

Inspector General

United States
Department of Defense



American Recovery and Reinvestment Act of 2009 -
Minot Air Force Base Facility and Construction Projects

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Acronyms and Abbreviations

AFB	Air Force Base
ECIP	Energy Conservation Investment Program
FAR	Federal Acquisition Regulation
FBO	Federal Business Opportunities
FPDS	Federal Procurement Data System
FSRM	Facilities Sustainment, Restoration, and Modernization
HVAC	Heating, Ventilating, and Air Conditioning
MILCON	Military Construction
OMB	Office of Management and Budget
USACE	U.S. Army Corps of Engineers



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September 24, 2010

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/
CHIEF FINANCIAL OFFICER
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
COMMANDING GENERAL, U.S. ARMY CORPS OF
ENGINEERS

SUBJECT: American Recovery and Reinvestment Act of 2009—Minot Air Force Base
Facility and Construction Projects (Memorandum No. D-2010-RAM-021)

This memorandum provides results from our audit of selected American Recovery and Reinvestment Act projects at Minot Air Force Base, North Dakota. The audit included an analysis of support provided by the U. S. Army Corps of Engineers—Omaha District. We determined that Minot Air Force Base and U.S. Army Corps of Engineers—Omaha District personnel properly planned, justified, and contracted for seven Recovery Act projects.

We will continue to review DOD's progress and issue subsequent reports and memoranda that will discuss our evaluation of DOD's implementation of the American Recovery and Reinvestment Act. We are making no recommendations and do not require a written response. Therefore, we are publishing this memorandum in final form.

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-9201 (DSN 664-9201).

A handwritten signature in black ink, reading "Richard B. Jolliffe", is positioned above the typed name.

Richard B. Jolliffe
Assistant Inspector General
Acquisition and Contract Management



Results in Brief: American Recovery and Reinvestment Act of 2009—Minot Air Force Base Facility and Construction Projects

What We Did

Our audit objective was to review the planning, funding, contracting, and initial execution of seven American Recovery and Reinvestment Act of 2009 (Recovery Act) projects at Minot Air Force Base to determine whether the Air Force complied with Recovery Act requirements, Office of Management and Budget guidance, the Federal Acquisition Regulation, and DOD implementing guidance. The audit also included an analysis of support provided by the U.S. Army Corps of Engineers (USACE)—Omaha District.

What We Found

- Minot Air Force Base and USACE—Omaha District personnel properly justified and adequately planned a Military Construction Recovery Act project for a 168-room dormitory with an estimated cost of \$28.3 million.
- USACE—Omaha District contracting personnel properly solicited, competed, and awarded the dormitory contract; and Minot Air Force Base contracting personnel did the same for five Facilities Sustainment, Restoration, and Modernization Recovery Act projects.
- For one energy conservation investment project, Minot Air Force Base personnel could have improved transparency by publicly disclosing their rationale for awarding a \$3.25 million sole-source contract. Management corrected the oversight.

- Air Force and USACE contracting personnel properly distributed Recovery Act funding for the dormitory project; the five Facilities Sustainment, Restoration, and Modernization Recovery Act projects; and the energy conservation investment project.

What We Recommended

This report contains no recommendations.

Management Comments

The Air Force provided comments on a discussion draft of this report.

Figure 1. Contractor's Concept of the 168-Room Dormitory at Minot Air Force Base



Source: U.S. Army Corps of Engineers—Omaha District

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Introduction

Audit Objectives

The primary objective of the audit was to determine whether DOD and its Components were planning and implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act) by meeting the requirements in the Recovery Act, Office of Management and Budget (OMB) Memorandum M-09-10, “Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009,” February 18, 2009, and subsequent related guidance. For this audit, we reviewed the planning, funding, contracting, and initial execution of Facilities Sustainment, Restoration, and Modernization (FSRM); Energy Conservation Investment Program (ECIP); and Military Construction (MILCON) projects at Minot Air Force Base (AFB), North Dakota, to determine whether the efforts of the Air Force and Army Corps of Engineers complied with Recovery Act requirements, OMB guidance, the Federal Acquisition Regulation (FAR), and DOD implementing guidance. See Appendix A for a discussion of our scope and methodology.

