Base and Realignments to Stewart Air National Guard Base, New York	May 23, 1996
96-126	Defense Base Realignment and Closure Budget Data for the Realignment of Rickenbacker Air National Guard Base, Ohio	May 21, 1996
96-122	Defense Base Realignment and Closure Budget Data for the Realignment of the Air Education and Training Command at Vandenberg Air Force Base, California	May 17, 1996

Inspector General, DoD (cont'd)

Report No.	Report Title	Date
96-119	Defense Base Realignment and Closure Budget Data for the Construction of a Multiple Purpose Facility at Fort McCoy, Wisconsin	May 14, 1996
96-118	Defense Base Realignment and Closure Budget Data for the Medical and Dental Clinic Expansion Project at Naval Weapons Station Charleston, South Carolina	May 13, 1996
96-116	Defense Base Realignment and Closure Budget Data for the Relocation of Deployable Medical Systems to Hill Air Force Base, Ogden, Utah	May 10, 1996
96-112	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Cecil Field, Florida, and Realignment of the Aviation Physiology Training Unit to Naval Air Station Jacksonville, Florida	May 7, 1996
96-108	Defense Base Realignment and Closure Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania	May 6, 1996
96-104	Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island	April 26, 1996
96-101	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment of P-3 Aircraft Squadrons to Naval Air Station Whidbey Island, Washington	April 26, 1996
96-093*	Summary Report on the Audit of Defense Base Realignment and Closure Budget Data for FYs 1995 and 1996	April 3, 1996

*Summarized in the above referenced report is Report No. 95-289, "Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana," August 8, 1995, which covered our prior audit of the Grissom Air Reserve Base realignment.

Inspector General, DoD (cont'd)

Report No.	Report Title	Date
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 Closure and Scope of the Audit of FY 1997 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 Defense 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.

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. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense 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 Cost of Base Realignment Actions 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 a DD Form 1391, "FY 1997 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions 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 Cost of Base Realignment Actions 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 1997 BRAC MILCON $820.8 million 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. We also reviewed those FY 1996 BRAC MILCON projects that were not included in the previous FY 1996 budget submission, but were added as part of the FY 1997 BRAC MILCON budget package.

Appendix D. Projects Identified as Invalid or Partially Valid

Table D-1. Causes of Invalid or Partially Valid Projects

Project Location	Project Number	Causes of Invalid Projects		Causes of Partially Valid Projects	
		Overstated	Unsupported	Overstated	Unsupported
Base Boundary Fence/ Main Gate	CTGC939001				X
Vehicle Maintenance	CTGC959008				X
Munitions Storage	CTGC959019				X

Table D-2. Recommended Changes in Project Estimates

Project Location	Project Number	Amount of Estimate on DD Form 1391 (thousands)	Recommended Amount of Change	
			Invalid Projects (thousands)	Partially Valid Projects (thousands)
Base Boundary Fence/ Main Gate	CTGC939001	$ 640		$ 640
Vehicle Maintenance	CTGC959008	340		340
Munitions Storage	CTGC959019	1,500		1,500
Total		**$2,480**		**$2,480**
Total Invalid and Partially Valid Projects			**$2,480**	

Appendix E. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC

Department of the Army

U.S. Army Engineer District, Louisville, Corps of Engineers, Louisville, KY

Department of the Air Force

Deputy Assistant Secretary of the Air Force (Installations), Base Transition Division, Washington, DC
Air Force Center for Environmental Excellence, Brooks Air Force Base, TX
Headquarters, Air Force Reserve, Robins Air Force Base, GA
434th Air Refueling Wing, Grissom Air Reserve Base, IN

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)
Assistant Secretary of Defense (Reserve Affairs)
Deputy Under Secretary of Defense (Industrial Affairs and Installations)
  Principal Assistant Deputy Under Secretary of Defense (Industrial Affairs and Installations)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army
Commander, U.S. Army Engineer District, Louisville, Corps of Engineers

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)
Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment)
  Deputy Assistant Secretary of the Air Force (Installations), Base Transition Division
Deputy Chief of Staff Plans and Operations
Chief, Air Force Reserve
  Vice Commander, Air Force Reserve
    Commander, 434th Air Refueling Wing
Auditor General, Department of the Air Force

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
  Inspector General, National Security Agency
Inspector General, Defense Intelligence 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 Subcommittee on Military Construction, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Military Construction, 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

Part III - Management Comments

Under Secretary of Defense (Comptroller) Comments

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

COMPTROLLER
(Program/Budget)

May 6, 1996

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: DoD IG Quick-Reaction Report on Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana (Project No. 6CG-5001.32)

This responds to your April 16, 1996, memorandum requesting our comments on the subject report.

The audit states that the cost estimates for projects CTGC939001, "Base Boundary Fence/Main Gate;" CTGC 95008, "Vehicle Maintenance;" and CTGC95019, "Munitions Storage," cannot be supported because the Air Force has not finalized the project configurations or received architect and engineering designs and cost estimates for the projects. Additionally, the projects contained errors or deficiencies and non-BRAC related items which brings the information on the DD 1391 forms into question.

The audit recommends that the USD(Comptroller) place the funding for three projects on administrative withhold until the Air Force submits revised DD 1391 forms for the projects that accurately reflect requirements and costs.

We will place the funds associated with the projects in question on administrative withhold pending audit resolution. Further, any savings resulting from the audit will be reprogrammed to other valid BRAC requirements as appropriate.

B. R. Paseur
Director for Construction

Department of the Air Force Comments

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

11 April 1996

MEMORANDUM FOR The Assistant Inspector General for Auditing
Office of the Inspector General
Department of Defense

FROM: SAF/MIIT
1660 Air Force Pentagon
Washington, DC 20330-1660

SUBJECT: Quick Reaction Report on Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana, April 16,1996 (6CG-5001.32)

This is in reply to your memorandum requesting the Assistant Secretary of the Air Force (Financial Management and Comptroller) provide Air Force comments on subject report.

Your report indicates that you could not verify costs for BRAC MILCON projects CTCG 93001, "Base Boundary Fence/Main Gate (resited for 3rd time); CTCG 959008, "Vehicle Maintenance;" and CTG 95019, "Munitions Storage" because design of the plans and specifications had not yet been completed. You requested final budget estimates and revised DD 1391's when design was completed.

We concur. Design for these three projects should be completed by 1 Jul 96. Revised documents will be submitted at that time. Contract funding will be on administrative withhold until the revised documents are approved. Our POC is Mr Lester R. Schauer, DSN: 227-6559.

Michael D. Callaghan, Col, USAF
Chief, Base Transition Division

cc:
SAF/FMBIC
USAF/CEC
HQ AF/CEC
SAF/MII
AFRES/XP/CE

Audit Team Members

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

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