

Audit



Report

BASE REALIGNMENT AND CLOSURE TRANSFER OF THE
COMMON-USE GROUND-COMMUNICATIONS ELECTRONICS
MAINTENANCE MISSION FROM THE SACRAMENTO AIR
LOGISTICS CENTER TO THE TOBYHANNA ARMY DEPOT

Report Number 98-176

July 6, 1998

Office of the Inspector General
Department of Defense

Additional Information and Copies

To obtain additional copies of this report, contact the Secondary Reports Distribution Unit of the Analysis, Planning, and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or FAX (703) 604-8932 or visit the Inspector General, DoD, Home Page at: WWW.DODIG.OSD.MIL.

Suggestions for Audits

To suggest ideas for or to request future audits, contact the Planning and Coordination Branch of the Analysis, Planning, and Technical Support Directorate at (703) 604-8908 (DSN 664-8908) or FAX (703) 604-8932. Ideas and requests can also be mailed to:

OAIG-AUD (ATTN: APTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, Virginia 22202-2884

Defense Hotline

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to Hotline@DODIG.OSD.MIL; or by writing to the Defense Hotline, The Pentagon, Washington, D.C. 20301-1900. The identity of each writer and caller is fully protected.

Acronyms

BRAC	Base Realignment and Closure
DDMC	Defense Depot Maintenance Council
DLH	Direct Labor Hour
GAO	General Accounting Office
GCE	Ground-Communications Electronics
MOA	Memorandum of Agreement



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

July 6, 1998

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION
AND TECHNOLOGY
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit Report on Base Realignment and Closure Transfer of the
Common-Use Ground-Communications Electronics Maintenance Mission
from the Sacramento Air Logistics Center to the Tobyhanna Army Depot
(Report No. 98-176)

We are providing this audit report for your information and use. We performed the audit in response to a request from the Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs and Resources). We considered management comments on a draft of this report in preparing the final report.

The Army and the Air Force comments conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. John A. Gannon at (703) 604-9176 (DSN 664-9176), email <jgannon@dodig.osd.mil>, or Mr. Joseph M. Austin at (703) 604-9178 (DSN 664-9178), email <jaustin@dodig.osd.mil>. See Appendix D for the report distribution. The audit team members are listed inside the back cover.

A handwritten signature in black ink that reads "David K. Steensma".

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 98-176
(Project No. 8LB-5002)

July 6, 1998

Base Realignment and Closure Transfer of the Common-Use Ground-Communications Electronics Maintenance Mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot

Executive Summary

Introduction. This audit was initiated in response to a request from the Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs and Resources) that we perform a review on the status of the transfer of the common-use ground-communications electronics (GCE) maintenance mission from the Sacramento Air Logistics Center (Sacramento) to the Tobyhanna Army Depot (Tobyhanna). The Assistant Deputy Under Secretary expressed concerns that little progress had been made toward implementing the Defense Depot Maintenance Council's plan for transferring the 1.1 million direct labor hours of work associated with the GCE maintenance mission and the availability of a skilled work force to transfer to Tobyhanna.

Audit Objectives. The overall audit objective was to determine whether the move of the GCE maintenance mission from Sacramento to Tobyhanna was in compliance with the direction of the 1995 Defense Base Closure and Realignment Commission. Specifically, we determined whether the required equipment was being moved and the appropriate personnel billets were being transferred to Tobyhanna. We also evaluated the management control program as it applied to the audit objectives.

Audit Results. Although there were initial delays in transferring the GCE maintenance mission from Sacramento to Tobyhanna, the transfer appeared to be on schedule to meet the timelines outlined by the 1995 Defense Base Closure and Realignment Commission. However, readiness could be adversely impacted in the future if a joint transition plan is not developed and signed or if adequate Defense Base Realignment and Closure funding for construction projects and for transferring equipment and personnel to Tobyhanna is not provided in a timely manner. See Part I for a discussion of the audit results.

The management controls we reviewed were effective in that no material management control weakness was identified. See Appendix A for details on the management control program.

Summary of Recommendations. We recommend that the Commander, Army Materiel Command, and the Commander, Air Force Materiel Command, promptly develop and sign a joint transition plan to ensure a smooth transfer of the GCE maintenance mission from Sacramento to Tobyhanna. We also recommend that the Commander, Army Materiel Command, refer to the Under Secretary of Defense for A&T for resolution any disputes concerning funding for transferring the GCE maintenance mission from Sacramento to Tobyhanna.

Management Comments. The Army and the Air Force agreed to develop and sign a joint plan by July 1998. The Army also agreed to refer disputes concerning Defense Base Realignment and Closure funding to the Deputy Under Secretary of Defense (Industrial Affairs and Installations). A discussion of management comments is in Part I and the complete text is in Part III.

Table of Contents

Executive Summary	i
Part I - Audit Results	
Audit Background	2
Audit Objectives	3
Common-Use Ground-Communications Electronics Maintenance Mission Transfer	4
Part II - Additional Information	
Appendix A. Audit Process	
Scope and Methodology	14
Management Control Program	15
Appendix B. Summary of Prior Coverage	16
Appendix C. Report Distribution	18
Part III - Management Comments	
Department of the Army Comments	22
Department of the Air Force Comments	24

Part I - Audit Results

Audit Background

The Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs and Resources) requested that we perform this audit. The Assistant Deputy Under Secretary expressed concern that little progress had been made to implement the recommendations of the 1995 Defense Base Closure and Realignment Commission (the 1995 Commission) regarding the transfer of the common-use ground-communications electronics (GCE) maintenance mission from the Sacramento Air Logistics Center (Sacramento) at McClellan Air Force Base, California, to the Tobyhanna Army Depot (Tobyhanna), Pennsylvania. The Assistant Deputy Under Secretary was concerned about the extent of the 1.1 million direct labor hour (DLH) work load that would actually materialize at Tobyhanna, the availability of a skilled work force to transfer to Tobyhanna, and the impact on readiness if skilled personnel were not available to transfer to Tobyhanna.