Recovery Act Background

The President signed the Recovery Act into law on February 17, 2009. It is an unprecedented effort to jump-start the economy and create or save jobs.

The purposes of this Act include the following:

- (1) To preserve and create jobs and promote economic recovery.
- (2) To assist those most impacted by the recession.
- (3) To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
- (4) To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
- (5) To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases

... the heads of Federal departments and agencies shall manage and expend the funds made available in this Act so as to achieve the purposes specified . . . including commencing expenditures and activities as quickly as possible consistent with prudent management.

Recovery Act Requirements

The Recovery Act and implementing OMB guidance require projects to be monitored and reviewed. We grouped these requirements into the following four phases: (1) planning, (2) funding, (3) execution, and (4) tracking and reporting. The Recovery Act requires that projects be properly planned to ensure the appropriate use of funds. Review of the funding phase is to ensure the funds were distributed in a prompt, fair, and reasonable manner. Review of the project execution phase is to ensure that contracts awarded with Recovery Act funds were transparent, competed, and contain specific FAR clauses; that Recovery Act funds were used for authorized purposes; and that instances of fraud, waste, error, and abuse were mitigated. Review of the execution phase also ensures that

program goals were achieved, including specific program outcomes and improved results on broader economic indicators; that projects funded avoided unnecessary delays and cost overruns; and that contractors or recipients of funds reported results. Review of the tracking and reporting phase ensures that the recipients' use of funds was transparent to the public and that benefits of the funds were clearly, accurately, and timely reported.

Recovery Act Contracting Requirements

The Recovery Act establishes transparency and accountability requirements. Federal Acquisition Circular 2005-32, March 31, 2009, provides policies and procedures for the Government-wide implementation of the Recovery Act and guidance on special contract provisions. Federal Acquisition Circular 2005-32 amended the FAR and provided interim rules that made FAR solicitation provisions and contract clauses immediately available for inclusion in contracts for Recovery Act work.

The specific FAR Recovery Act requirements are for:

- buying American construction material,
- protecting contractor whistleblowers,
- publicizing contract actions,
- reporting, and
- giving the Government Accountability Office and agency Inspectors General access to contracting records.

Federal Government organizations meet requirements for Recovery Act contract actions by posting information on the Federal Business Opportunities (FBO) and Federal Procurement Data System (FPDS) Web sites. FAR Subpart 5.7, "Publicizing Requirements Under the American Recovery and Reinvestment Act of 2009," directs contracting officers to use the Government-wide FBO Web site (<http://www.fbo.gov>) to:

- identify the action as funded by the Recovery Act,
- post pre-award notices for orders exceeding \$25,000,
- describe supplies in a clear narrative to the general public, and
- provide the rationale for awarding any contracting actions that were not both fixed-price and competitive.

FBO is the Federal Government's central source of Federal procurement opportunities. FBO is a Web-based portal that allows agency officials to post Federal procurement opportunities and contractors to search and review those opportunities. Agencies also post contract award notices on FBO. In addition, to provide transparency, FBO has a separate section identifying Recovery Act opportunities and awards.

FPDS is the Federal Government's central source of procurement information. Contracting officers enter information, to include the Treasury Account Symbol, in the FPDS for all Recovery Act contract actions. The Treasury Account Symbol enables FPDS to provide transparency by generating and posting a report containing all Recovery Act contract actions.

OMB Recovery Act Guidance

Criteria for planning and implementing the Recovery Act continue to change as OMB issues additional guidance, and DOD and the Components issue their implementation guidance. OMB has issued 10 memoranda and 1 bulletin to address the implementation of the Recovery Act. See Appendix B for Recovery Act criteria and guidance.

DoD Recovery Act Program Plans

Under the Recovery Act, Congress appropriated approximately \$12 billion to DOD for the following programs: Energy Conservation Investment, FSRM, Homeowners Assistance, MILCON, Near Term Energy-Efficient Technologies, and U.S. Army Corps of Engineers (USACE) Civil Works.

