

**Audit**



**Report**

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE  
BUDGET DATA FOR THE REDIRECT OF THE  
726TH AIR CONTROL SQUADRON FROM  
SHAW AIR FORCE BASE, SOUTH CAROLINA, TO  
MOUNTAIN HOME AIR FORCE BASE, IDAHO

Report No. 96-158

June 11, 1996

Department of Defense

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### **Acronyms**

AFB	Air Force Base
ACS	Air Control Squadron
BRAC	Base Realignment and Closure
MILCON	Military Construction



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



June 11, 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 Redirect of the 726th Air Control Squadron From Shaw Air Force Base, South Carolina, to Mountain Home Air Force Base, Idaho (Report No. 96-158)**

We are providing this audit report for your 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 the draft report were considered in preparing the final report.

Comments on the 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 Ms. Kimberley A. Caprio, Audit Program Director, at (703) 604-9248 (DSN 664-9248) or Ms. Addie M. Beima, Audit Project Manager, at (703) 604-9243 (DSN 664-9243). See Appendix G 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. 96-158  
(Project No. 6CG-5001.25)

June 11, 1996

### **Defense Base Realignment and Closure Budget Data for the Redirect of the 726th Air Control Squadron From Shaw Air Force Base, South Carolina, to Mountain Home Air Force Base, Idaho**

#### **Executive Summary**

**Introduction.** This report is one in a series about FY 1997 Defense base realignment and closure military construction costs. 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 two projects, valued in total at \$4.85 million, for the redirect of the 726th Air Control Squadron from Shaw Air Force Base, South Carolina, to Mountain Home Air Force Base, Idaho.

**Audit Results.** The Air Force justified the requirements and costs for project QYZH973020. However, the Air Force overestimated space requirements by 6,000 square feet of interim storage at Mountain Home Air Force Base to support the redirect of the 726th Air Control Squadron and underestimated the overall cost of project QYZH963030. As a result, the Air Force overstated project QYZH963030 by approximately \$0.2 million and understated the overall project cost by approximately \$1 million.

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

**Summary of Recommendations.** We recommend that the Under Secretary of Defense (Comptroller) place funds for project QYZH963030, "726th ACS Complex Phase I," on administrative withhold until management submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," to accurately reflect requirements and costs. We recommend that the Commander, Air Combat Command, submit a revised DD Form 1391, "FY 1996 Military Construction Project Data," that accurately reflects valid base realignment and closure requirements and realistic cost estimates.

**Management Comments.** The Under Secretary of Defense (Comptroller) concurred with the report. The Air Force also concurred with the report and prepared a revised DD Form 1391. Based on the prompt corrective action, we can now support release of the funds for project QYZH963030. A summary of management comments is in Part I, and the complete text of management comments is in Part III of the report.

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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. It also discusses a project that was added to the FY 1996 budget too late to be included in previous audit coverage. 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 project we reviewed.

**Redirect of the 726th Air Control Squadron.** The 726th Air Control Squadron (ACS) is a control and reporting element of the Air Force Ground Theater Air Control System. The 726th ACS was assigned to Homestead Air Force Base (AFB), Florida. After Hurricane Andrew destroyed Homestead AFB, the 726th ACS was temporarily moved to Shaw AFB, South Carolina. The 1993 Commission on Defense Base Closure and Realignment (the Commission) agreed with the Secretary of Defense recommendation to close Homestead AFB and permanently relocate the 726th ACS to Shaw AFB. The 1995 Commission agreed with the Secretary of Defense recommendation to redirect the realignment of the 726th ACS from Shaw AFB to Mountain Home AFB because Shaw AFB did not offer adequate training opportunities. Specifically, Shaw AFB lacked the number and variety of training flights and did not provide adequate radar coverage of training airspace to meet 726th ACS training requirements.

**Air Force Audit Agency Review.** The Air Force Audit Agency reviewed the 726th ACS BRAC MILCON requirements. Air Force Audit Agency project 95052032, "Review of 1995 Base Realignment and Closure Military Construction Requirements," January 29, 1996, summarized the results of the 726th ACS BRAC MILCON project and the other 31 Air Force BRAC MILCON projects reviewed. The overall audit objective of that audit was to determine whether military construction requirements resulting from the BRAC 1995 recommendations were valid and supportable. The report concluded that Air Combat Command had not prepared a certificate of compliance for critical planning actions or the requirements and management plan. The report recommended that the Mountain Home personnel encourage Air Combat Command personnel to provide project management input to help with the completion of the requirements and management plan. Air Combat Command officials were not required to officially respond to the recommendations made in this review.

