Audit Report

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR THE NAVAL MEDICAL CENTER PORTSMOUTH, VIRGINIA

Report No. 94-125 June 8, 1994

Department of Defense

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Acronyms

BEQ	Bachelor Enlisted Quarters
BRAC	Base Realignment and Closure
BUMED	Bureau of Medicine and Surgery
COBRA	Cost of Base Realignment Actions
MEDCEN	Naval Medical Center
MILCON	Military Construction
NAVFAC	Naval Facilities Engineering Command

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

June 8, 1994

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT)

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for the Naval Medical Center Portsmouth, Virginia (Report No. 94-125)

We are providing this audit report for your review and comments. This report is one in a series of reports relating to FYs 1994 and 1995 base realignment and closure military construction costs.

DoD Directive 7650.3 requires that all audit recommendations and monetary benefits be resolved promptly. The Navy did not provide comments on a draft of this report. We request that the Navy provide comments on the recommendations, monetary benefits, and internal control weakness by July 8, 1994.

We appreciate the cooperation extended to the staff. If you have any questions on this report, please contact Mr. Michael A. Joseph, Audit Program Director or Mr. Jack L. Armstrong, Audit Project Manager at (804) 766-2703. Appendix H lists the distribution of the report. The audit team members are listed inside the back cover.

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Office of the Inspector General, DoD

Report No. 94-125 **June 8, 1994**
(Project No. 4CG-5008.12)

DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR THE NAVAL MEDICAL CENTER PORTSMOUTH, VIRGINIA

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 DoD requested for each military construction project associated with 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. A primary reason for differences is the tight time constraints imposed on the Military Departments for developing base realignment and closure military construction cost estimates. Tight schedules dictated by the base realignment and closure process made initial project documentation and the associated cost-estimating process extremely difficult. The Inspector General, DoD, is required to review each 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 relating to FYs 1994 and 1995 base realignment and closure military construction costs. This report provides the results of the audit of two projects valued at $10.5 million, part of a $39.7 million package, relating to the planned migration of personnel to the Naval Medical Center Portsmouth, Virginia, as the result of the planned closure of the Naval Medical Center Oakland, California. The projects are for a $6.8 million bachelor enlisted quarters ($6.3 million for construction and $0.5 million for collateral equipment) and a $3.7 million parking garage.

Objectives. The overall audit objective was to determine the accuracy of base realignment and closure military construction budget data. The specific objectives were to determine whether the proposed military construction projects were valid base realignment and closure requirements, whether the decision for military construction was supported with required documentation including an economic analysis, and whether the analysis considered existing facilities. The audit also evaluated the adequacy of the Navy's Internal Management Control Program and the applicable internal controls.

Audit Results. The bachelor enlisted quarters and parking garage construction projects are not needed (Finding).

Internal Controls. Internal controls were not established or were not enforced to adequately validate the projects' requirements and supporting data. The Navy had not effectively implemented the DoD Internal Management Control Program and assessed the adequacy of internal controls over the project requirements and cost data. See Part I for a description of the internal controls assessed and Part II for a discussion of the material internal control weakness.

Potential Benefits of Audit. Canceling the two projects and using existing facilities would have a one-time potential monetary benefit of $9.1 million in Base Closure Account funds and an additional potential monetary benefit of $0.6 million in Operations and Maintenance funds for the FYs 1996 through 2001 Future Years Defense Program. Improved internal controls will ensure the accuracy of base realignment and closure military construction cost and requirements. Appendix F summarizes the potential benefits resulting from the audit.

Summary of Recommendations. We recommend that the Navy cancel the two base realignment and closure military construction projects, reprogram the funding for the two base realignment and closure military construction projects, and improve and enforce internal controls to adequately validate base realignment and closure military construction project requirements and supporting data.

Management Comments. The Navy did not provide comments on a draft of this report. We request comments from the Navy on the recommendations, monetary benefits, and internal control weakness by July 8, 1994.

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This report was prepared by the Logistics Support Directorate, Office of the Assistant Inspector General for Auditing, Department of Defense.

Part I - Introduction

Background

Initial Recommendations of the 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. Using cost estimates provided by the Military Departments, the Commission recommended 59 realignments and 86 base closures. On October 24, 1988, Congress passed, and the President signed, Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," which enacted the Commission's recommendations. Public Law 100-526 also establishes the DoD Base Closure Account to fund any necessary facility renovation or military construction (MILCON) projects related to base realignment and closures (BRAC).

Subsequent Commission Requirements and Recommendations. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, re-established the Commission. Public Law 101-510 chartered the Commission to meet during 1991, 1993, and 1995, to provide a fair process for timely and independent realignment and closure of military installations. The law also stipulated that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

The 1991 Commission recommended that an additional 48 bases be realigned and 34 bases be closed, resulting in an estimated net savings of $2.3 billion for FYs 1992 through 1997 after a one-time cost of $4.1 billion. The 1993 Commission recommended that 45 bases be realigned and 130 bases be closed, resulting in an estimated net savings of $3.8 billion during FYs 1994 through 1999, after a one-time cost of $7.43 billion.

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 (COBRA). COBRA uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare DD Forms 1391, "Military Construction Project Data," for individual MILCON projects required to accomplish the realigning actions. COBRA provides cost estimates as a BRAC package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

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. Public Law 102-190 also prescribes 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.

Objectives

The overall audit objective was to determine the accuracy of Defense BRAC MILCON budget data. The specific objectives were to determine whether the proposed MILCON projects were valid BRAC requirements, whether the decision for BRAC MILCON was supported with required documentation including an economic analysis, and whether the analysis considered existing facilities. The audit also evaluated the adequacy of the Navy's Internal Management Control Program and the applicable internal controls.

Scope and Methodology

BRAC Package Selection. COBRA develops cost estimates as a BRAC package for a particular realigning or closing base, but does not develop estimates by individual BRAC MILCON project. We compared the total COBRA cost estimates for each BRAC package to the Military Department's and the Defense Logistics Agency's FYs 1994 through 1999 BRAC MILCON $2.6 billion budget submission. We selected BRAC packages for which:

o the package had an increase of more than 10 percent from the total COBRA estimates to the current total package budget estimates, or

o the submitted FYs 1994 and 1995 budget estimates were more than $21 million.

Selection of Projects for Audit. The above selection criteria were applied to the total $39.7 million cost for the Naval Medical Center (MEDCEN) Oakland, California, BRAC package. However, we limited the audit scope to those FYs 1994 and 1995 BRAC MILCON projects at the MEDCEN Portsmouth, Virginia, that resulted from the planned closure of the MEDCEN Oakland. Specifically, we reviewed MILCON budget requests and supporting documentation for two BRAC MILCON projects planned for MEDCEN Portsmouth. Navy MILCON project P-502T, programmed for FY 1994 BRAC funding, was for the construction of a 148-unit bachelor enlisted quarters (BEQ) with estimated construction cost of $6.3 million and collateral equipment cost of $0.5 million. Navy MILCON project P-503T, programmed for FY 1995 BRAC funding, was for the construction of a 302-space parking garage with an estimated construction cost of $3.7 million.

