Audit Report

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR THE REALIGNMENT OF THE NATIONAL AIRBORNE OPERATIONS CENTER FORWARD OPERATING BASE FROM GRISSOM AIR FORCE BASE, INDIANA, TO WRIGHT PATTERSON AIR FORCE BASE, OHIO

Report No. 95-257 June 27, 1995

Department of Defense

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Acronyms

ACC	Air Combat Command
AFB	Air Force Base
BRAC	Base Realignment and Closure
COBRA	Cost of Base Realignment Actions
MILCON	Military Construction
NAOC	National Airborne Operations Center

June 27, 1995

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for the Realignment of the National Airborne Operations Center Forward Operating Base From Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio (Report No. 95-257)

We are providing this audit report for your information and use. This report is one in a series of reports about FY 1996 Defense base realignment and closure military construction costs. Management comments on a draft of this report were considered in preparing the final report.

Management comments on the draft report conformed to the requirements of DOD Directive 7650.3. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Joseph P. Doyle, Audit Program Director, at (703) 604-9348 (DSN 664-9348) or Mr. Charles M. Hanshaw, Audit Project Manager, at (703) 604-9294 (DSN 664-9294). See Appendix G for the report distribution. The audit team members are listed on the inside back cover.

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Office of the Inspector General, DoD

Report No. 95-257 **June 27, 1995**
(Project No. 5CG-5017.25)

Defense Base Realignment and Closure Budget Data for the Realignment of the National Airborne Operations Center Forward Operating Base From Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio

Executive Summary

Introduction. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. This report is one in a series of reports about FY 1996 Defense base realignment and closure military construction costs.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the results of the audit of one project, with an estimated value of $8.5 million, for the realignment of the National Airborne Operations Center Forward Operating Base, formerly the National Emergency Airborne Command Post, from Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio. This audit also assessed the adequacy of the management control program as it applied to the audit objective.

Audit Results. The Air Force did not justify the requirements and cost estimates relating to the realignment of the National Airborne Operations Center Forward Operating Base to Wright-Patterson Air Force Base, Ohio. As a result, the Air Force may expend $8.5 million to construct facilities that may not be required or that cannot be used due to an environmental constraint. See Part I for a discussion of the finding. See Appendix E for a summary of potential benefits of the audit.

The results of the management control program will be discussed in a summary report on Defense base realignment and closure military construction budget data.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) suspend the $8.5 million funding requested for the realignment of the National Airborne Operations Center Forward Operating Base until the Air Force submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," based on documented and validated requirements.

We recommend that the Deputy Assistant Secretary of the Air Force (Military Installations) direct the Commanders, Air Combat Command and Air Force Materiel Command, certify the most efficient and economical facilities available for the realignment of the National Airborne Operations Center Forward Operating Base to Wright-Patterson Air Force Base. The Commanders should fully consider existing facilities that are suitable and sites that are not contaminated.

We also recommend that the Commander, Air Combat Command, validate and document the requirements for the realignment of the National Airborne Operations Center Forward Operating Base and revise and resubmit valid DD Forms 1391 for projects relevant to the realignment.

Management Comments. The Under Secretary of Defense (Comptroller) concurred with the recommendation, but felt it was premature to take action at this time. If the issue is not resolved by the start of FY 1996, the Under Secretary of Defense (Comptroller) will place funds associated with the project on administrative withhold. The Air Force concurred with all recommendations and stated that no funding will occur until the Joint Staff provides actual requirements for review. The Air Force agreed to review existing facilities, validate and document requirements, and revise DD Form 1391. A summary of management comments is at the end of the finding in Part I. The complete text of management comments is in Part III.

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Part I - Audit Results

Audit Background

The Inspector General, DoD, is performing various audits of the Defense base realignment and closure (BRAC) process. This report is one in a series of reports about FY 1996 BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C.

Audit Objectives

The overall audit objective was to determine the accuracy of Defense BRAC MILCON budget data. The specific objectives were to determine whether the proposed projects were valid BRAC requirements, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. The audit also assessed the adequacy of the Air Combat Command (ACC) management control program as it applied to the overall audit objective.

This report provides the results of the audit of 11 line items from one BRAC MILCON project with an estimated value of $8.5 million. The project was for the realignment of the National Airborne Operations Center (NAOC) Forward Operating Base (hereafter referred to as NAOC), formerly the National Emergency Airborne Command Post, from Grissom Air Force Base (AFB), Indiana, to Wright-Patterson AFB, Ohio. See Appendix A for a discussion of the scope and methodology and Appendix B for a summary of prior coverage related to the audit objectives. The management control program will be discussed in a summary report on BRAC MILCON budget data. Therefore, this report does not discuss our review of management controls at ACC.

National Airborne Operations Center Facilities

The Air Force did not justify the BRAC MILCON requirements and cost estimates relating to the realignment of NAOC from Grissom AFB to Wright-Patterson AFB. The requirements and costs were not justified because the Air Force did not develop and document the requirements and cost estimates in accordance with established guidance. As a result, the Air Force may expend $8.5 million to construct facilities that may not be required or that cannot be used due to an environmental constraint.