The values of the six programs are shown in the following table.

Table 1. DOD Agency-Wide and Program-Specific Recovery Act Programs

Program	Amount (in millions)
Energy Conservation Investment	\$120
Facilities Sustainment, Restoration, and Modernization	4,260
Homeowners Assistance	555
Military Construction	2,185
Near Term Energy-Efficient Technologies	300
U.S. Army Corps of Engineers Civil Works	4,600
Total	\$12,020

The Recovery Act divides the approximately \$12 billion among 32 DOD and USACE line items of appropriations.

Minot Air Force Base

Minot AFB, in North Dakota, is home to two major Air Force units—the 5th Bomb Wing and the 91st Missile Wing. The 5th Bomb Wing is an Air Combat Command unit and host wing, and the 91st Missile Wing is a component of Air Force Space Command. In 2009, the 91st Missile Wing transitioned to the Air Force Global Strike Command, and the 5th Bomb Wing followed suit on February 1, 2010. Accordingly, the 5th Bomb Wing is responsible for administering Recovery Act facilities projects at Minot AFB. The Air Combat Command will provide funding and contracting support until the end of the fiscal year 2010.

Minot Recovery Act Appropriated Projects

On May 15, 2009, DOD assigned 20 Recovery Act projects with an estimated cost of \$47.5 million to Minot AFB as stated in DOD Agency-Wide and Program-Specific Recovery Act Program Plans. At the time of our audit, the 5th Bomb Wing administered 18 FSRM projects with an estimated cost of \$16.1 million and an ECIP project with an estimated cost of \$3.07 million. The USACE–Omaha District administered the MILCON dormitory project with an estimated cost of \$28.3 million. On December 24, 2009, the Principal Deputy Under Secretary of Defense (Comptroller) notified Congress that the Air Force added a second Air Force MILCON Recovery Act dormitory project at Minot AFB. The Air Force budgeted the second dormitory project at \$22 million. The USACE–Omaha District also administered this project.

We reviewed five Minot FSRM projects, valued at \$5.29 million; the initial dormitory project; and the ECIP project.

U.S. Army Corps of Engineers–Omaha District

USACE provide vital public engineering services in peace and war to strengthen our Nation's security, energize the economy, and reduce risks from disasters.

Review of Minot AFB and U.S. Army Corps of Engineers–Omaha District Internal Controls

Minot AFB and USACE–Omaha District internal controls over the planning, funding, contracting, and initial execution of the seven Minot AFB Recovery Act projects reviewed were effective as they applied to the audit objectives.

Proper Planning, Funding, and Execution of Seven Recovery Act Projects

Minot AFB and USACE–Omaha personnel properly justified and adequately planned all Seven Recovery Act projects we reviewed. They also properly competed and awarded the contracts, and the contracts contained the required Recovery Act FAR clauses. Minot AFB personnel and USACE–Omaha personnel properly solicited and awarded contracts for a 168-room dormitory troop housing MILCON project and for the five FSRM projects reviewed (see Table 2) totaling \$27.4 million. However, for the ECIP project, Minot AFB personnel could have improved transparency by publicly disclosing the rationale for awarding a \$3.25 million sole-source contract.

Recovery Act Projects We Selected for Review

We reviewed seven Minot AFB Recovery Act projects. Table 2 lists the Minot AFB projects reviewed.

Table 2. Minot AFB Recovery Act Projects

Contract Number	Project No.	Project Title	Award Date	Recovery Act Amount	Award Amount
W9128F-09-C-0037	QJVF-07-2003	MILCON: Dormitory (168 Rooms)	8/25/2009	\$28,300,000	\$18,860,497
FA4528-10-D-3001	QJVF-06-6016	ECIP: Repair Missile Alert Facilities Heating, Ventilation, and Air Conditioning (HVAC)	4/30/2010	\$3,250,000*	\$3,250,000
FA4528-09-C-3003	QJVF-05-0088	FSRM: Repair Lift Station 2112 – Family Housing	4/15/2009	\$450,000	\$423,141
FA4528-08-D-3003	QJVF-10-6000	FSRM: Cathodic Protection System	4/17/2009	\$646,000	\$593,900
FA4528-09-C-3008	QJVF-07-0079	FSRM: Repair Electrical Feeder-Dorms	4/24/2009	\$1,163,000	\$748,106
FA4528-09-C-3010	QJVF-05-0063	FSRM: Repair HVAC Bldg 445	5/8/2009	\$1,374,000	\$1,038,000
FA4528-09-C-3009	QJVF-09-0076	FSRM: Repair Skid Row Pavements	7/31/2009	\$1,585,000	\$2,487,500