BRAC Recommendation. The 1995 Base Realignment and Closure (BRAC) Report, July 1, 1995, recommended that Sacramento be closed and that the maintenance missions being performed there be transferred to other depots. The BRAC report also recommended that all of the GCE maintenance mission, as categorized by the DoD Joint Cross Service Group for Depot Maintenance,¹ be transferred to Tobyhanna and that the remaining work loads be transferred to other DoD depots or to private sector commercial activities as determined by the Defense Depot Maintenance Council (DDMC).² The 1995 Commission directed that the workload transfer include required equipment and appropriate personnel. Sacramento is to be closed over a 6-year period (1995 through 2001), with projected annual savings after closure of \$159.7 million.

Maintenance Mission Transfer. The DoD Joint Cross Service Group for Depot Maintenance categorized GCE maintenance mission equipment as category seven equipment to include cryptographic/communications security; electro-optic and night vision; electronics warfare; navigation aids; radar; radio communications; satellite control/space sensors; and wire communications.

¹ The DoD Joint Cross Service Group for Depot Maintenance is a council of senior Service logisticians. The council is chaired by the Deputy Under Secretary of Defense (Logistics). The council was created to provide oversight of 1995 BRAC issues regarding logistics and maintenance.

² The DDMC is a senior level council of Service logistics commanders and senior Service logisticians. The council is chaired by the Deputy Under Secretary of Defense (Logistics). The council provides oversight of depot maintenance policy issues within DoD.

Audit Objectives

The overall audit objective was to determine whether the move of the GCE maintenance mission from Sacramento to Tobyhanna was in compliance with the direction of the 1995 Commission. Specifically, we determined whether the required equipment was being moved and the appropriate personnel billets were being transferred to Tobyhanna. Additionally, we evaluated the adequacy of the management control program as it applied to the audit objectives. See Appendix A for a discussion of the audit scope and methodology and the review of the management control program. See Appendix B for a summary of prior coverage.

Common-Use Ground-Communications Electronics Maintenance Mission Transfer

There were initial delays in transferring the GCE maintenance mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot. The delays were attributed to uncertainties in the status of the Sacramento Air Logistics Center and the Air Force's interpretation of the definition of "common-use GCE." Delays in transferring the GCE maintenance mission were also caused by the lack of a formal transition plan and the initial lack of a memorandum of agreement between the Army and the Air Force. Additionally, delays were caused by nonavailability of BRAC funds. However, the transfer of the GCE maintenance mission appeared to be on schedule to meet the timelines outlined by the 1995 Commission.³ Although the transfer was continuing, readiness could be adversely impacted in the future if a joint transition plan is not developed and signed by the Army and the Air Force. Readiness could also be impacted in the future if adequate BRAC funding for construction projects and for transferring equipment and personnel to Tobyhanna is not provided in a timely manner.

Transferring the Maintenance Mission

The 1995 Commission recommended that Sacramento be closed by July 2001 and the GCE maintenance mission be transferred to Tobyhanna. The 1995 Commission directed the DDMC to determine and direct the appropriate distribution of Sacramento's other work to DoD depots or to private sector commercial activities.

Memorandum of Agreement. A memorandum of agreement (MOA) between the Army and the Air Force, June 12, 1997, amended October 14, 1997, establishes the rate of transfer of the maintenance mission and personnel equivalents from Sacramento to Tobyhanna. The MOA provides for the transfer of work totaling about 1.1 million DLHs and the transfer of 825 personnel equivalents (billets) to accomplish that work. The MOA requires that the transfer of both the maintenance mission and the billets be at the rate of 20 percent in FY 1998, 40 percent in FY 1999, and 40 percent in FY 2000.

³ The 1995 Commission did not specify a time frame in which the GCE maintenance mission would transfer but directed that Sacramento be closed by July 2001.

Delays in Transferring the Maintenance Mission

There were initial delays in transferring the GCE maintenance mission from Sacramento to Tobyhanna. The actual transfer of equipment and personnel could have commenced much sooner than it did. Delays were caused by the uncertainties in the status of Sacramento and the Air Force interpretation of the definition of common-use GCE. As a result, a formal joint transition plan and an MOA between the Army and the Air Force were delayed. When the MOA was signed, it called for the transfer of equipment to begin in FY 1998. Tobyhanna and Sacramento agreed that the transfer would begin October 1, 1997. The actual transfer did not begin until November 16, 1997, because BRAC funds were not available to pay for the move until after the National Defense Authorization Act for FY 1998 was passed.

Uncertainties in the Status of Sacramento. The transfer of the GCE maintenance was delayed, in part, by uncertainties in the status of Sacramento. The 1995 BRAC report to the President of the United States recommended the closure of Sacramento. The President expressed concerns about the near-term costs and the potential impact on the local communities and Air Force readiness. The President accepted the BRAC decision, but directed DoD to pursue privatization-in-place⁴ at Sacramento. The President also directed the Secretary of Defense to retain 8,700 jobs at Sacramento until the year 2001. The privatization decision did not specifically address the GCE maintenance mission. Because of decisions regarding the privatization initiative and the promise to maintain full employment until 2001, Sacramento officials believed that the GCE maintenance mission would be included in any future privatization initiatives. The pursuit of privatization initiatives resulted in delays in developing a transition plan and an MOA. As a result, funding for construction projects at Tobyhanna was delayed. The initiative to privatize-in-place was not resolved until the National Defense Authorization Act for FY 1998 was passed. The National Defense Authorization Act for FY 1998 stated that it is the sense of Congress that the GCE workload be transferred to Tobyhanna in adherence to the schedule prescribed by the DDMC on March 13, 1997.

Definition of Work Load. The lack of an agreement on the definition of common-use GCE also delayed the transfer of the maintenance mission. The 1995 BRAC report stated that common-use GCE equipment, as categorized by the DoD Joint Cross Service Working for Depot Maintenance, included cryptographic/communications security; electro-optic and night vision; electronics warfare; navigation aids; radar; radio communications; satellite

⁴ Converting the Sacramento Air Logistics Center from an Air Force facility to a contractor-operated facility. Employees would continue performing the maintenance function, but as contract employees.

Common-Use Ground-Communications Electronics Maintenance Mission Transfer

control/space sensors; and wire communications. Sacramento officials did not agree with the definition in the BRAC report and questioned whether all GCE should be included in the transfer. Sacramento officials believed that only systems used by more than one Service should be included in the GCE work to be transferred to Tobyhanna. The DDMC issued a memorandum in October 1995, stating that all work on category seven equipment should be transferred and specified which equipment should be included.