## 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.

This report provides the results of the audit of two projects, "726th ACS Complex Phase I" (project QYZH963030) and "726th ACS Complex Phase II" (project QYZH973020), valued in total at \$4.85 million, resulting from the redirect of 726th ACS from Shaw AFB to Mountain Home AFB.

The following table describes the projects that this audit reviewed.

<b>Table 1. BRAC MILCON Projects Reviewed</b>			
<u>Project Number</u>	<u>Project Location</u>	<u>Description</u>	DD Form 1391 Amount (millions)
QYZH963030	Mountain Home AFB	726th ACS Complex Phase I	\$1.40
QYZH973020	Mountain Home AFB	726th ACS Complex Phase II	<u>\$3.45</u>
<b>Total</b>			<b>\$4.85</b>

See Appendix A for a discussion of the scope and methodology, Appendix B for a summary of prior coverage related to the audit objectives, and Appendix E for a discussion of the economic analysis and a non-BRAC requirement for masonry fence for projects QYZH963030 and QYZH973020. The management control program objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

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## **Air Control Squadron Complex**

Air Combat Command officials overestimated BRAC MILCON space requirements for project QYZH963030, "726th ACS Complex Phase I," and underestimated the overall cost of the project. The space requirements are overestimated because Air Combat Command officials did not consider the existing facilities at Mountain Home AFB adequate to meet 726th Air Control Squadron interim storage requirements. Also, the overall project cost was underestimated because Air Combat Command officials developed the budget estimate using inaccurate project requirements. As a result, the Air Force overstated BRAC MILCON costs by \$0.2 million and understated the overall Phase I project cost by approximately \$1 million.

### **Proposed Projects for 726th Air Control Squadron**

In May 1995, Air Combat Command officials submitted two DD Forms 1391, "Military Construction Project Data," for an air control squadron complex to support the redirect of the 726th ACS from Shaw AFB to Mountain Home AFB. The first DD Form 1391, "FY 1996 Military Construction Project Data," for project QYZH963030, valued at \$1.4 million, is for a 7,000-square-foot supply storage facility, a 6,000-square-foot interim storage facility, a technical (radar) pad, a Government-owned vehicles and equipment yard, and support facilities. The second DD Form 1391, "FY 1997 Military Construction Project Data," for project QYZH973020, valued at \$3.45 million, is for a 19,900-square-foot facility, which is divided into an air ground equipment shop, a vehicle maintenance shop, a communications shop, a special operations area, and support facilities. Air Combat Command officials justified the requirements and costs for project QYZH973020.

### **Budget Estimating Process for BRAC Projects**

Air Force Instruction 32-1021, "Planning and Programming of Facility Construction Projects," May 12, 1994, provides guidance, procedures, and instructions on how to develop projects and obtain approval for facilities required for an Air Force base.

Paragraph 3.5 of the instruction states that major command officials must develop accurate cost estimates for Air Force budgets. At a minimum, the estimates will be based either on completed requirements and management plans and parametric cost model estimates, or on reviews of architect and engineering conventional designs conducted at 35-percent completion.

## Space Requirements

Air Combat Command officials overestimated space requirements for project QYZH963030 because they did not consider adequate the existing facilities for the 726th ACS interim storage facility. Space was needed for storing readiness spares packages and bench stock. The 726th ACS requires 6,000 square feet of interim storage space.

## Interim Storage Space

**Existing Facilities.** Mountain Home AFB has a number of vacant buildings that the 726th ACS could use to store readiness spares packages and bench stock. Two of the existing Mountain Home AFB facilities that could each satisfy the 726th ACS requirement at a single site are Buildings 2201 and 1327.