*Recovery Act funded estimate of \$3,250,000 was originally \$3,074,000

Military Construction Dormitory Project

The Air Force budgeted the Minot dormitory project with \$28.3 million of Recovery Act MILCON funding. On August 25, 2009, USACE contracted for the dormitory at \$18,860,497, which included \$18,007,710 for primary facility construction and \$852,787 for options, including supporting facilities such as utilities, pavement, demolition, asbestos removal, and landscaping.

Dormitory Project Planning and Estimation

Minot AFB personnel initially overestimated the cost of the 168-room dormitory Recovery Act project. The dormitory's projected \$18.86 million contract value was 34 percent less than the Air Force-approved estimate of \$28.3 million. The Air Force overestimate was partially attributable to a \$5.4 million supporting facilities cost variance caused by:

- lack of initial design-specific requirements for the supporting facilities,
- lack of an authorization threshold for a supporting facilities estimating limit, and
- double-counting most utility requirements in the cost estimate of the primary facility and the supporting facilities.

However, USACE–Omaha personnel properly revised the Air Force dormitory project estimate before soliciting and awarding the contract.

Minot AFB and USACE–Omaha District personnel maintained supporting documentation for the validity of the reviewed projects. Minot AFB and USACE–Omaha District maintained appropriate work requests and funding request documents in the project or contract files. Specifically, the Air Force properly documented requirements on the Department of Defense Form 1391, “Military Construction Project Data,” for 168 rooms, including a total area of 6,384 square meters and a unit cost of \$2,786 per square meter for the primary facility. The 168-room requirement was a valid request to help reduce a projected Minot AFB space deficit of more than 800 rooms. The total area request was valid because Air Force personnel calculated the total area at 168 rooms multiplied by 38 square meters, which equaled the Air Force’s DD 1391 MILCON request of 6,384 square meters for “Primary Facilities.” The Air Force *Unaccompanied Housing Design Guide* allows a maximum of 33 square meters per (private) room and an extra 5 square meters per room for sub-arctic climates or specifically a “harsh climate” as defined by Air Force Instruction 32-6002, “Family Housing Planning, Programming, Design, and Construction.” The unit cost data of \$2,786 per square meter was acceptable because Air Force personnel used the *Air Force Cost Handbook* and *United Facilities Code* as the basis for the estimate. Also, USACE’s cost estimate (based on Tri-Services Automated Cost Engineering Systems Microcomputer Aided Cost Engineering System 2nd Generation) and the contract award had approximate values. We concluded that the 168-room dormitory project had a valid requirement, a valid total area per room requirement, and an acceptable cost per area unit estimate for the primary facility.

Dormitory Project Funding and Contracting

Air Combat Command personnel properly distributed the MILCON funds for the Dormitory project at Minot AFB and appropriately routed the funds to the USACE–Omaha District. USACE–Omaha personnel solicited and provided contract notice for the dormitory project to the public by posting required information on the FBO Web site. USACE–Omaha District personnel also included the required FAR clauses in the awarded dormitory Recovery Act contract. The dormitory solicitation was competed and resulted in a fixed-price-type contract.

Facilities Sustainment, Restoration, and Modernization Projects

Minot AFB personnel properly planned and justified the five selected FSRM Recovery Act projects and properly distributed Recovery Act funds to the 5th Bomb Wing for the FSRM projects.

FSRM Projects Planning and Estimation

Minot AFB civil engineering and contracting personnel properly planned and justified the five selected FSRM Recovery Act projects. The FSRM projects had valid requirements to ensure the appropriate use of funds. Minot AFB maintained supporting documentation, including appropriate work request and funding request documents for the reviewed projects. Therefore, the planning for the Minot AFB projects selected for review complied with the intent of the Recovery Act.

