



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

APR 1 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: DoD Inspector General Report No. D-2011-027, "American Recovery and Reinvestment Act Projects to Renovate Barracks Buildings 816, 817, 818, and 1028 at Fort Leonard Wood, Missouri," December 21, 2010

We are revising a specific page in the subject report to address an error identified after publishing. The revision is minor and does not affect the overall conclusions presented in the original report. We are incorporating the update shown in the following paragraph into the subject report located on our Web site at <http://www.dodig.mil/Audit/reports/index.html>.

We are revising the table "Fort Leonard Wood Recovery Act Projects" on page 2 of the subject report. Specifically, the header of the second column of the table is revised from "Amount (in millions)" to "Amount (in thousands)." Please reference the attached page as a replacement page for any copies of the subject report in your possession. We have revised only the page indicated, and no other information in the report has been modified. You can also access a complete, revised version on our Web site as indicated in the previous paragraph.

We did not request comments in the original transmittal of this report, and the revision is minor and does not require comments.

If you have any questions on the revisions, please contact me at (703) 604-9201 or Susan Lippolis at (703) 604-9081.

A handwritten signature in cursive script, reading "Richard B. Jolliffe".

Richard B. Jolliffe
Assistant Inspector General
Acquisition and Contract Management

Attachment:
As stated

PLANNING

We reviewed DD Form 1391, "Military Construction Project Data," and supporting cost documentation for Projects 31134, 31135, 31136, and 31143 at Fort Leonard Wood and determined that the projects were properly planned. The DD 1391s adequately explained the project justification, requirements, current state, and impact of renovating the trainee barracks buildings. The economic analyses included discussions of alternatives, which concluded that renovation of the barracks was the best and most economical solution. On December 15, 2009, in support of the economic analysis, USACE Kansas City personnel certified the independent government cost estimates for \$23.7 million on Projects 31134, 31135, and 31136 and for \$8.3 million on Project 31143.

FUNDING

The DoD Expenditure Plan for the American Recovery and Reinvestment Act of 2009 designated a project list for active Army projects that included four projects funded at \$40.7 million to repair and upgrade training barracks buildings at Fort Leonard Wood, Missouri.

Fort Leonard Wood Recovery Act Projects

Project	Amount (in thousands)
31134 (Building 816)	\$10,168
31135 (Building 817)	\$10,168
31136 (Building 818)	\$10,168
31143 (Building 1028)	\$10,168
Total	\$40,672

On May 20, 2009, the USACE Commander issued Defense Finance Accounting Service Form 1323, "Funding Allowance Document," for \$40.7 million in Operation and Maintenance Recovery Act funds to USACE Kansas City. In December 2009, USACE Kansas City awarded a \$16.5 million contract for training barracks repair and upgrade on Buildings 816, 817, and 818 and an \$8.5 million contract for training barracks repair and upgrade on Building 1028.

Under provisions of the Under Secretary of Defense (Comptroller)/Chief Financial Officer memorandum, "Project Cost Variations During Execution of American Recovery and Reinvestment Act Expenditure Plans for Infrastructure Investments," May 7, 2009, the Army can use savings to offset cost growth on other Recovery Act-funded projects. As of January 28, 2010, USACE Kansas City set aside \$4.1 million for contingencies, supervision and administration, and other expenses related to the projects and recognized savings of \$11.6 million from the four projects at Fort Leonard Wood.