We reviewed the December 1993 economic analyses that were prepared to justify the two projects. We used the same economic analysis procedures, after any adjustments for discrepancies, to compute the life-cycle costs of other alternatives to constructing new facilities.

Audit Standards and Locations. This economy and efficiency audit was made from January 3 through March 31, 1994. The audit was made in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, the audit included tests of internal controls as considered necessary. We did not rely on computer-processed data or statistical sampling procedures. Appendix G lists the organizations visited or contacted during the audit.

Internal Controls

Internal Controls Assessed. We evaluated Navy internal controls for validating BRAC MILCON requirements and supporting data for projects P-502T to construct a BEQ and P-503T to construct a parking garage. Specifically, we reviewed the procedures for planning, programming, budgeting, and documenting the requirements related to the BRAC MILCON projects. We also reviewed the adequacy of the Navy's implementation of its Internal Management Control Program as it applies to the audit objectives.

Internal Control Weakness Identified. Navy implementation of the Internal Management Control Program was not effective and we identified a material internal control weakness for the BRAC MILCON projects as defined in DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987. Navy internal controls were not established or were not enforced to adequately validate the BRAC MILCON projects' requirements and supporting data. Recommendations 3., 4.a., and 4.b., if implemented, will correct the internal control weakness. We could not determine the monetary benefits that could be realized by implementing the recommendations related to internal controls because the benefits will result from future budget requests and future budget decisions. See Appendix F for a summary of potential benefits resulting from audit. A copy of this report will be provided to the senior official responsible for internal controls in the Office of the Secretary of Defense and the Department of the Navy.

Prior Audits and Other Reviews

Since 1991, 42 audit reports have addressed DoD BRAC issues. Appendix A lists selected DoD and Navy BRAC reports.

Part II - Finding and Recommendations

Adequacy of Requirements and Supporting Data

Navy MILCON projects P-502T to construct a BEQ and P-503T to construct a parking garage are not needed. The Navy justified two BRAC MILCON projects using invalid personnel requirements and flawed economic analyses. Additionally, the Navy had not established or enforced internal controls to adequately validate requirements and project supporting data. DoD could realize a one-time potential monetary benefit of $9.1 million in Base Closure Account funds and an additional potential monetary benefit of $0.6 million of Operations and Maintenance funds over the FYs 1996 through 2001 Future Years Defense Program by canceling the two BRAC MILCON projects and renovating an existing facility to satisfy the BEQ requirement.

Background

Criteria. Office of Management and Budget, DoD, and Navy criteria require that MILCON projects be justified on valid requirements and be supported by an economic analysis. In addition, DoD guidance requires that internal controls be in place to safeguard resources.

Office of Management and Budget Circular. Office of Management and Budget Circular No. A-104, "Evaluating Leases of Capital Assets," June 1, 1986, provides guidance on performing an economic analysis for lease versus buy decisions involving capital assets. When evaluating the cost of capital assets, all costs should be expressed in current dollars using a constant inflation method. The circular also states that buildings are to be depreciated at a rate of 1.7 percent after inflation.

DoD Instructions. DoD Instruction 7040.4, "Military Construction Authorization and Appropriation," March 5, 1979, requires management to:

o make a special effort to use efficiently all existing DoD installations and facilities, and

o prepare and use an economic analysis as an aid to establish MILCON priorities and to determine optimum allocation of resources for construction.

DoD Instruction 7041.3, "Economic Analysis and Program Evaluation for Resource Management," October 18, 1972, is being revised to implement procedures contained in Office of Management and Budget Circular No. A-104. DoD Instruction 7041.3 requires that an economic analysis:

o systematically identify benefits, other outputs, and costs associated with missions and alternate ways to accomplish a program;

o evaluate alternate financing, such as lease or buy; and

o be initiated early in the acquisition process and updated as developments occur that could significantly alter the cost benefit relationship in the analysis.

Navy Guidance. Naval Facilities Engineering Command (NAVFAC) Instruction 11010.44E, "Shore Facilities Planning Manual," October 1, 1990, states that facility requirements must be accurate and justified and that proposals should not exceed requirements. The instruction provides that requirements should not be inflated to accommodate inefficient or oversized existing facilities. The instruction further provides that the use of existing facilities must be considered as an alternative to new construction.

Section 3.17G of the instruction states that the major claimants are to "ensure completeness and currency of project documentation throughout the planning and programming cycle." The instruction also requires that an economic analysis be included with the project documentation. NAVFAC is to ensure that project planning documentation is complete and accurate before the project is certified ready for design.

NAVFAC Circular No. A-94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs," revised October 29, 1992, provides guidance on the use of discount factors to reflect the net present value of assets. Circular No. A-94 specifies a discount rate of 6.8 percent for 30 years and an inflation rate of 2.3 percent.

DoD Criteria for Determining Parking Requirements. Section 3, "Site Development," of DoD Military Handbook 1191, "Department of Defense Medical and Dental Treatment Facilities Design and Construction Criteria," October 15, 1991, provides instructions for computing the number of estimated parking spaces needed for medical and dental treatment facilities. Although the handbook states that its sizing criteria can be used for MILCON projects, the handbook criteria should not be the only justification for MILCON projects.

Internal Controls. DoD Directive 5010.38 established the DoD Internal Management Control Program. The Directive requires each DoD Component to establish a comprehensive internal management control system that provides reasonable assurance of the following.

o Obligations and costs comply with applicable laws.

o Assets are safeguarded against waste, loss, unauthorized use, and misappropriation.

o Revenues and expenditures applicable to DoD operations are recorded and accounted for properly to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

o Programs and administrative functions are efficiently and effectively carried out in accordance with applicable law and management policy.

o Internal management control systems emphasize prevention of waste, fraud, mismanagement, and timely correction of specific weaknesses.

DoD Directive 5010.38 also requires each DoD Component to segment the organization into assessable units and to conduct risk assessments of those units. In December 1993, the Commander, NAVFAC, recommended that all NAVFAC subordinate activities identify BRAC funding as a separate assessable unit and rate the unit as highly vulnerable due to the nature of the program.

MEDCEN Oakland BRAC Package Increase. In a March 1993 memorandum, the Chief of Naval Operations projected that the closure of MEDCEN Oakland would result in new construction only at the MEDCEN San Diego, California. The COBRA computer model projected that the closure of MEDCEN Oakland would require about $25.4 million in new construction. After the March 1993 memorandum was issued, MEDCENs Portsmouth; Bremerton, Washington; Lemoore, California; and San Diego submitted BRAC MILCON projects, increasing the total MEDCEN Oakland BRAC package cost to $39.7 million.

MEDCEN Portsmouth BRAC MILCON Projects. The increase in the MEDCEN Oakland BRAC package cost included the addition of two BRAC MILCON projects planned at MEDCEN Portsmouth. These two BRAC MILCON projects were not part of the original BRAC package. See Appendix B for a map of MEDCEN Portsmouth.