Transition Plan. The Army and the Air Force did not meet until March 1996 to develop a plan for transferring the maintenance mission. The Army and the Air Force developed separate plans because the Air Force still believed that some of the GCE maintenance mission would be privatized. In December 1996, the Deputy Under Secretary of Defense (Logistics) directed the Army and the Air Force to develop a joint plan. As of June 1998, the Army and the Air Force had not completed development and signature of a joint transition plan.

Memorandum of Agreement. The lack of an MOA between the Army and the Air Force delayed the transition. An MOA was not officially signed until June 12, 1997, and was amended October 14, 1997. The MOA establishes the yearly number of billets to be transferred. It also establishes the means of hiring Sacramento employees by Tobyhanna and the responsibilities of the Army and the Air Force for the orderly and timely transfer of the GCE maintenance mission. The more than two years it took to establish an MOA affected the hiring and training of personnel to transfer with the maintenance mission.

Defense BRAC Funding. Status and planning uncertainties resulted in budget and funding delays. Tobyhanna required minor construction to some existing facilities and construction of some new facilities before it could assume the entire GCE maintenance mission from Sacramento. The delays caused by the uncertainties at Sacramento, the lack of a transition plan, and the lack of an MOA resulted in additional delays in budgeting for Defense BRAC construction funds to be used at Tobyhanna. The Air Force initially planned to keep the GCE maintenance mission until the year 2001 and budgeted for construction to support a transfer in 2001. However, when the DDMC approved a 3-year transfer plan in March 1997, funds had to be reprogrammed to support the DDMC decision. The Air Force delayed providing funds for planning and design because it had concerns about the reasonableness of construction cost estimates provided by the Army. In addition, Sacramento officials stated that equipment could not be transferred as scheduled on October 1, 1997, because sufficient BRAC funds were not available until FY 1998 funding became available.

Common-Use Ground-Communications Electronics Maintenance Mission Transfer

Status of the Mission Transfer

With the development and signing of the MOA and other actions by the Army and the Air Force, the transfer of the GCE maintenance mission appeared to be on schedule to meet the timelines of the 1995 Commission. Management concerns that prompted the audit are discussed below.

Personnel and Training. The Army and the Air Force developed an MOA to ensure sufficient trained personnel would be available to meet the projected work load without adversely impacting readiness. The DDMC approved the MOA, which calls for the transfer of 825 billets from Sacramento to Tobyhanna. The planned billet transfer rate is 183 in FY 1998, 321 in FY 1999, and 321 in FY 2000. The MOA also provides Tobyhanna the opportunity to interview and hire those Sacramento GCE maintenance personnel deemed necessary to accomplish the mission. Accordingly, Tobyhanna interviewed 200 employees. As of January 26, 1998, Tobyhanna had made job offers to 114 Sacramento employees: 91 offers were accepted, 14 offers were declined, 1 offer was pending, and 8 offers received no response.

There were concerns that the GCE maintenance mission at Sacramento will be adversely impacted by the continuous loss of personnel. Sacramento officials advised us that the loss of skilled GCE maintenance personnel will not be a problem because they have the authority to hire skilled personnel to replace those who have left Sacramento. Records provided by Sacramento showed that it had already replaced some personnel who had separated from Sacramento. Sacramento expected to be able to continue to meet mission requirements, despite the loss of skilled GCE maintenance personnel, with new hires and retraining efforts.

In accordance with the MOA, specialized training was provided for personnel who will be performing maintenance on electro-optic and night vision equipment. During November 1997, specialized training was being provided to Sacramento personnel who accepted job offers to transfer to Tobyhanna and to Tobyhanna employees. Army officials were satisfied with the ongoing training efforts and believed that sufficient trained personnel would be available to accomplish the GCE maintenance mission in accordance with the MOA and without an adverse impact on system readiness.

Maintenance Mission Transfer. Although there were concerns about non transfer of all of the GCE maintenance mission to Tobyhanna, there was no evidence that any of the GCE maintenance mission had been privatized or transferred to other depots. At the time of the BRAC decision, Sacramento provided certified data which showed that GCE maintenance work totaling about 1.1 million DLHs would be transferred to Tobyhanna. As of January 1998, Sacramento estimated the work to be about 938,000 DLHs. According to

Common-Use Ground-Communications Electronics Maintenance Mission Transfer

Sacramento officials, the decrease of about 162,000 DLHs was due to downsizing within DoD or decreasing user requirements. The decrease was not supported by documentation.

Contracting. Sacramento considered contracting as a means of providing interim maintenance support for certain weapon systems. We reviewed 12 major weapon systems being transferred to Tobyhanna. There was no evidence that any of the GCE maintenance mission was contracted out.

Technical Data. Although there were initial management concerns regarding the timely transfer of technical data, with the MOA signed, technical data were being transferred. For about 2 years after the 1995 BRAC report was issued, until a formal MOA was signed by the Army and the Air Force, Sacramento resisted providing technical data to Tobyhanna. Sacramento officials explained that the unofficial release of technical data containing procedures and steps that had not been reviewed and approved by maintenance engineers could result in faulty maintenance that might endanger personnel and equipment. We concluded that Sacramento's enforcement of Air Force policy was sound. Since the MOA was signed, technical data were being transferred to Tobyhanna. In addition, Tobyhanna has been videotaping and documenting repair and teardown procedures to assist in training Army employees and acquainting Army maintenance engineers with procedures in performing the GCE maintenance work load. The Army and the Air Force did not foresee any readiness problems arising from the transfer of technical data.

Readiness. Since the signing of the MOA between the Army and the Air Force, training had been initiated and those Sacramento personnel who agreed to transfer to Tobyhanna, as well as Tobyhanna personnel, were being trained to perform the GCE maintenance mission. The maintenance mission was being transferred as planned, and the Army was satisfied with the progress of the transfer. Readiness will not be effected unless the impediments discussed below are not properly managed.

Impediments to Mission Transfer

The lack of an approved joint transition plan between the Army and the Air Force could cause delays in transferring the GCE maintenance mission to Tobyhanna. Also, delays in Defense BRAC funding could prevent the timely completion of BRAC construction projects and the transfer of the mission capabilities and personnel, which would have an adverse impact on readiness.