FSRM Projects Funding and Contracting

Air Combat Command and Air Force Space Command personnel properly distributed Recovery Act funds to the 5th Bomb Wing for the FSRM projects reviewed. Minot AFB personnel solicited and provided contract notice for FSRM projects to the public by posting required information on the FBO Web site. In addition, Minot AFB met Recovery Act goals by fostering competition and promptly awarding FSRM contract actions. For example, Minot AFB contracting personnel began awarding FSRM contracts for Recovery Act projects immediately after the receipt of Recovery Act funds. The FSRM solicitations were competed and resulted in fixed-price-type contracts. In addition, Minot AFB installation contracting personnel included the required FAR clauses in the awarded FSRM Recovery Act contracts reviewed as noted in Table 3.

Table 3. Required Recovery Act FAR Clauses

FAR Clauses	QJVF-05-0088	QJVF-10-6000	QJVF-05-0063	QJVF-07-0079	QJVF-09-0076
52.203-15	Yes	Yes	Yes	Yes	Yes
52.204-11	Yes	Yes	Yes	Yes	Yes
52.215-2	Yes	Yes	Yes	Yes	Yes
52.222-6	Yes	Yes	Yes	Yes	Yes
52.225-21	Yes	Yes	Yes	Yes	Yes
52.225-22	Yes	N/A	Yes	Yes	Yes
52.225-23	N/A	N/A	N/A	N/A	N/A
52.225-24	N/A	N/A	N/A	N/A	N/A
52.244-6	Yes	Yes	N/A	Yes	N/A

Energy Conservation Investment Program Project

The Minot AFB ECIP project was to repair the Missile Alert Facilities heating, ventilation, and air conditioning (HVAC) systems. The Recovery Act initially funded the project for \$3,074,000, but the project required \$176,000 of additional funding. USACE–Omaha initially managed the Minot AFB ECIP project before Minot AFB personnel decreased the scope of the project and increased the funding request to \$3.25 million.

ECIP Project Planning and Estimation

The FY 2009 Air Force-approved DD Form 1391 noted that the ECIP Recovery Act project was to replace an inefficient oil-fired HVAC system with highly efficient ground-source heat pumps. It also noted that an economic analysis performed on the project resulted in a savings-to-investment ratio of 2.06 and a simple payback period of 8.55 years, with an annual savings of 9,109 million British thermal units and \$83,546 per year. These results met the applicable ECIP standards, such as a minimum ECIP savings-to-investment ratio of 1.25 and a maximum project payback period of 10 years, which was included in a March 1993 Office of Assistant Secretary of Defense Memorandum, “Energy Conservation Investment Program Guidance.” These results also met the energy savings disclosure requirements in DoD Instruction 4170.11, “Installation Energy Management,” November 22, 2005.*

ECIP Project Funding and Contracting

USACE contracting personnel stated that USACE–Omaha personnel solicited bids for the Minot ECIP project on March 12, 2009. USACE–Omaha personnel received two contractor proposals in April 2009, but neither was within the range of the \$3.074 million Recovery Act funding. On May 29, 2009, USACE canceled the project, and it was

* The updated DoD Instruction 4170.11, December 11, 2009, continues to require a minimum ECIP savings-to-investment ratio of 1.25 and an implementation goal for projects with a payback period of less than 10 years (with exceptions).

returned to Minot AFB. Minot AFB officials planned to award a contract as a sole-source 8(a) set-aside. On October 29, 2009, Minot AFB posted the project opportunity notice on the FBO Web site and updated the FBO Web site on January 22, 2010. Both postings informed contractors that Minot AFB intended to award the contract to a sole-source contractor. Minot AFB and the contractor did not agree to a contract for the original \$3.074 million Recovery Act funded amount and the original scope of work.