Project P-502T. MEDCEN Portsmouth plans to construct a 57,024-square-foot BEQ for 148 single enlisted personnel (80 in grades E-1 through E-4 and 68 in grades E-5 and E-6) relocating to MEDCEN Portsmouth from MEDCEN Oakland. The total estimate for the project is $6.3 million for construction and $0.5 million for collateral equipment. As of February 1994,

the engineering design work was 35 percent complete for this project. The estimated MILCON contract award is in FY 1995, with an estimated completion date of FY 1996.

Project P-503T. MEDCEN Portsmouth also plans to construct a 3-level parking garage with 302 parking spaces to support the civilian, officer, and enlisted personnel migration. The current construction cost estimate for the parking garage is $3.7 million. As of February 1994, the engineering design work was 35 percent complete for this project. The estimated MILCON contract award is in FY 1995, with an estimated completion date of FY 1996.

Need for BRAC MILCON Projects

MEDCEN Portsmouth is planning to construct two BRAC MILCON projects, a BEQ and a parking garage, that are not needed. Personnel requirements on which the projects were based were overstated due to changing migration numbers. Further, the economic analyses prepared for the two projects were flawed because the Navy used flawed methodology and did not adequately consider alternatives to new construction. The Bureau of Medicine and Surgery (BUMED) did not have internal control procedures to validate BRAC MILCON project requirements. In addition, the Atlantic Division, NAVFAC (the Atlantic Division), did not enforce existing internal controls to adequately satisfy its responsibility to validate the BRAC MILCON project requirements.

Changing Personnel Migration Estimates. The personnel increases used by MEDCEN Portsmouth to develop BRAC MILCON requirements were overstated. The projected personnel increases were not validated; therefore, MEDCEN Portsmouth is planning BRAC MILCON projects to support personnel increases that will not materialize.

Personnel Migration Plan. In April 1993, the Chief of Naval Operations developed a Personnel Migration Plan that projected that 2,149 of the MEDCEN Oakland military and DoD civilian positions will be reassigned or eliminated. The Chief of Naval Operations plan stated that affected commands should begin preliminary planning, but that commands would need to justify and revalidate any proposed BRAC MILCON projects when more precise personnel migration figures were developed. According to the plan:

- 660 military and DoD civilian personnel would transfer to MEDCEN Portsmouth,
- 660 military and DoD civilian personnel would transfer to MEDCEN San Diego,
- 301 military and DoD civilian personnel would transfer to Navy activities at other locations, and
- 528 DoD civilian positions would be eliminated.

BUMED Personnel Projections. In April 1993, MEDCEN Portsmouth determined the BEQ and parking garage MILCON requirements based on BUMED personnel projections that 756 military and DoD civilian personnel would be transferred to MEDCEN Portsmouth versus the 660 personnel projected by the Chief of Naval Operations plan. On March 21, 1994, BUMED notified the Atlantic Division and MEDCEN Portsmouth that the end strength would increase by only 351 positions (74 officers and 277 enlisted personnel). Further, responsible Navy personnel in BUMED stated that the 351-person increase may not materialize. BUMED expects that the Portsmouth catchment area active-duty population will decrease by more than 8,000 personnel in FY 1995 and that the 1995 Commission recommendations may eliminate some or all of the 351 positions coming to MEDCEN Portsmouth. The MEDCEN Portsmouth catchment area encompasses the area within a 40-mile radius of the MEDCEN.

Adequacy of Economic Analyses for MEDCEN Portsmouth BRAC MILCON Projects. The MEDCEN Portsmouth economic analyses prepared for the two BRAC MILCON projects were flawed because of errors in methodology and inadequate consideration of other alternatives to new construction. Life-cycle costs (30 years) would be $6.72 million less if MEDCEN Portsmouth renovated an existing facility rather than proceeding with new BEQ construction and $5.13 million less if MEDCEN Portsmouth did not build a parking garage.

To justify the two projects, MEDCEN Portsmouth prepared an economic analysis on each project in December 1993. The analyses showed the life-cycle costs over 30 years using present value techniques for only two alternatives, new construction and leasing commercial facilities. The BEQ analysis stated that the life-cycle cost of construction ($8.42 million) was $2.95 million less than leasing ($11.37 million), while the parking garage analysis stated that the life-cycle cost of construction ($5.47 million) was $0.69 million less than leasing ($6.16 million). The life-cycle cost of construction included maintenance and repair, utilities, fire, police, and imputed interest. Details of our calculations related to the methodology errors in the economic analyses will be provided upon request. What follows is a short explanation of the differences in the audit calculated life-cycle cost and the MEDCEN Portsmouth calculations.

Errors in Economic Analyses Methodology. The MEDCEN Portsmouth economic analyses for both projects contained errors in estimated life-cycle costs for the construction and lease alternatives. In addition, BEQ requirements were overstated because MEDCEN Portsmouth based its estimates on an incorrect number and mix of enlisted personnel grades. Parking garage requirements were overstated because MEDCEN Portsmouth based its space calculations on incorrect personnel projections. The BEQ analysis compared costs of new construction with leased rooms at the local Holiday Inn. The parking garage analysis compared costs of new construction with leased local garage parking.

Accuracy of Construction Life-Cycle Cost Estimates. Life-cycle costs for construction were understated. Office of Management and Budget Circular No. A-104 authorizes an offset for the residual value of the construction cost after 30 years. MEDCEN Portsmouth miscalculated the residual value by netting the Office of Management and Budget prescribed annual depreciation rate of 1.7 percent against the NAVFAC annual inflation rate of 2.3 percent. Additionally, collateral equipment with an estimated cost of $500,000 and a temporary housing cost of $58,691 were not included in the BEQ analysis. Both errors had the effect of understating the life-cycle costs for new construction.

Accuracy of Lease Life-Cycle Cost Estimates. Life-cycle costs for leasing were overstated. The estimated annual cost for leasing rooms was based on a MEDCEN contract with the Holiday Inn in Portsmouth. The BEQ analysis assumed that the BRAC enlisted personnel would arrive at the same time and did not stagger the lease requirements and resulting costs according to the personnel migration plan. Also, the MEDCEN inflated the annual contract price for FYs 1995 through 1997 although the contract fixes the lease prices through FY 1997.

The MEDCEN Portsmouth parking garage analysis overstated the number of parking spaces needed to be leased. MEDCEN Portsmouth used a 302-space estimate in the analysis; however, only 152 parking spaces would need to be leased. The planned location for the parking garage is an existing 150-space parking lot that would remain available for parking if a lease was used to satisfy additional parking requirements.