Common-Use Ground-Communications Electronics Maintenance Mission Transfer

Status of Joint Transition Plan. The 1995 BRAC decision to close Sacramento and transfer the GCE maintenance mission to Tobyhanna was signed into law on July 1, 1995. The decision required that action be initiated within 2 years to implement the transfer. It has been 3 years since the BRAC report was issued; however, the Army and the Air Force have not completed and signed a joint transition plan.

A signed joint transition plan is necessary to ensure a smooth transfer of the GCE maintenance mission. The plan would outline specific Army and Air Force responsibilities and set specific timelines for transferring the GCE maintenance mission for each GCE commodity area, such as, radar and radio communications. Also, the plan would address BRAC funding requirements for construction projects and for transferring personnel and equipment.

Funding Issues. The future nonavailability of adequate BRAC funds was a major concern. Any delays by the Air Force in providing BRAC funding could prevent the timely completion of military construction projects necessary to accommodate the GCE maintenance mission at Tobyhanna. Additionally, delays in BRAC funding could prevent the timely transfer of the mission (equipment and personnel), which could have an adverse impact on readiness.

Construction Projects. To accommodate the GCE maintenance mission at Tobyhanna, the Army identified 27 construction projects that needed to be funded. The Army estimated that these projects would cost about \$13.6 million. In order to complete the required construction in time for the planned mission transfer, the Army requested that about \$12 million be provided in FY 1998. The Air Force questioned the planning and design costs associated with the construction projects at Tobyhanna. Typical planning and design costs in Air Force projects amounted to about 10 percent of total construction costs. The Army planning and design costs amounted to about 13 percent of total construction costs. The needed construction funds were made available in November 1997.

Equipment and Personnel Transfer. The initial portion of the GCE maintenance mission that was scheduled to be transferred to Tobyhanna in October 1997 was delayed because funds were not available to move the required equipment. Tobyhanna officials stated they could have assumed approximately 50 percent of the GCE maintenance mission in FY 1997. However, the first portion of the transfer did not take place until November 1997. The Air Force maintained that there had been insufficient BRAC funds available to fund all BRAC-directed actions.

The potential for delays will continue until all funding issues are resolved. Accordingly, the Army should elevate any funding issues that cannot be timely resolved to the Under Secretary of Defense for Acquisition and Technology for resolution.

Common-Use Ground-Communications Electronics Maintenance Mission Transfer

Conclusion

Uncertainties concerning privatization at Sacramento, the lack of an MOA between the Army and the Air Force, and the lack of a formal joint transition plan were the major causes for delays in transferring the GCE maintenance mission to Tobyhanna. With the signing of an MOA, the Army and the Air Force were able to agree on how planning for transferring the mission (equipment and personnel) should proceed. The transfer appeared to be on schedule to meet the goals of the 1995 BRAC report. However, if the Army and the Air Force do not promptly develop and sign a joint transition plan, continued unresolved issues could adversely impact mission readiness. Also, if adequate BRAC funding is not provided when needed, the transfer could be delayed.

Management Comments on the Finding and Audit Response

Air Force Comments. The Air Force stated that there were no delays in the transfer of the GCE maintenance mission from Sacramento to Tobyhanna. The Air Force also stated that the absence of a formal transition plan and a memorandum of agreement had no impact on the transfer of the GCE maintenance mission because extensive and continuous liaison was affected with the Army, the Air Force, and the Defense Depot Maintenance Council. Further, the Air Force stated that BRAC funding delays were a result of the normal fund authorization process. Other technical concerns included equipment categorization, construction projects, privatization, technical data, and workload retention.

Audit Response. The transfer of the GCE maintenance was one of the most difficult BRAC decisions for the DoD to implement. As discussed in our report, delays did, in fact, occur in planning the transfer, developing agreements between the Army and the Air Force to transfer the maintenance mission and obtaining the funds to construct or refurbish facilities at Tobyhanna. We recognize the difficulties the Air Force has experienced in obtaining BRAC funds to support the transfer of the GCE maintenance mission to Tobyhanna and that funding delays can be caused by the normal fund authorization process. Because of delays, the Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs and Resources) was concerned that the readiness of the GCE maintenance mission might suffer because of problems with establishing an Army depot maintenance capability and requested this audit. The 1995 BRAC report which addressed the transfer of the GCE maintenance mission from the Air Force to the Army, stated the realignment shall be initiated within two years, or by 1997. At the time of our audit and as of the date of this report, a joint transition plan detailing the transfer schedules of about 100 systems still had not been developed and signed. The Air Force comments stated that a plan will finally be signed in July 1998. We are

Common-Use Ground-Communications Electronics Maintenance Mission Transfer

encouraged that the Army and the Air Force planners have met to develop specific dates for each system to be transferred. Strict adherence to the schedule developed will avoid difficulties with the assumption of the new mission by the Army and avert readiness problems at the gaining depot.

Recommendations and Management Comments

Reworded Recommendation. As a result of the realignment of management responsibilities by the Under Secretary of Defense for Acquisition and Technology, we reworded Recommendation 2.

1. We recommend that the Commander, Army Materiel Command, and the Commander, Air Force Materiel Command, promptly develop and sign a joint transition plan to ensure a smooth transfer of the common-use ground-communications electronics maintenance mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot.

Army Comments. The Army concurred, stating that a comprehensive transition plan has been drafted by the Army and the Air Force. The Army indicated that the transition plan is scheduled to be signed in July 1998.

Air Force Comments. The Air Force concurred, stating that the joint transition plan will be completed and signed in July 1998.

2. We recommend that the Commander, Army Materiel Command, refer to the Under Secretary of Defense for Acquisition and Technology for resolution any disputes concerning Defense Base Realignment and Closure funding for transferring the common-use ground-communications electronics maintenance mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot.

Army Comments. The Army concurred, stating that it must coordinate disputes with the Army Staff and Secretariat before referring them to the Deputy Under Secretary of Defense (Industrial Affairs and Installations) for resolution.