**Building 2201, "Round House Facility."** The 366th Wing used the Round House to store excess computers that were scheduled to be disposed of before the 726th ACS move-in date. The facility is a 6,804-square-foot, climatically controlled space. The building also has a two-story open bay that significantly expands the available storage capacity. The Round House is in good condition, is close to the interim 726th ACS site, and is large enough to accommodate the use of forklifts to maneuver readiness spares packages and bench stock stored on pallets. Five-ton vehicles can also be driven into the building to accommodate loading and unloading 726th ACS palletized items.

**Building 1327, "Avionics Shop."** Building 1327 consists of 54,000 square feet of usable space, of which 33,000 was available for 726th ACS use. The Mountain Home AFB Community Planner stated that portions of this space were not in good repair and not considered usable. However, according to the community planner, the facility contained adequate usable space to store the 726th ACS readiness spares packages and bench stock.

**Air Force Reasons for Not Using Existing Facilities.** Air Combat Command officials considered Buildings 2201 and 1327 inadequate for interim storage use. They believed that the 726th ACS needed to collocate readiness spares packages, bench stock, vehicles, and personnel to be able to meet their deployment response time. They stated that having to travel to another building on base, pick up the requisite supplies, and prepare the equipment for deployment would degrade the 726th ACS mission capability. Air Combat Command officials intended to construct a temporary, prefabricated storage building that would be disposed of when the Phase II project (project QYZH973020) is completed in FY 1997.

**Reducing Project Scope and Cost for Interim Storage.** The Air Combat Command officials did not justify the construction of a prefabricated building to satisfy the 726th ACS interim supply storage requirement at Mountain Home AFB. Given the state of readiness that the 726th ACS will be operating under

## Air Control Squadron Complex

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until the Phase II project is completed in FY 1997, Air Combat Command officials have not substantiated how temporarily storing some supplies at a nearby site would be significantly detrimental to the 726th ACS mission to warrant the expense of building and eventually demolishing an interim storage facility.

By not using existing storage space at Mountain Home AFB, Air Combat Command officials overstated the space required for project QYZH963030 by 6,000 square feet. If the 726th ACS used existing facilities to meet its interim storage requirement, the Air Force could reduce the cost of project QYZH963030 by approximately \$0.2 million.

The following table describes our calculation of the overstated cost of the interim facility.

<u>Description</u>	<u>Costs</u>
Cost estimate on DD Form 1391	\$138,000
Contingency (5 percent)	\$6,900
<b>Subtotal</b>	<b>\$144,900</b>
Supervision, inspection, and overhead (6 percent of \$144,900)	\$8,694
<b>Overstated Cost for Interim Storage</b>	<b>\$153,594*</b>

\*Rounded to \$0.2 million in this report

## Underestimating Project Cost

The DD Form 1391 for project QYZH963030 is underestimated by approximately \$1 million. The project budget is underestimated because Air Combat Command officials used inaccurate project requirements to calculate cost estimates. They did not prepare a requirements and management plan for project QYZH963030 or conduct a review of the architect and engineering conventional design at 35 percent of completion. Consequently, they lacked the information necessary to develop substantiated budget data. As a result, they underestimated the cost of site improvement work and the cost to construct the technical pad and Government equipment yard. The architect and engineering 95-percent-design submittal estimates that the project will cost \$2.4 million to complete, a \$1 million increase over the amount submitted on the DD Form 1391.

## Recommendations and Management Comments

1. We recommend that the Under Secretary of the Defense (Comptroller) place funds for project QYZH963030, "726th ACS Complex Phase I," on administrative withhold until management submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," to accurately reflect requirements and costs.

2. We recommend that the Commander, Air Combat Command submit a revised DD Form 1391, "FY 1996 Military Construction Project Data," for project QYZH963030, "726th ACS Complex Phase I," that accurately reflects valid base realignment and closure requirements and realistic cost estimates.

**Under Secretary of Defense (Comptroller) Comments.** The Under Secretary of Defense (Comptroller) concurred with the report, agreeing to place FY 1996 funds on administrative withhold.

**Department of the Air Force Comments.** The Air Force concurred with the report and prepared a revised DD Form 1391 with the interim storage facility removed and valid project requirements and costs included. Based on the prompt corrective action, we can now support release of the funds for project QYZH963030.