Validity of Estimated Space Requirements. MEDCEN Portsmouth also overstated the space requirements for the two BRAC MILCON projects. The BEQ requirements were based on an enlisted personnel mix of 80 personnel in enlisted grades E-1 through E-4 and 68 personnel in enlisted grades E-5 and E-6. Using the current percentage of MEDCEN Oakland enlisted personnel requiring BEQ space, we calculated that only 61 of the 277 enlisted personnel migrating to MEDCEN Portsmouth will require BEQ space. Using the February 16, 1994, enlisted grade mix of MEDCEN Oakland personnel in BEQ space, we calculated that 60 of the 61 personnel would be in enlisted grades E-1 through E-4 and one would be in enlisted grades E-5 or E-6.

The size of the BEQ is affected by grade mix. A person in enlisted grades E-1 through E-4 requires 90 square feet of space while a person in grades E-5 and E-6 requires 180 square feet of space. As a result, MEDCEN Portsmouth overstated the space required for the BEQ by 40,128 square feet (Table 1).

Table 1. MEDCEN Portsmouth Overstated Space Requirements for BEQs

Enlisted Grades	Personnel Mix: MEDCEN Portsmouth	Personnel Mix: Audit	Space Requirements*: MEDCEN Portsmouth (square feet)	Space Requirements*: Audit (square feet)
E-1 to E-4	80	60	21,120	15,840
E-5 to E-6	68	1	35,904	1,056
Total			57,024	16,896
Overstated Space (square feet)			40,128	

*Includes space for quarters as well as space for hallways, mechanical areas, and common areas.

The parking garage analysis overstated BRAC personnel migration parking space requirements by 215 spaces. The requirements calculation was based on a formula contained in DoD Military Handbook 1191. MEDCEN Portsmouth had overstated the parking requirements for its current staff, outpatient visitors, BRAC personnel migration, and inpatient workload. Appendixes C and D provide details.

Other Alternatives. Although other alternatives offer economies over the construction of new facilities, neither of the economic analyses supporting the two projects adequately considered alternatives other than those discussed above. The BEQ economic analysis did not consider the MEDCEN Portsmouth plan to renovate Building 215 as a BEQ. Building 215 is currently used for inpatient and outpatient services. Additionally, the BEQ economic analysis did not consider leasing local apartments. During our audit of Medical Treatment Facilities-Portsmouth Naval Hospital, the Deputy Assistant Secretary of the Navy (Force Support and Families) and BUMED personnel informed us that Building 215 is needed for a BEQ, and as of March 31, 1994, the requirement is still reflected in the MEDCEN Portsmouth Master Plan. The parking garage analysis did not consider available surface parking at MEDCEN Portsmouth or leasing surface parking in the local area. Table 2 shows that total alternative life-cycle costs are $11.85 million less than new construction.

Table 2. Alternative Life-Cycle Costs Significantly Lower Than New Construction

	Millions		
	BEQ	Parking Garage	Total Cost
New Construction Life-Cycle Costs	$9.57	$5.19	$14.76
Alternative Life-Cycle Costs	2.85	0.06	2.91
Cost Difference	$6.72	$5.13	$11.85

Life-Cycle Costs of Renovating Building 215. The life-cycle cost of renovating Building 215 was $6.72 million less than new construction. Using the renovation cost data in the MEDCEN Portsmouth Master Plan and the economic analysis model, we determined that the life-cycle cost for renovating Building 215 was about $2.85 million, including $1.4 million of one-time MILCON and collateral equipment costs. The life-cycle cost for construction was about $9.57 million, including $6.8 million of one-time MILCON and collateral equipment costs. The life-cycle costs do not include fire, police, imputed interest, or residual value of the facility after 30 years, because these costs do not apply when comparing two construction alternatives. Accordingly, renovating Building 215 rather than constructing a new BEQ would allow DoD to use $5.4 million ($6.8 million minus $1.4 million) of Base Closure Account funds for other purposes.

Life-Cycle Costs of Using Existing Parking. The life-cycle cost for using existing parking spaces was $5.13 million less than constructing a new parking garage. We computed the life-cycle cost of the surface parking using average maintenance and repair and utility information provided by the Public Works Department and the economic analysis model. The life-cycle cost of surface parking was about $0.06 million while new construction would cost about $5.19 million. The audit construction life-cycle cost was based on the MEDCEN Portsmouth estimate of $5.35 million less $0.16 million for overstated residual value of the parking garage.

Adequacy of Internal Controls. The BUMED had not established internal controls to validate BRAC MILCON project requirements and supporting data. Also, the Atlantic Division did not adequately validate the BRAC MILCON project requirements and the supporting economic analyses and did not identify BRAC funding as an assessable unit in its Internal Management Control Program.

BUMED Internal Controls. BUMED provided little oversight over the two BRAC MILCON projects. BUMED personnel informed us that the planning and programming of the projects was left to MEDCEN Portsmouth, and BUMED would get involved only in project execution (design and construction).

At the time of review, BUMED was not aware of the two projects' estimated cost growth. For example, the parking garage project has experienced both scope and cost increases. In June 1993, MEDCEN Portsmouth proposed building a $1.8 million, BRAC-funded 150-space parking garage next to a planned Navy-funded parking garage. MEDCEN Portsmouth justified the 150-space parking garage on the BRAC BEQ requirements of 148 enlisted personnel. However, the Navy-funded parking garage project was canceled, and MEDCEN Portsmouth revised its earlier BRAC parking garage project to a $3.7 million 302-space parking garage. MEDCEN Portsmouth used the entire BUMED-projected BRAC personnel increase of 756 to justify the 302-parking space garage. If BUMED had implemented effective internal controls over BRAC project justification and validation, the parking garage increase could have been identified and disapproved.

NAVFAC Internal Controls. The Atlantic Division had not enforced existing internal controls and had not established BRAC funding as an assessable unit. The Atlantic Division performed a validation of the two projects and found them justified. However, the Atlantic Division validation was inadequate because it did not include a detailed verification of the requirements, the use of existing facilities, or the two economic analyses used to justify the projects. Additionally, as of March 29, 1994, the Atlantic Division had not identified BRAC funding as a separate and highly vulnerable assessable unit as recommended by NAVFAC.

BUMED relied on the Atlantic Division and MEDCEN Portsmouth to prevent the planning and the development of unnecessary BRAC MILCON projects. However, we have found that the Atlantic Division and MEDCEN Portsmouth failed to prevent the submission of the MEDCEN Portsmouth BEQ and parking garage projects, despite the availability of existing assets at MEDCEN Portsmouth to meet BRAC requirements and the questionable personnel migration projections.

Conclusion

DoD could realize a potential monetary benefit of $9.1 million in Base Closure Account funds. The Base Closure Account funding for the BEQ should be reduced by $5.4 million from $6.8 million and the $3.7 million for the parking garage should be eliminated. Also, $0.6 million (see Appendix D) in potential monetary benefits would be realized for FYs 1996 through 2001 in Operations and Maintenance funds if these projects are canceled. The Operations and Maintenance potential benefits apply only to the parking garage.

Recommendations for Corrective Actions

1. We recommend that the Chief of Naval Operations cancel projects P-502T, Bachelor Enlisted Quarters, and P-503T, Parking Garage.