ECIP Project Funding Revision

On April 6, 2010, the Principal Deputy Under Secretary of Defense (Comptroller) notified Congress of a revision to the Minot AFB ECIP project funding and scope. DOD added \$176,000 in ECIP project funding derived from bid savings on other Defense-wide MILCON projects, making \$3.25 million available for the Minot AFB project. The revision also noted a reduction in the ECIP project application from 15 to 10 Minot AFB sites. The congressional notification stated that the reduction in sites, from 15 to 10, was a result of higher than expected contractor costs resulting from technology costs that exceeded original estimates.

ECIP Sole-Source Contract Award Lacked Public Rationale

On April 30, 2010, Minot AFB officials issued a task order in the amount of \$3,250,000, which represents Recovery Act funded amount, against indefinite delivery, indefinite quantity contract FA4528-10-D-3001, valued at \$6,500,000, for an 8(a) set-aside. This particular set-aside was not competed. We concluded that Minot and the USACE-Omaha properly planned the project and that the project had valid requirements to ensure the appropriate use of funds. However, Minot AFB personnel did not fully execute, according to FAR 5.705(b), ~~“Publicizing-post-award,”~~ the requirement to post the rationale to the FBO Web site in situations in which a contract award occurs without competition. Minot AFB personnel corrected the oversight as of August 17, 2010, by stating in the FBO Web site, with the authority of FAR 19.8(b) and 6.302-5(b)(4), that no reasonable expectation existed that at least two eligible and responsible 8(a) firms would submit offers.

Tracking and Reporting

We did not review the tracking and contractor reporting of the contracts because, at the time of our review, OMB’s recipient reporting requirements were not in effect. We will review the reporting of selected Air Force Recovery Act actions in future reports.

Appendix A. Scope and Methodology

We conducted this audit from August 2009 through September 2010 in accordance with generally accepted government auditing standards. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Scope

We selected seven Minot AFB Recovery Act projects to review. One of the 7 projects, the 168-room dormitory, was 1 of 83 DoD-wide high-risk Recovery Act projects identified through use of the modified Delphi technique as noted below.

We visited Minot AFB, North Dakota, for the FSRM, ECIP, and MILCON projects and visited USACE-Omaha District for the MILCON project. Our review included interviewing Air Force personnel at the Minot AFB, 5th Contracting Squadron, and the 5th Civil Engineer Squadron. We interviewed contract and program personnel at the USACE-District office. At both locations, we reviewed requirements and contracting and financial documentation from August 2009 through July 2010. We used this supporting documentation to determine whether contract solicitations and awards met OMB, FAR, and DOD Recovery Act implementation and transparency requirements.

Methodology

Our overall audit objective was to evaluate DOD's implementation of plans for the Recovery Act of 2009. To accomplish our objective, we audited the planning, funding, and execution of Recovery Act projects to determine whether efforts of the 5th Bomb Wing at Minot AFB, North Dakota, and USACE–Omaha District complied with Recovery Act requirements, OMB guidance, the FAR, and DOD implementing guidance. Specifically, we determined whether:

- the selected projects were adequately planned to ensure the appropriate use of Recovery Act funds (Planning);
- funds were awarded and distributed in a prompt, fair, and reasonable manner (Funding); and
- contracts contained required Recovery Act FAR clauses (Project Execution);
- projects avoided unnecessary delays and cost overruns (Project Execution); and
- recipients' use of funds was transparent to the public and the benefits of the funds were clearly, accurately, and timely reported (Reporting).

Before selecting DOD Recovery Act projects for audit, the Quantitative Methods and Analysis Division of the DOD Office of Inspector General analyzed all DOD agency-funded projects, locations, and contracting oversight organizations to assess the risk of

waste, fraud, and abuse associated with each. We selected most audit projects and locations using a modified Delphi technique, which allowed us to quantify the risk based on expert auditor judgment, and other quantitatively developed risk indicators. We used information collected from all projects to update and improve the risk assessment model. We selected 83 projects with the highest risk rankings; auditors chose some additional projects at the selected locations.

We did not use classical statistical sampling techniques that would permit generalizing results to the total population because there were too many potential variables with unknown parameters at the beginning of this analysis. The predictive analytic techniques employed provided a basis for logical coverage not only of Recovery Act dollars being expended, but also of types of projects and types of locations across the Military Services, Defense agencies, State National Guard units, and public works projects managed by USACE.