Part II - Additional Information

Appendix A. Audit Process

Scope and Methodology

We performed the audit at the Office of the Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs and Resources), Army, and Air Force organizations with responsibilities relating to the transfer of the GCE maintenance mission from Sacramento to Tobyhanna. We identified and reviewed policies, procedures, and practices for implementing BRAC decisions. We obtained and reviewed the 1995 BRAC report that directed the transfer of the GCE maintenance mission from Sacramento to Tobyhanna. We reviewed the President's letter to the Chairman of the Commission, dated July 13, 1995, concerning privatization initiatives at Sacramento. We reviewed the DDMC guidance to the transition team responsible for implementing the GCE maintenance mission transfer. We also reviewed the joint transition plan that was being developed by the Army and the Air Force, and the MOA between the Army and the Air Force that establishes transfer goals. Additionally, we reviewed budgeting and funding documents relating to the GCE maintenance mission transfer, including documents related to construction projects. We identified 12 major weapon systems that were scheduled for transitioning. We reviewed those systems with the responsible managers to determine what steps were being taken to eliminate or reduce readiness concerns. We reviewed documents related to the GCE maintenance mission transfer covering the period of July 1995 through December 1997.

Use of Computer-Processed Data. No computer-processed data were used in the course of the audit.

Audit Type, Dates, and Standards. We performed this economy and efficiency audit from October 1997 through January 1998 in accordance with audit standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. We included tests of management controls considered necessary.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available on request.

Management Control Program

DoD Directive 5010.38, "Management Control Program," August 26, 1996, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of Review of the Management Control Program. We reviewed the adequacy of management controls at Army and Air Force organizations as they pertained to the base closure and transfer of the GCE maintenance mission. Because we did not identify a material weakness, we did not review management's self-evaluation of those controls.

Adequacy of Management Controls. The management controls at the Army and the Air Force organizations were adequate in that we identified no material management control weakness over the transfer of the GCE maintenance mission.

Appendix B. Summary of Prior Coverage

The General Accounting Office (GAO) and the Army Audit Agency have conducted several audits related to 1995 BRAC issues. The audits relevant to this report are summarized below.

General Accounting Office

GAO Testimony No. T-NSIAD-97-111, "Uncertainties and Challenges DoD Faces in Restructuring Its Depot Maintenance Program," March 18, 1997, states that costly excess capacity totaling 50 percent remained in the DoD depot system. As the Services seek to privatize a greater share of their depot maintenance, the cost of maintaining excess capacity will increase unless additional capacity reductions are made. Privatization-in-place at Sacramento, rather than eliminating excess capacity, could be about \$182 million per year more expensive than redistributing the work load to other underused Air Force depots.

GAO Report No. NSIAD-97-13 (OSD Case No. 9333-N), "Air Force Depot Maintenance--Privatization-in-Place Plans are Costly While Excess Capacity Exists," December 31, 1996, states that privatizing-in-place rather than closing and transferring the depot maintenance work loads at Sacramento would leave a costly excess capacity situation at remaining Air Force depots that a workload consolidation would have mitigated. Plans to delay many closure-related actions until 2001 would substantially reduce future savings envisioned by the Commission. Specifically, the delay between 1997 and 2001 could result in a net loss of \$644.4 million for the Air Force and \$24 million for the Army.

The GAO recommended that the Secretary of Defense require the Secretary of the Air Force to take the following actions:

- o Develop required capability in military depots to sustain core depot repair and maintenance capability for Air Force systems and conduct and adequately document risk assessment for mission-essential work loads being considered for privatization at the Sacramento and San Antonio depots.
- o Before privatizing any Sacramento and San Antonio work load, complete a cost analysis that considers the savings potential of consolidating the San Antonio and Sacramento depot work loads at other DoD depots, including savings that could be achieved for existing work loads by reducing overhead rates through more efficient capacity use of fixed overhead at underused military depots that could receive this work load.
- o Use competitive procedures, when applicable, for determining the most cost-effective source of repair for work loads at the closing Air Force depots.

- o Reconsider plans to delay the transfer of the GCE work load from Sacramento to Tobyhanna and other delays in transferring work load to the public or private sector that are reducing savings estimated by the Commission to be achieved from closure and consolidation.

DoD concurred with each of the recommendations.

GAO Report No. NSIAD-96-201 (OSD Case No. 9333-M), “Army Depot Maintenance--Privatization Without Further Downsizing Increases Costly Excess Capacity,” September 18, 1996, states that depot maintenance privatization should be approached carefully, allowing for evaluation of economic, readiness, and statutory requirements that surround individual work loads. Privatizing depot maintenance activities, if not effectively managed, including downsizing of remaining DoD depot infrastructure, could exacerbate existing capacity problems and the inefficiencies inherent in underuse of depot maintenance capacity.

The report recommended that the Secretary of Defense require the Secretary of the of the Army to take the following actions:

- o Develop required capability in military depots to sustain core depot repair and maintenance capability for Army systems.

- o Conduct and adequately document a risk assessment for mission essential work loads being considered for privatization, using competitive procedures, where applicable, to assure the cost-effectiveness of privatizing Army depot work loads.

DoD officials generally agreed with the findings and recommendations and stated that the Army’s plans to privatize were tentative and contingent on congressional relief from Title 10, United States Code, Section 2466, which prohibits the use of more than 40 percent of the funds made available in a fiscal year for depot-level maintenance or repair for private sector performance (the “60/40” rule) and requires public-private competitions before privatizing depot work loads that exceed \$3 million.

Army Audit Agency

Army Audit Agency Report No. AA 98-48, “Base Realignment and Closure 1995 Construction Requirements, Tobyhanna Army Depot,” April 2, 1998, states that Tobyhanna generally supported its base realignment construction requirements to accommodate the transfer of the GCE maintenance and repair work from Sacramento. The report contained no recommendations.

Appendix C. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Deputy Under Secretary of Defense (Logistics)
Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs and Resources)
Deputy Under Secretary of Defense (Industrial Affairs and Installations)
Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Public Affairs)

Department of the Army

Deputy Chief of Staff for Logistics (Supply and Maintenance)
Auditor General, Department of the Army

Department of the Navy

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

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Deputy Chief of Staff for Installations and Logistics (Director of Maintenance)
Auditor General, Department of the Air Force

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Finance and Accounting Service
Director, Defense Logistics Agency
Director, National Security Agency
 Inspector General, National Security Agency
Inspector General, Defense Intelligence Agency

Non-Defense Federal Organizations

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

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

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

Part - III Management Comments

Department of the Army Comments



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
800 ARMY PENTAGON
WASHINGTON DC 20310-0800



DAIM-BO

MAY 1 1998

MEMORANDUM THRU

~~DIRECTOR OF THE ARMY STAFF~~ 765/98

~~ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS, LOGISTICS AND ENVIRONMENT)~~ *Alma Moore*
DASA (LE)

FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE (AUDITING),
400 ARMY NAVY DRIVE, ARLINGTON, VA 22202-2884

SUBJECT: Draft Audit Report on Base Realignment and Closure Transfer of the Common-Use Ground-Communications Electronics (GCE) Maintenance Mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot (Project No. 8LB-5002)

1. Enclosed is the Army's position and comments on the subject audit report.
2. Point of contact for this action is Brenda Mendoza, DAIM-BO, 703-695-8030.