2. We recommend that the Comptroller, Department of the Navy:

a. Reprogram $9.1 million in Base Closure Account funds to other requirements.

b. Fund $1.4 million of Base Closure Account funds for Building 215 bachelor enlisted quarters renovations and collateral equipment to accommodate the realignment of personnel from Naval Medical Center Oakland to Naval Medical Center Portsmouth.

3. We recommend that the Chief, Bureau of Medicine and Surgery, develop procedures to validate that base realignment and closure military construction projects are based on accurate requirements and supporting data before programming, budgeting, and designing begin.

4. We recommend the Commander, Atlantic Division, Naval Facilities Engineering Command:

a. Identify base realignment and closure funding as an assessable unit in its Internal Management Control Program and rate the assessable unit as highly vulnerable.

b. Establish procedures to ensure that existing requirements to validate base realignment and closure military construction project requirements and supporting data are implemented.

Management Comments

The Navy did not provide comments on a draft of this report. We request comments from the Navy on the final report.

Part III - Additional Information

Appendix A. Summary of Prior Audits and Other Reviews

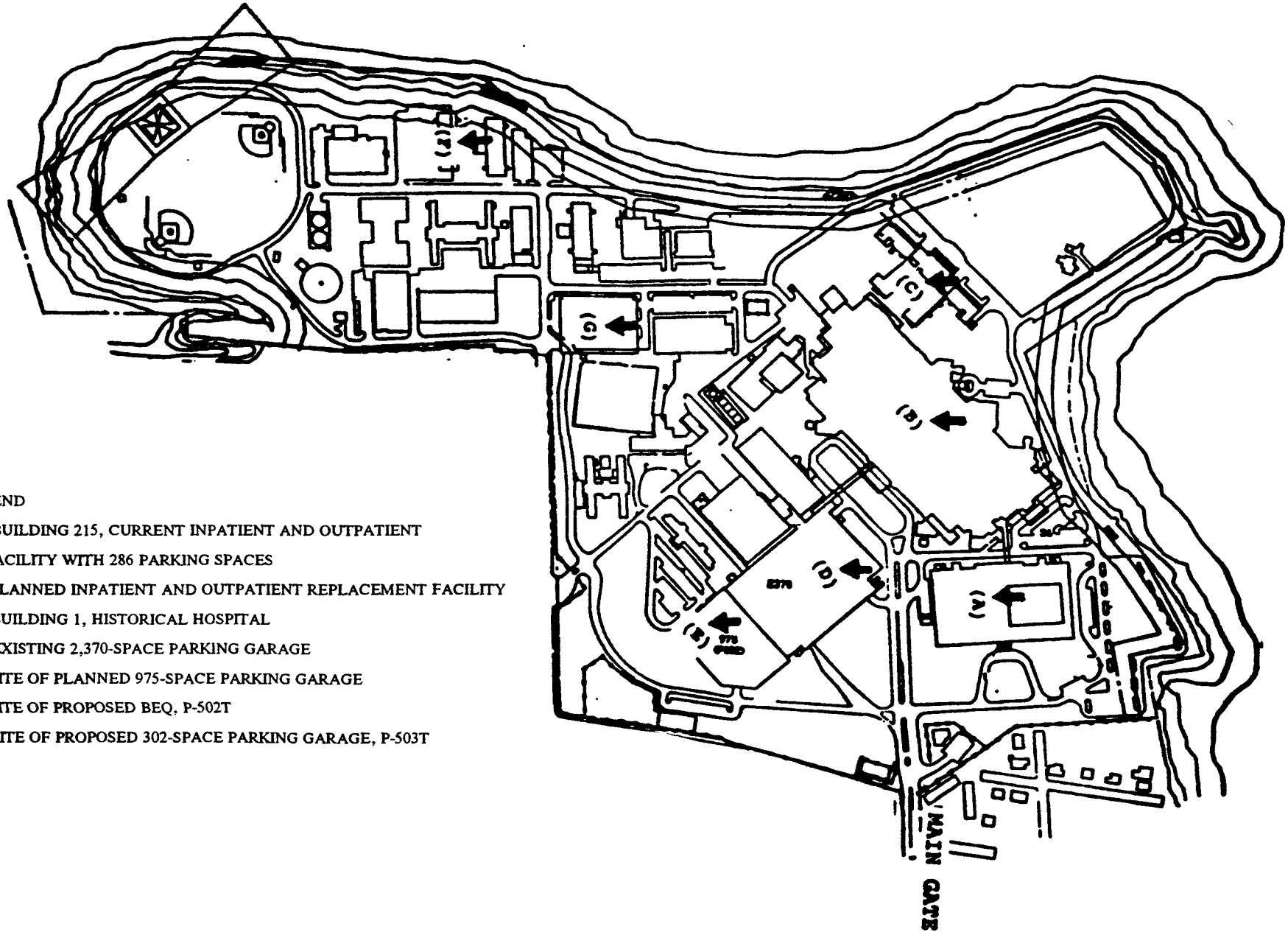
Inspector General, DoD

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 the Naval Training Center Great Lakes, Illinois	May 19, 1994
94-108	Defense Base Realignment and Closure Budget Data for the 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
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

Naval Audit Service

023-S-94	Military Construction Projects Budgeted and Programmed for Bases Identified for Closure or Realignment	January 14, 1994
028-C-93	Implementation of the 1993 Base Closure and Realignment Process	March 15, 1993

Appendix B. Map of Naval Medical Center Portsmouth



LEGEND

(A) BUILDING 215, CURRENT INPATIENT AND OUTPATIENT FACILITY WITH 286 PARKING SPACES

(B) PLANNED INPATIENT AND OUTPATIENT REPLACEMENT FACILITY

(C) BUILDING 1, HISTORICAL HOSPITAL

(D) EXISTING 2,370-SPACE PARKING GARAGE

(E) SITE OF PLANNED 975-SPACE PARKING GARAGE

(F) SITE OF PROPOSED BEQ, P-502T

(G) SITE OF PROPOSED 302-SPACE PARKING GARAGE, P-503T

Appendix C. Comparison of Alternatives to New Construction of Bachelor Enlisted Quarters (Project P-502T)

MEDCEN Portsmouth did not consider other alternatives, such as renovating existing facilities or leasing housing units other than the Holiday Inn, to meet BEQ needs in the economic analysis. We found that renovating an existing facility would be less expensive than constructing a new BEQ. Another alternative for which we did not quantify costs is to lease less expensive housing than could be obtained at the Holiday Inn.

Existing Facilities. The BRAC requirements can be adequately satisfied by the use of an existing facility. The MEDCEN Portsmouth Master Plan shows that MEDCEN Portsmouth has plans for renovating 161,543 square feet on floors 7 through 15 of Building 215 into a BEQ, ultimately housing a total of 620 personnel. The planned use of Building 215 as a BEQ was confirmed in a November 1992 meeting with personnel from the Assistant Secretary of the Navy (Manpower and Reserve Affairs) and the Director of Facilities Division, BUMED. Renovating Building 215 into a BEQ will provide adequate housing to fulfill both existing housing deficits and current BRAC needs. We did not review the validity of existing housing deficits as part of this audit. BRAC funds should pay for the 16,896 square feet needed to house BRAC personnel. The renovation of existing facilities would save DoD approximately $5.4 million in Base Closure Account funds.