Use of Computer-Processed Data

We used computer-processed data to complete this audit. Specifically, we used the notices posted on the FBO Web site, data reported in FPDS, the Air Force Recovery Act Financial and Activity Report, and contract documentation from the Electronic Data Archive System posted from March 2009 through May 2010. We tested the accuracy of this data by comparing the project data reported on different systems for consistency and by meeting with program officials responsible for reporting on the applicable Recovery Act requirements. Our audit was focused on the reporting of contract actions for specific Air Force projects. From these procedures, we concluded that the DOD data were sufficiently reliable for our purposes.

Prior Audit Coverage

The Government Accountability Office, the Department of Defense Inspector General, and the Military Departments have issued reports and memoranda discussing DOD projects funded by the Recovery Act. You can access unrestricted reports at <http://www.recovery.gov/accountability>

Appendix B. Recovery Act Criteria and Guidance

The following list includes the primary Recovery Act criteria and guidance (notes appear at the end of the list):

- U.S. House of Representatives Conference Committee Report 111-16, “Making Supplemental Appropriations for Job Preservation and Creation, Infrastructure Investment, Energy Efficiency and Science, Assistance to the Unemployed, and State and Local Fiscal Stabilization, for the Fiscal Year Ending September 30, 2009, and for Other Purposes,” February 12, 2009
- Public Law 111-5, “American Recovery and Reinvestment Act of 2009,” February 17, 2009
- OMB Memorandum M-09-10, “Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009,” February 18, 2009
- OMB Bulletin No. 09-02, “Budget Execution of the American Recovery and Investment Act of 2009 Appropriations,” February 25, 2009
- White House Memorandum, “Government Contracting,” March 4, 2009
- White House Memorandum, “Ensuring Responsible Spending of Recovery Act Funds,” March 20, 2009.
- OMB Memorandum M-09-15, “Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009,” April 3, 2009¹
- OMB Memorandum M-09-16, “Interim Guidance Regarding Communications With Registered Lobbyists About Recovery Act Funds,” April 7, 2009
- OMB Memorandum M-09-19, “Guidance on Data Submission under the Federal Funding Accountability and Transparency Act (FFATA),” June 1, 2009
- OMB Memorandum M-09-21, “Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009,” June 22, 2009²
- OMB Memorandum M-09-24, “Updated Guidance Regarding Communications with Registered Lobbyists About Recovery Act Funds,” July 24, 2009

- OMB Memorandum M-09-30, ~~“Improving Recovery Act Recipient Reporting,”~~ September 11, 2009
- OMB Office of Federal Procurement Policy, ~~“Interim Guidance on Reviewing Contractor Reports on the Use of Recovery Act Funds in Accordance with FAR Clause 52.204-11,”~~ September 30, 2009²
- OMB Memorandum M-10-08, ~~“Updated Guidance on the American Recovery and Reinvestment Act – Data Quality, Non-Reporting Recipients, Reporting of Job Estimates,”~~ December 18, 2009²
- OMB Memorandum M-10-14, ~~“Updated Guidance on the American Recovery and Reinvestment Act,”~~ March 22, 2010²
- White House Memorandum, ~~“Combating Noncompliance With Recovery Act Reporting Requirements,”~~ April 6, 2010²
- OMB Memorandum M-10-17, ~~“Holding Recipients Accountable for Reporting Compliance under the American Recovery and Reinvestment Act,”~~ May 4, 2010²

End Notes

¹ Document provides Government-wide guidance for carrying out programs and activities enacted in the American Recovery and Reinvestment Act of 2009. The guidance states that the President’s commitment is to ensure that public funds are expended responsibly and in a transparent manner to further job creation, economic recovery, and other purposes of the Recovery Act.

² Document provides Government-wide guidance for carrying out the reporting requirements included in section 1512 of the Recovery Act. The reports will be submitted by recipients beginning in October 2009 and will contain detailed information on the projects and activities funded by the Recovery Act.



Inspector General Department of Defense