Encl
as

DAW
DAVID A. WHALEY
Major General, GS
Assistant Chief of Staff
for Installation Management

CF:
USAAA (Ms. Rinderknecht)
DAIM-ZR (Mrs. Moore)

Coordination:
DASA(I&H) - Mr. Manuel/697-1155
ASA(FM) - Mr. Anderholm/697-5088
AMCLG-MP - Mr. Russell/617-8249
DAIM-FDR - Mr. Carter/697-4125

DODIG DRAFT REPORT
BASE REALIGNMENT AND CLOSURE TRANSFER OF THE COMMON-USE GROUND-
COMMUNICATIONS ELECTRONICS MAINTENANCE MISSION FROM SACRAMENTO AIR
LOGISTICS CENTER TO THE TOBYHANNA ARMY DEPOT
PROJECT NO. 8LB-5002

FINDING. There were initial delays in transferring the GCE maintenance mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot. The delays were attributed to uncertainties in the status of the Sacramento Air Logistics Center and the Air Force's interpretation of the definition of "common-use GCE." Delays in transferring the GCE maintenance mission were also caused by the lack of a formal transition plan and the initial lack of a memorandum of agreement between the Army and Air Force. Additionally, delays were caused by nonavailability of BRAC funds. However, the transfer of the GCE maintenance mission appeared to be on schedule to meet the timelines outlined by the 1995 Commission. Although the transfer was continuing, readiness could be adversely impacted in the future if adequate BRAC funding for construction projects and for transferring equipment and personnel to Tobyhanna is not provided in a timely manner.

RECOMMENDATIONS FOR CORRECTIVE ACTION, ARMY POSITION, AND ACTIONS TAKEN:

RECOMMENDATION 1. We recommend that the Commander, Army Materiel Command (AMC), and the Commander, Air Force Materiel Command (AFMC), promptly develop and sign a joint transition plan to ensure a smooth transfer of the common-use ground-communications electronics maintenance mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot.

ARMY POSITION. Concur.

ACTION TAKEN. AMC and AFMC drafted a comprehensive transition plan of over 400 pages containing detailed timelines and equipment lists for each system being transferred.

TARGET DATE. If joint staffing of the draft plan occurs in early May as scheduled, we expect AMC and AFMC signature by July 1998.

RECOMMENDATION 2. We recommend that the Commander, Army Materiel Command, refer to the Deputy Under Secretary of Defense (Industrial Affairs and Installations) for resolution of any disputes concerning Defense Base Realignment and Closure funding for transferring the common-use ground-communications electronics maintenance mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot.

ARMY POSITION. Concur with the intent of the recommendation. However, AMC must coordinate with the Army Staff and Army Secretariat before referring disputes to the Deputy Under Secretary of Defense (Industrial Affairs and Installations) for resolution.

Department of the Air Force Comments



Office of the Assistant Secretary

DEPARTMENT OF THE AIR FORCE

WASHINGTON, DC

29 May 1998

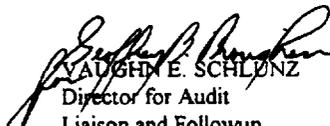
MEMORANDUM FOR OAIG/AUD

FROM: SAF/FMPF

SUBJECT: Management Comments for DoDIG Draft Report: Base Realignment and Closure
Transfer of Common-Use Ground Communications Electronics Maintenance
Mission from the Sacramento Air Logistics Center to the Tobyhanna Army Depot,
(Project 8LB-5002)

The attached memo provides management comments for the subject draft audit report..

The SAF/FMPF point of contact is Mr. Dave Sapp or Geoff Brougham, Room 4C-228,
697-6052/ 693-7142, Fax 614-5809, e-mail broughag@af.pentagon.mil.


VAUGHN E. SCHLUNZ
Director for Audit
Liaison and Followup
(Financial Management)

Attachment:
AF/ILMM Memo, 29 May 1998



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

MEMORANDUM FOR SAF/FMPF

29 MAY 1998

FROM: AF/ILMM

SUBJECT: DoD-IG Draft Audit Report on Base Realignment and Closure Transfer of the
Common-Use Ground-Communications Electronics Maintenance Mission from
Sacramento Air Logistics Center to the Tobyhanna Army Depot (Project No. 8LB-
5002)

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.

We have carefully reviewed this report and concur with its recommendations. The joint (Air Force and Army) transition plan will be completed and signed in July 1998. We continue to have technical issues with some of the audit's findings. While these have no bearing on our acceptance of the recommendations, we wish to make our comments (atch) part of our official response to the audit, and encourage their incorporation into the final report. These comments provide detailed explanations of the issues addressed in the report. We believe that they provide a more accurate assessment of the Ground Communication-Electronics transfer to Tobyhanna Army Depot and thereby enhance the accuracy of the report.

Handwritten signature of Edward C. Koenig.

EDWARD C. KOENIG
Senior Analyst, Maintenance Management Division
D/Maintenance, DCS/Installations & Logistics

Attachment:
USAF Comments

TYADILenmo05/28/982.24 PM

Air Force Comments
Draft DODIG Audit on Ground Communications Electronics (GCE)
transfer from SM-ALC to TYAD

1. Reference: page 2, paragraph 3, sentence 1.

Issue: The Air force disagrees with stating the Commission directed the DoD Joint Cross Service Group (JCSG) on what to include in category 7 equipment. The JCSG, composed of representatives from each Service, determined the composition of all depot maintenance categories (including category 7) without any involvement or direction by the BRAC commission.