Calculation of Personnel Migration. Building 215 will be vacated in late FY 1998 when construction of the replacement hospital is complete. The cost to temporarily provide personnel housing allowances from FYs 1995 through 1999 based on the planned BUMED staggered migration schedule is $796,991. Enlisted personnel would draw the housing allowance until the renovation of Building 215 into BEQ space is complete.

Calculation of Space Requirements. MEDCEN Portsmouth overstated the amount of space needed for the BEQ. The MEDCEN Portsmouth economic analysis stated that space was needed for 80 personnel in enlisted grades E-1 through E-4 and 68 personnel in enlisted grades E-5 and E-6. Based on the current percentage of MEDCEN Oakland enlisted personnel requiring BEQ space and the enlisted grade mix of those personnel, we calculated that only 60 spaces will be needed for enlisted grades E-1 through E-4 and 1 space for enlisted grades E-5 or E-6. We calculated that 16,896 square feet of BEQ space is required, 40,128 square feet less than the MEDCEN Portsmouth estimate of 57,024 square feet.

Renovations to Building 215. We estimated the Building 215 renovations cost using the $65-per-square-foot cost established by the MEDCEN Portsmouth Master Plan, plus contingency and overhead costs. We recalculated the economic analysis for renovating Building 215 to house 60 personnel in enlisted grades E-1 through E-4 and 1 person in enlisted grades E-5 or E-6. The life-cycle cost of the Building 215 renovation alternative is $2,851,079,

which includes estimated renovation costs of $1,222,341, additional housing allowance of $796,991, net present value of $625,667 in Operations and Maintenance funds, and collateral equipment costs of $206,080.

The life-cycle cost of renovating Building 215 is $6,722,971 less than constructing a new BEQ ($9,574,050 less $2,851,079). The $9,574,050 life-cycle cost of constructing the BEQ includes MILCON costs of $6,300,000, additional housing allowance of $58,690, net present value of $2,715,359 in Operations and Maintenance funds, and collateral equipment costs of $500,000. The $9,574,050 life-cycle cost was based on the MEDCEN Portsmouth economic analysis methodology less the imputed interest, fire, police costs, and residual value of the BEQ. Of the total estimated savings of $6,722,971, $5,371,579 is a one-time savings of Base Closure Account funds ($5,077,659 for MILCON and $293,920 for collateral equipment) and $1,351,392 is for the present value of Operations and Maintenance funds. We are not claiming Operations and Maintenance savings that would accrue during the FYs 1996 through 2001 Future Years Defense Program because the costs are similar for both alternatives.

Other Leasing Alternatives. MEDCEN Portsmouth did not adequately consider leasing housing units, such as apartment houses, in the economic analysis. According to the Hampton Roads Planning District, more than 29,500 housing units are vacant in South Hampton Roads (cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach). Of the current 130,180 housing units rented in the area, more than 76.7 percent (99,900 housing units) rent for less than $500 per month. The monthly lease cost that MEDCEN Portsmouth is paying the Holiday Inn is $699.58 per month, or $199.58 (40 percent) more per month than leasing an apartment. Some of the rental rate information obtained by the Hampton Roads Planning District Commission included utilities and furnishings, but many of the rates did not. Although we believe significant opportunity exists to obtain less-expensive and more cost-effective housing, we did not calculate a life-cycle cost for this alternative because of the inconsistent rent price data.

Appendix D. Comparison of Alternatives to New Construction of Parking Garage (Project P-503T)

The MEDCEN Portsmouth performed two analyses to justify the parking garage project, "Parking Garage Requirements," January 13, 1994, and "Economic Analysis for FY-95 MCON [MILCON] P-503T Parking Garage," January 13, 1994. Neither analyses adequately considered existing parking assets or other alternatives. DoD could save $3.7 million if the excess open area parking spaces at MEDCEN Portsmouth are used to meet BRAC requirements. In addition, DoD would avoid $583,534 of FYs 1996 through 2001 Operations and Maintenance costs.

MEDCEN Portsmouth "Parking Garage Requirements" Analysis

The MEDCEN Portsmouth requirements analysis overstated the projected parking requirement. The analysis projected a shortage of spaces of 632; however, MEDCEN Portsmouth had 929 excess parking spaces. MEDCEN Portsmouth has 4,859 parking spaces, including a planned parking garage to be completed in April 1995. However, a future requirement exists for only 3,930 parking spaces, including the BRAC parking needs. Additional parking may be available at MEDCEN Portsmouth because existing parking is not used to full capacity. Table D-1 compares the MEDCEN Portsmouth and audit calculations of existing parking capacity and estimated future requirements.

Table D-1. MEDCEN Portsmouth and Audit Calculations of Existing Parking Capacity and Estimated Requirements

	Parking Spaces		
	MEDCEN Portsmouth	Audit	Difference
Existing Capacity*	4,004	4,859	855
Estimated Requirements	4,636	3,930	706
Excess or (Shortage)	(632)	929	

*Includes a planned 975-space parking garage, project P-002, with an estimated completion data of April 1995.

Calculation of Available Existing Parking Spaces. The MEDCEN Portsmouth requirements analysis understated available parking capacity by 855 spaces. MEDCEN Portsmouth identified 4,004 available parking spaces. The available parking included the planned construction of a 975-space parking garage. However, 4,859 parking spaces will be available at MEDCEN Portsmouth if all existing parking spaces are included and if parking spaces are not needlessly taken out of service. Table D-2 summarizes the reasons for the understated parking capacity.

Table D-2. MEDCEN Portsmouth Understated Parking Spaces

Reason for Understatement	Number of Spaces
Comply with Chesapeake Bay Act	152
Construct BEQ	185
Establish green area	198
Inadvertently omitted	170
Surface parking lot	150
Total	855

Comply with Chesapeake Bay Act. MEDCEN Portsmouth personnel stated that 152 parking spaces had to be removed to comply with the Chesapeake Bay Act of September 1, 1990. According to the Navy, the 152 spaces are needed to provide a "buffer area" to protect state waters. However, a senior planner for the City of Portsmouth verified that MEDCEN Portsmouth did not have to remove the parking spaces to comply with the Chesapeake Bay Act.

Construct BEQ. MEDCEN Portsmouth identified 185 parking spaces that were expected to be lost if the BEQ is constructed. The BEQ is planned to be constructed on an existing 285-space parking lot. Because the BEQ is not needed (see the finding), we included the 285 spaces in our count, resulting in a net increase of 185 parking spaces.

Establish Green Areas. MEDCEN Portsmouth planned an additional 198 parking space deduction to provide green areas around the medical treatment facility. A green area is a grass area with trees and bushes for beautification. MEDCEN Portsmouth personnel acknowledged that the 198-parking-space reduction was not functionally required.