## **Part II - Additional Information**

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## Appendix A. Scope and Methodology

**Scope of This Audit.** We examined the FYs 1996 and 1997 BRAC MILCON budget requests, economic analyses, and supporting documentation for space requirements for two projects regarding the redirect of the 726th Air Control Squadron from Shaw AFB to Mountain Home AFB. Project QYZH963030 and project QYZH973020 are estimated to cost \$1.4 million and \$3.45 million, respectively, for a total cost of \$4.85 million.

**Audit Period, Standards, and Locations.** This economy and efficiency audit was performed from January through March 1996 in accordance with auditing standards issued by the 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 F lists the organizations visited or contacted during the audit.

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## 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 report. Also, it includes the Air Force Audit Agency report on the Mountain Home BRAC MILCON projects.

### Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-154	Defense Base Realignment and Closure Budget Data for the Realignment of the National Airborne Operations Center to Wright-Patterson Air Force Base, Ohio	June 10, 1996
96-147	Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center Orlando, Florida, and Realignment of Maintenance and Storage Facilities to Taft U.S. Army Reserve Center, Orlando, Florida	June 6, 1996
96-144	Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana	June 6, 1996
96-142	Defense Base Realignment and Closure Budget Data for the Closure of Bergstrom Air Reserve Base, Texas, and Realignment of the 10th Air Force Headquarters to Naval Air Station Fort Worth, Joint Reserve Base, Texas	June 5, 1996
96-139	Defense Base Realignment and Closure Budget Data for the Closure of Griffiss Air Force Base and Realignment of Rome Laboratory and Northeast Air Defense Sector, Rome, New York	June 3, 1996
96-137	Defense Base Realignment and Closure Budget Data for the Realignment of March Air Force Base, Riverside, California	May 31, 1996

## Appendix B. Summary of Prior Audits and Other Reviews

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### Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
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
96-128	Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois	May 24, 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
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

## Appendix B. Summary of Prior Audits and Other Reviews

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### Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-116	Defense Base Realignment and Closure Budget Data for the Relocation of Deployable Medical Systems to Hill Air Force Base, Odgen, 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
96-110	Defense Base Realignment and Closure Budget Data for the Realignment of the 301st Rescue Squadron, Air Force Reserve, From Homestead Air Force Base, Florida to Patrick Air Force Base, 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
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 B. Summary of Prior Audits and Other Reviews**

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**Air Force Audit Agency**

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
95052032	Review of 1995 Base Realignment and Closure Military Construction Requirements	January 29, 1996

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## **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

## **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**

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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**

<u>Project Location</u>	<u>Project Number</u>	<u>Causes of Invalid Projects</u>		<u>Causes of Partially Valid Projects</u>	
		<u>Overstated</u>	<u>Unsupported</u>	<u>Overstated</u>	<u>Understated</u>
Mountain Home AFB	QYZH963030			X	X

**Table D-2. Recommended Changes in Project Estimates**

<u>Project Location</u>	<u>Project Number</u>	<u>Amount of Estimate on DD Form 1391 (thousands)</u>	<u>Recommended Amount of Change</u>	
			<u>Invalid Projects (thousands)</u>	<u>Partially Valid Projects (thousands)</u>
Mountain Home AFB	QYZH963030	<u>\$1,400</u>		<u>\$1,400 (\$154)</u>
<b>Total</b>		<b>\$1,400</b>		<b>\$1,246</b>

**Total Invalid and Partially Valid Projects** **\$1,246**

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## **Appendix E. Other Matters of Interest**

### **Requirements and Waivers**

**Economic Analysis.** The Under Secretary of Defense (Comptroller) issued a memorandum on August 2, 1991, that requires the Military Departments to prepare an economic analysis for all military construction, major repairs, or renovation projects estimated to cost more than \$2 million. In addition, Air Force Instruction 65-501, "Economic Analysis and Program Evaluation," June 1, 1994, requires organizations to prepare an economic analysis of alternatives to new construction where project costs exceed \$2 million. Also, major commands may request a waiver if only one way exists to meet a valid requirement.

**Projects QYZH963030 and QYZH973020 Economic Analysis.** Air Combat Command officials did not prepare an economic analysis for projects QYZH963030 and QYZH973020 because they concluded that their only alternative was to construct a new complex. The Air Combat Command officials determined that no existing facilities were available at Mountain Home AFB for the 726th ACS to use, and they completed a certificate of exception.