Recommendation: Change the sentence to reflect the Commission's actual findings and recommendations: "The Commission directed McClellan common-use ground communication/electronics maintenance work be transferred to Tobyhanna Army Depot, Pennsylvania." (Commission Findings and Recommendations, chapter 1, page 1-85)

2. Reference: page 4, paragraph 1, sentence 3.

Issue: We disagree that delays were caused by the lack of a formal transition plan or the initial lack of a memorandum of agreement. The BRAC Commission did not specify a time frame for starting the GCE move. Per guidance from the 30 January 96 DDMC meeting, Agreements and Assignments, "This consolidation will be accomplished by the year 2001." Following this direction, the Air Force/Army IPT held their initial planning meeting 16 July 1996. In January 1997, the Air Force and Army presented a plan to transfer the work over a three-year period. In March 1997 the DDMC issued a decision that the capability would transfer over three years starting in FY98. In March 1997, the Air Force/Army IPT met and agreed to transfer specific systems in each of the directed transfer years. In May 1997, the DDMC approved the Air Force/Army plan. In June 1997 an Air Force and Army planning team met to develop system-specific timelines for each system moving in FY98. At this time, all the systems planned for transfer in FY98 have been transferred except one. The timeline for that system schedules the equipment movement in July 1998.

Recommendation: Delete referenced sentence.

3. Reference: page 4, paragraph 1, sentence 4.

Issue: We disagree that the nonavailability of BRAC funds was an additional delay. While the Air Force/Army timelines established a start date for the movement of some required test equipment early October, the DoD authorization process did not make funds available at SM-ALC until 27 October 1997.

Recommendation: Change the sentence to read: "Additional delays were a result of the normal funds authorization process."

4. Reference: page 4, paragraph 4.

Issue: Air Force disagrees the memorandum of agreement (MOA) establishes "...the rate of transfer of the maintenance mission." The rate of transfer was established in the Air Force and Army transition plan and approved by the DDMC in March 1997. The MOA is a personnel/manpower agreement intended to ensure the availability of skilled personnel to transfer with the systems. It identifies authorizations and work-years transferring from Air Force to Army and procedures to be used to transfer Air Force personnel. Strictly speaking, the MOA transfer capability, not workload. The actual workload will depend upon TYAD's negotiation with the Service's using commands to satisfy their GCE depot maintenance requirements.. In Addition, changes to the DoD force structure ultimately affect the level of depot workload which will be accomplished at TYAD.

Recommendation: Change paragraph 4 to read, "A memorandum of agreement (MOA) between the Army and Air Force dated June 12, 1997, amended October 14, 1997, was developed to augment the Transition Plan and reduce opportunity for a negative impact on readiness by providing a method and a process for TYAD to hire personnel with system specific skill and experience from SM-ALC. It established the transfer of 825 authorizations over the three-year period of the transition. It facilitated the requirement to transfer skilled personnel to TYAD to ensure orderly transition of GCE capability."

5. Reference: Page 5, 2nd full paragraph , sentence 5.

Issue: We disagree that the MOA called for equipment to move on October 1. The MOA is a personnel/manpower document. In the MOA, the Air Force and Army agreed personnel would move in conjunction with dates described in each system timeline. This was done to ensure experienced personnel were moved when the system capability was transferred.

Recommendation: Delete sentence 5.

6. Reference: page 5, 2nd full paragraph , sentence 6.

Issue: We disagree that Tobyhanna and Sacramento agreed the equipment transfer would begin on October 1, 1997. In the planning meetings, Sacramento expressed concern about funds being available on October 1 due to the normal DoD authorization process. This concern contributed to the reluctance to coordinate on FY98 system timelines. The overall plan, approved by the DDMC, identified systems to move in FY98. As soon as funds became available, equipment was shipped.

Recommendation: Change sentence 6: "Tobyhanna and Sacramento agreed the transfer would begin in FY98."

7. Reference: page 5, 3rd full paragraph, sentences 6 and 7.

Issue: The documentation and discussion provided to the auditors during their visit included the SM-ALC closure strategy. The Air Force is not pursuing any privatization efforts, as the draft report indicates. The Air Force, in concert with the Army, proposed to the DDMC in January 1997 a three-year transition plan. In March 1997, the DDMC approved this approach with a start date of FY98.

Recommendation: Delete sentences 6 and 7.

8. Reference: page 5, 3rd full paragraph, sentence 8.

Issue: The report states funding for construction projects was delayed due to delays in development of a transition plan and MOA. The Air Force disagrees that funding for construction projects was delayed. In June 1996, \$13.6 M was programmed in the FY99 BRAC MILCON budget to handle all construction requirements. The DDMC decision to transfer this work over three years, starting in FY98 instead of FY01, drove a budget-reprogramming requirement. Since the reprogramming of MILCON could not occur in time to meet the FY98 time frame, Air Force and Army agreed to an alternate construction execution strategy. Within 30 days of this agreement, Air Force sent \$1.14M in P&D funds to Corps Of Engineers (COE). The following timeline accurately reflects the construction project evolution:

Jun 96	- Programmed FY99 MILCON as a single effort in FY01
13 Mar 97	- DDMC approved the three-year transition plan, FY98-00 - Required MILCON reprogramming
06 May 97	- Air Force/Army team agreed a restructure of construction projects which reduced - the MILCON reprogramming requirements to \$2.5 M
23 May 97	- Proposal to use O&M and MILCON sent to Army
19 June 97	- Army counter proposal which included a \$2M increase to MILCON - Reprogramming requirement changed to \$4.5 M
Jul 97	- \$1.14M in P&D sent to COE
14 Jul 97	- AF sent \$169K of Minor Construction funds to Tobyhanna
28 Jul 97	- COE requested \$ 835K in additional P&D
03 Sep 97	- AF sent \$15K of Minor Construction to Tobyhanna
24 Nov 97	- AF sent \$8.48 M to COE for construction execution - AF received details for additional P&D from Tobyhanna
16 Dec 97	- AF met with COE and validated \$400K of the additional requirement
Jan 98	- AF sent \$400K in additional P&D to COE
17 Feb 98	- Request from Army for increase in MILCON from \$4.5M to \$5.7 M

Recommendation: Delete sentence 8.

9. Reference: page 5, 3rd full paragraph, sentence 9.

Issue: We disagree that the initiative to privatize in place was dependent on the National Defense Authorization Act. The Air Force has been pursuing a public/private competition strategy since August 1996, not privatization.