Inadvertently Omitted. We inspected and counted the existing parking spaces and compared our results to the total provided by personnel at MEDCEN Portsmouth. We identified an additional 170 spaces. MEDCEN Portsmouth personnel stated that the omission of 170 spaces from their total was an apparent oversight.

Surface Parking Lot. We determined that, with the additional assets identified during our audit, a new 302-space BRAC parking garage is not needed. Because the parking garage was to be built on a 150-space surface parking lot, the 150 parking spaces should be included in existing MEDCEN Portsmouth parking assets.

Calculation of Parking Space Requirements. The MEDCEN Portsmouth requirements analysis overstated the requirements for parking by 706 spaces. MEDCEN Portsmouth stated that it needed 4,636 parking spaces, 4,145 for existing needs, plus the BRAC requirement of 491 parking spaces. Only a requirement for 3,930 parking spaces was supportable. We calculated the MEDCEN Portsmouth parking requirement using the formula in DoD Military Handbook 1191. Table D-3 summarizes the reasons for the overstated parking requirements.

Table D-3. MEDCEN Portsmouth Overstated Parking Requirements

Reason for Overstatement	Number of Spaces
Average daily occupied beds	207
Average daily outpatient workload	56
Current staff levels	228
Projected BRAC personnel migration	215
Total	706

Average Daily Occupied Beds. MEDCEN Portsmouth overstated the number of parking spaces by 207 for inpatients. MEDCEN Portsmouth used the total number of inpatient and light care beds of 515. However, actual patient bed utilization has been declining at MEDCEN Portsmouth. In August 1993, the peak month of FY 1993, the average daily occupied beds was 308.

Average Daily Outpatient Workload. MEDCEN Portsmouth miscalculated the average daily outpatient workload by 242 visits, which overstated requirements by 56 parking spaces. MEDCEN Portsmouth computed the average daily outpatient visits for a peak month to be 3,435 visits. We computed average daily outpatient visits of 3,193 for the peak month using Navy base loading data.

Current Staff Levels. MEDCEN Portsmouth overstated the projected requirement by 228 parking spaces due to overstating current staff levels. In computing parking requirements, the Navy used 300 personnel that they could not document and 52 dental staff that were double counted with the hospital staff. Parking space requirements for dental staff are computed separately from the remainder of the hospital staff.

Projected BRAC Personnel Migration. The number of parking spaces required for the BRAC migration is overstated by 215 spaces. MEDCEN Portsmouth used 756 as the number of military and DoD civilian positions that will be transferred from MEDCEN Oakland. Information provided by BUMED shows that only 351 positions will be transferred to MEDCEN Portsmouth. As discussed previously, the number of personnel actually transferring may be lower.

Use of Existing Parking. Our estimate of excess parking spaces is conservative. From January 6 through March 17, 1994, we made six reviews of various parking lots to determine whether there was unused capacity. Parking lots and the parking garage were not operating at full capacity, as shown in Table D-4.

Table D-4. OIG Review of Parking Space Usage

Date Reviewed (1994)	Total Spaces Counted	Number of Empty Spaces	Percent Empty
January 6	2,070	395	19
January 24	445	166	37
January 25	2,584	528	20
January 26	1,247	477	38
March 10	2,644	466	17
March 17	3,163	622	16
Averages	2,026	442	22

The review done on January 25, 1994, was performed during a period of time identified by MEDCEN Portsmouth personnel as a "peak-use period" and identified 528 empty parking spaces. As discussed previously, 975 additional parking spaces will become available in April 1995.

The number of empty parking spaces was not factored into our calculation of available parking spaces at MEDCEN Portsmouth. Also, we did not include temporary parking areas. The photographs in Appendix E are indicative of what we observed during our visits made between January 6, 1994, and March 17, 1994, to parking areas at MEDCEN Portsmouth.

MEDCEN Portsmouth Economic Analysis

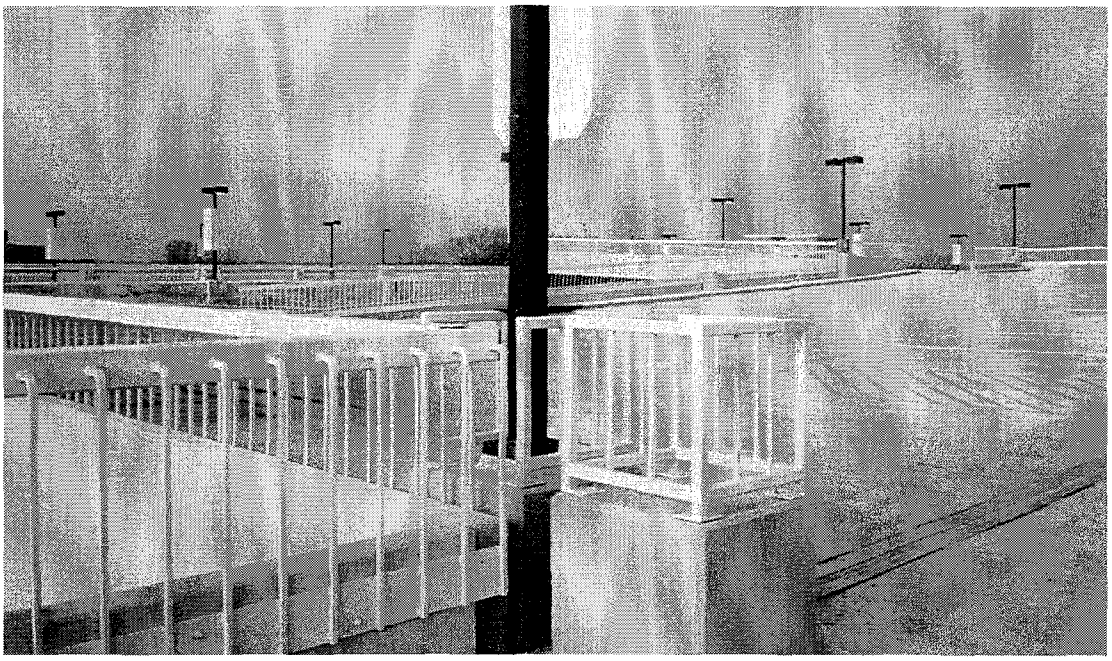
The economic analysis did not consider available assets at MEDCEN Portsmouth. According to MEDCEN Portsmouth personnel, the requirements addressed in the economic analysis were based on the "Parking Garage Analysis." As discussed, the study understated the number of parking spaces available and overstated future parking space requirements.

Additionally, the MEDCEN Portsmouth analysis considered only covered parking, not open parking, which is less expensive. Using the MEDCEN Portsmouth leasing cost estimate, the average cost per covered parking space a month is $52.14. Data provided by the Portsmouth Parking Authority showed that the maximum monthly parking rental for open parking areas was $35 a month, or $17.14 less than the MEDCEN Portsmouth amount.