### **Non-BRAC Requirement for Masonry Fence**

Projects QYZH963030 and QYZH973020 each require construction of a security fence at an estimated cost of \$31,000 and \$12,000, respectively, for a total cost of \$43,000. According to Air Combat Command officials, the security fence will surround the technical pad, grounding grid, and Government-owned vehicle and equipment yard. Mountain Home AFB facility design policy for equipment enclosures and service yards requires walls and gates to completely conceal equipment, as well as service or work areas such as flammable storage and dumpsters. Consequently, the architect and engineering design plans require the fence to be constructed of masonry block at a cost of about \$319,400. The base-imposed requirement is not a BRAC requirement; it represents an enhancement over previous facilities. Therefore, the enhancement is not eligible for BRAC funding. Air Combat Command officials stated that the masonry fence would remain in the design plan as an option that Mountain Home AFB funded.

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## **Appendix F. Organizations Visited or Contacted**

### **Office of the Secretary of Defense**

Under Secretary of Defense (Comptroller), Washington, DC

### **Department of the Air Force**

Assistant Secretary of the Air Force (Financial Management and Comptroller),  
Washington, DC

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

Air Combat Command, Langley Air Force Base, VA

366th Wing, Mountain Home Air Force Base, ID

726th Air Control Squadron, Shaw Air Force Base, SC

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## **Appendix G. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense (Comptroller)  
Deputy Chief Financial Officer  
Deputy Comptroller (Program/Budget)  
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)  
Director, Defense Logistics Studies Information Exchange

### **Department of the Army**

Auditor General, Department of the Army

### **Department of the Navy**

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

### **Department of the Air Force**

Assistant Secretary of the Air Force (Financial Management and Comptroller)  
Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment)  
Deputy Assistant Secretary of the Air Force (Installations)  
Deputy Chief of Staff (Plans and Operations)  
Auditor General, Department of the Air Force  
Commander, Air Combat Command  
Commander, 366th Wing  
Commander, 726th Air Control Squadron

### **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



COMPTROLLER  
(Program/Budget)

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



May 9, 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 Redirect of 726th Air Control Squadron from Shaw Air Force Base, South Carolina, to Mountain Home Air Force Base, Idaho (Project No. 6CG-5001.25)

This responds to your April 19, 1996, memorandum requesting our comments on the subject report.

The audit states that the Air Force overstated the space requirements and understated the costs for project QYZH963030, "726th ACS Complex Phase I," associated with the redirect of the 726th ACS from Shaw AFB to Mountain Home AFB. The audit contends that the Air Force did not consider existing facilities to satisfy the Base Realignment and Closure (BRAC) requirement and used inaccurate requirements to develop the cost estimate for the project.

This audit recommends that the USD(Comptroller) place project QYZH963030 on administrative withhold until the Air Force submits a revised DD 1391 form that accurately reflect requirements and costs.

We generally agree with the audit findings and recommendations and will place the funds associated with the project at issue on administrative withhold pending resolution. Further, any savings resulting from the audit will be reprogrammed to other BRAC requirements as appropriate.

  
B. R. Paseur

Director for Construction

# Department of Air Force Comments\*



DEPARTMENT OF THE AIR FORCE  
WASHINGTON, DC

7 May 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 Redirect of 726th Air Control Squadron from Shaw Air Force Base, South  
Carolina to Mountain Home Air Force Base, Idaho April 19, 1996 (6CG-5001.25)

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

Your report recommends FY 96 BRAC MILCON funds for project QYZH963030,  
"726th ACS Complex Phase 1" be placed on administrative withhold until a revised DD Form  
1391 for the reduced scope (delete interim storage construction)/increased cost is submitted.

WE CONCUR.

To accomplish this, a revised DD Form 1391 is attached. Updated costs from the  
architect have already been forwarded to you from the command. Please release funding for this  
project.

Our point of contact is Mr. Lester Schauer DSN 227-6559.

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

1 Atch:  
DD1391

\*Not included is the revised DD Form 1391 for project QYZH963030.

## **Audit Team Members**

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

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