Recommendation: Delete sentence 9.

10. Reference: page 6, paragraph 1, sentence 5.

Issue: We disagree that any initiatives were taken to retain GCE maintenance work within the Air Force. Depot maintenance work performed in the GCE industrial complex includes non-GCE workloads. The only initiative taken to retain work was for non-GCE workloads (for example, Navy Hospital Shelters, Transportable Blood Shelters and Marine Photo Processing Vans). Also, this non-GCE workload is temporary, not tied to SM-ALC, or any depot. The referenced contained in JCSG Commodity Category 14.

Recommendation: Delete sentence 5.

11. Reference: page 6, paragraph 3, sentence 1.

Issue: We disagree that the lack of an MOA delayed the transition. The decision to accomplish a three-year transition was made in March 1997. Immediately, the Air Force/Army IPT met to identify which systems would move in which years. The FY98 system specific planning was accomplished starting in June 1997 and the Air Force began moving the equipment in November 1997.

Recommendation: Delete the sentence.

12. Reference: Page 6, paragraph 3, sentence 5

Issue: The last sentence in paragraph 3 states "The more than two years it took to establish an MOA affected the hiring and training of personnel to transfer with the maintenance mission." The hiring and training of personnel was not delayed nor adversely impacted by lack of a MOA. Early discussions with the Army on ways to fill the Tobyhanna positions included a discussion on filling the Tobyhanna positions immediately through the DoD Priority Placement Program. While this method of filling the positions was not considered optimal for either the Army or Sacramento, it was an option considered in a timely fashion. The development of the MOA was contingent upon approval by the DDMC of the 3 year FY98-00 transition of work. Development of the MOA began shortly after this decision was made and the filling of positions began soon after the final MOA was signed.

Recommendation: Change paragraph 3 to read as follows: "An MOA was established shortly after the approval of the 3 year FY98-00 transition by the DDMC. The MOA established the yearly number of billets to be transferred, the means of hiring the Sacramento employees by Tobyhanna, and the responsibilities of the Army and the Air Force for the orderly and timely transfer of the GCE maintenance mission. The MOA was officially signed on June 12, 1997 and amended

October 14, 1997. Soon after the establishment of the MOA, the process of hiring and training of personnel began.”

13. Reference: page 6, paragraph 4, sentences 2 and 6.

Issue: Air Force disagrees there were delays in budgeting for BRAC construction funds to be used for Tobyhanna (see item 12). The report states budgeting for construction projects was delayed due to delays in development of a transition plan and MOA. Construction budgeting was never tied to a formal transition plan or MOA and was never delayed. The original construction estimate was included in the Air Force budget for FY99 within 90 days of the original site survey. After the DDMC approved the three-year transition plan, the Air Force proposed a new construction execution strategy within 60 days.

Recommendation: Delete sentence 2. Add at the end of sentence 6: “became available on 27 October 97.”

14. Reference: Page 8, 2nd full paragraph, sentence 1.

Issue: USAF disagrees that SM-ALC resisted providing data to Tobyhanna. During this time, Tobyhanna ordered and received available technical orders through the official Air Force Technical Data System. At the time of the audit visit they had ordered 3,232 and received 2,988.

Recommendation: Change the sentences to read: “For about 2 years after the 1995 BRAC report was issued until a formal MOA was signed by the Army and the Air Force, Sacramento provided only the official Air Force technical orders required for repair to Tobyhanna.”

15. Reference: page 9, paragraph 4, sentence 1.

Issue: USAF disagrees with the number 27 which is a number greater than the number of construction projects the Army identified to the Air Force for purposes of this report.

Recommendation: Change “27” to “23” construction projects.

16. Reference: page 9, paragraph 4, sentence 6.

Issue: USAF disagrees “... the planning and design costs amounted to about 13 percent of total construction cost.” The figure provided the DoD IG was 14.7 percent.

Recommendation: Change the percentage to 14.7.

17. Reference: page 9, paragraph 5, sentence 2,3, and 4.

Issue: We disagree with the impression that the Air Force failed to support timely transfer of the GCE capability. The DDMC directed AFMC to begin moving the GCE workload in FY98. USAF supports the 20/40/40 plan agreed to by the Army and approved by the DDMC.

Recommendation: Delete sentence 2, 3 and 4 and replace with: "The systems scheduled to transfer in FY98 did not begin to move to Tobyhanna until November 1997 because funds were not available to move the required equipment."

18. Reference: page 10, paragraph 1.

Issue: USAF disagrees that uncertainties concerning privatization, lack of a transition plan or lack of an MOA have delayed the GCE transition. See previous items 6 and 17.

Recommendation: Change sentence 1 to read: "The March 1997 DDMC decision to phase the transition over three years starting in FY98, focused the Air Force and Army on the logistics planning required to accomplish the transition of the GCE maintenance work from Sacramento to Tobyhanna."

19. Reference: Page 4 paragraph 1; page 6, paragraph 4; page 9, paragraphs 2, and 4 ; page 9 paragraph 5 sentence 1; page 10 paragraph 1.

Issue: This report states several times that nonavailability of BRAC funds is a concern of the Army and that funds were not available in October 1997 to accomplish the initial portion of the GCE maintenance mission that was scheduled to be transferred to Tobyhanna Army Depot (TYAD).

Comment: That the report take into consideration what it cites on page 5, 2nd full paragraph, "The actual transfer did not begin until November 16, 1997, because BRAC funds were not available to pay for the move until the National Defense Authorization Act for FY 1998 was passed." What is not explicitly stated is that the plan to transfer the GCE maintenance mission to TYAD must accommodate the schedule for Congressional action to appropriate the BRAC funds. The plan to transfer the workload must also allow for the ensuing steps necessary to get the funding to its ultimate destination. These steps involve the Treasury issuing warrants, OSD processing those warrants and issuing funds to Air Staff, Air Staff issuing the funds to HQ AFMC and HQ AFMC releasing the funds to the field. It is rare that BRAC funding is available in early October of a particular fiscal year because of the above process.

Audit Team Members

This report was prepared by the Readiness and Logistics Support Directorate,
Office of the Assistant Inspector General for Auditing, DoD.

Shelton R. Young
Raymond D. Kidd
John A. Gannon
Joseph M. Austin
Robert W. Smith
Marc E. Avers