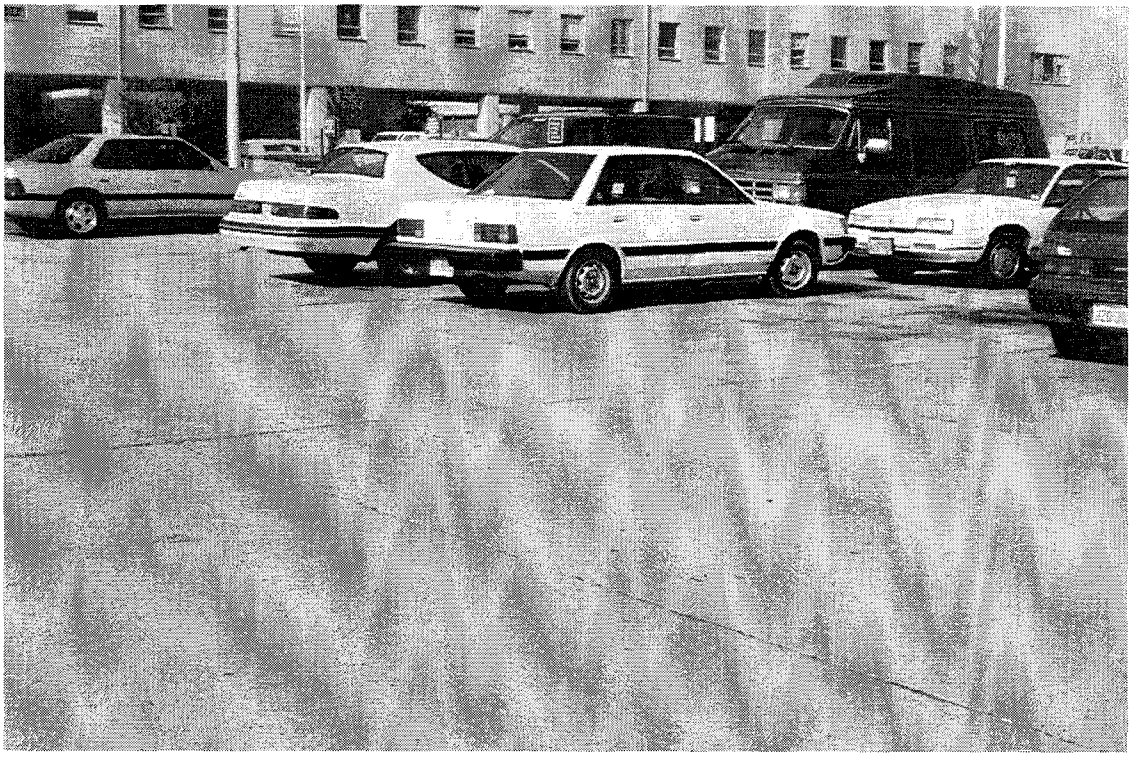
Canceling the BRAC MILCON project would allow DoD to use $3.7 million of Base Closure Account funds for more valid requirements. Additionally, MEDCEN Portsmouth estimated that the annual maintenance, operation, improvement, and utility cost of the parking garage to be $83,180 the first year and $104,380 a year thereafter. We found that MEDCEN Portsmouth is only spending an estimated $3,591 a year, or $100,789 less, for maintenance and operations of 302 open parking areas. By not constructing the parking garage, DoD will have a monetary benefit of $583,534 for FYs 1996 through 2001.

Appendix E. Photographs of Empty Parking Spaces

Photographs of the fifth floor of parking garage taken at 9:30AM, Tuesday, January 25, 1994.



Parking area adjacent to Building 215.



MEDCEN Portsmouth is planning to remove 152 of the 260 spaces in this parking lot to comply with the Chesapeake Bay Act. Local officials charged with enforcing the Act stated that removal of the 152 parking spaces is not necessary for compliance.

Appendix F. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount and/or Type of Benefit
1.	Economy and Efficiency. Reduces funding.	Funds put to better use up to $9.1 million to the Base Closure Account and $0.6 million in FYs 1996 through 2001 Defense Medical Program Operations and Maintenance appropriation (97-0130).
2.a.	Economy and Efficiency. Reprograms funds for other BRAC requirements.	Funds put to better use. Monetary benefits are included in Recommendation 1.
2.b.	Economy and Efficiency. Achieves cost efficiencies by renovating existing facilities.	Funds put to better use. Monetary benefits are included in Recommendation 1.
3., 4.a., and 4.b.	Internal Controls. Identifies an internal control weakness and establishes procedures to verify BRAC data and construction requirements.	Undeterminable. The amount of monetary benefits will be determined by future budget requests and budget decisions.

Appendix G. Organizations Visited or Contacted

Office of the Secretary of Defense

Assistant Secretary of Defense (Health Affairs), Washington, DC
  Defense Medical Facilities Office, Arlington, VA
Comptroller of the Department of Defense, Washington, DC

Department of the Navy

Deputy Chief of Naval Operations (Logistics), Washington, DC
Comptroller of the Navy, Washington, DC
Naval Bureau of Medicine and Surgery, Washington, DC
  Naval Medical Center Oakland, CA
  Naval Medical Center Portsmouth, VA
  Naval Health Services Education and Training Command, Bethesda, MD
    Naval School of Health Services Detachment, Portsmouth, VA
Naval Bureau of Personnel, Washington, DC
Naval Facilities Engineering Command, Alexandria, VA
  Atlantic Division, Norfolk, VA
  Officer in Charge of Construction, Portsmouth, VA
Norfolk Naval Shipyard, Portsmouth, VA

Non-Government Organizations

Department of City Planning, City of Portsmouth, VA
S. L. Nusbaum Realty, Norfolk, VA
Hampton Roads Planning District Commission, Chesapeake, VA

Appendix H. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Comptroller of the Department of Defense
Assistant Secretary of Defense (Economic Security)
Assistant Secretary of Defense (Health Affairs)
Assistant to the Secretary of Defense (Public Affairs)
Deputy Under Secretary of Defense (Environmental Security)
Deputy Assistant Secretary of Defense (Economic Reinvestment and Base Realignment and Closure)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)
Auditor General, Naval Audit Service

Department of the Air Force

Auditor General, Air Force Audit Agency

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Inspector General, Central Imagery Office
Inspector General, Defense Intelligence Agency
Inspector General, National Security Agency
Director, Defense Logistics Studies Information Exchange

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
National Security and International Affairs Division, General Accounting Office
- Technical Information Center
- Defense and National Aeronautics and Space Administration Management Issues
- Military Operations and Capabilities Issues

Non-Defense Federal Organizations and Individuals (cont'd)

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 Defense, Committee on Appropriations
- House Committee on Armed Services
- House Committee on Government Operations
- House Subcommittee on Legislation and National Security, Committee on Government Operations

Senator Charles S. Robb, U.S. Senate
Senator John W. Warner, U.S. Senate
Congressman Norman Sisisky, U.S. House of Representatives

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