NAOC Realignment

The ACC was responsible for implementing project ZHTV943204, "Base Closure-NEACP [National Emergency Airborne Command Post] Complex," for the realignment of NAOC from Grissom AFB, Indiana, to Wright-Patterson AFB, Ohio. The project, with a value estimated at $8.5 million, included newly-constructed alert crew and aircraft and ground equipment maintenance facilities and expansion of a parking area for aircraft. The ACC did not properly justify the requirements for the proposed MILCON project.

Requirements Justification

Requirements described in DD Form 1391, "FY 1996 Military Construction Project Data," relating to the NAOC realignment were not properly justified because the Air Force did not:

- have adequate documentation,
- fully consider existing facilities, or
- follow established guidance.

Adequate Documentation. The ACC made two site surveys at Wright-Patterson AFB in FY 1993 and summarized the results in site survey reports. The ACC used the summary information as the only documentation to support requirements for new construction proposed in DD Form 1391. The ACC was unable to fully describe the methodologies used to develop the requirements.

Existing Facilities. The ACC identified existing buildings during site surveys that met NAOC crew alert and aircraft and ground equipment maintenance facility requirements.

Crew Alert. The ACC identified eight buildings that would meet requirements for the crew alert facility. Wright-Patterson AFB provided one facility, building 31217, for interim use until a new alert facility could be constructed. The site survey report indicated that the facility could not be used on a permanent basis because it would displace other dormitory residents at an annual cost of about $450,000. Our analyses did not support that conclusion. Suitable space for the displaced residents was available at Wright-Patterson AFB at no additional cost.

Another facility, building 34004, was designed as a former Strategic Air Command crew alert facility. The ACC indicated that the facility would require renovation costing about $2 million and furnishings costing about $350,000 to make it adequate for use by the NAOC crew. The ACC did not provide documentation to substantiate those costs. Even if those costs are substantiated, they are more than $1 million less than the $3.6 million estimated for the proposed new crew alert facility.

Aircraft and Ground Equipment Maintenance. The ACC identified five existing buildings that met the requirements for an aircraft and ground equipment maintenance facility. One facility was being used to store old helicopters for a museum and equipment for snow removal. That facility was also reserved under speculation that it would be needed if other Air Force missions should relocate to Wright-Patterson AFB due to future Commission decisions. Another facility that met requirements will be vacated in October 1995.

The ACC described in the DD Form 1391 other BRAC MILCON requirements resulting from the realignment of NAOC to Wright-Patterson AFB. Those requirements cannot be finalized until existing facilities that meet the NAOC crew alert and aircraft and ground equipment maintenance requirements are fully considered. The Air Force should reevaluate existing facilities to determine whether new construction is the most cost-effective means of satisfying NAOC requirements.

Established Guidance. Joint Chiefs of Staff Operation Order 1-93, "National Emergency Airborne Command Post Operations," July 1993, specified that space in the crew alert facility for living and sleeping quarters would be based on the adequacy standards in Air Force Regulation 90-9, "Unaccompanied Personnel Housing and Temporary Lodging Facilities," October 1984. Joint Chiefs of Staff Draft Operation Order 1-95, "National Airborne Operations Center Operations," January 1995, specified that those standards would be based on Air Force Instruction 32-6005, "Unaccompanied Housing Management and Operations," April 1994. Those provisions do not apply to temporary lodging space in an alert facility. Rather, they apply to lodging space for normal billeting for unaccompanied personnel housing and temporary lodging.

Air Force criteria discussed in Appendix E provide the guidance for developing BRAC MILCON project requirements and cost estimates. Air Force Instruction 32-1024, "Standard Facility Requirements," May 1994, states that

100 gross square feet per person is to be provided in an alert facility for living and sleeping quarters. The ACC did not adhere to that guidance in planning facilities relating to the NAOC realignment.

Facility Plan. The ACC used the appropriate guidance to plan the proposed space for living and sleeping quarters in the alert facility, but added 50 gross square feet of space for each of those quarters. As a result, ACC planned the crew alert facility with space totaling 26,000 gross square feet. Had ACC adhered to established guidance for alert facility space requirements, the facility would require 18,000 gross square feet.

Facility Design. The U.S. Army Corps of Engineers Louisville District, Kentucky, drafted a design for the crew alert facility in February 1995. An apparent breakdown in communication with ACC resulted in the facility being designed with space totaling 36,000 square feet, 10,000 square feet more than the ACC plan. The ACC was unable to explain the 10,000-square-foot difference. If the crew alert facility is constructed according to the present design, it will exceed established standard space requirements by about 18,000 square feet, or by 100 percent.

Development and Documentation of Project Cost Estimates

The Air Force could not justify the cost estimates in the DD Form 1391. The lack of documentation supporting the requirements prevented us from determining the reasonableness of the cost estimates. The Air Force contended that the cost estimates were based on an Air Force Form 1178B report generated from its Programming, Design, and Construction Management Information System.

Congress approved the use of the system to estimate costs for budget requests for MILCON projects. The system is designed to generate parametric estimates based on historical costs for various types of facilities. The parametric cost estimation process is an alternative to developing actual cost estimates based on 35-percent conventional design methodology.

The Air Force overrode the system's features by manually inputting the cost estimates on the DD Form 1391 into the system. As a result, the cost estimates generated by the system matched the cost estimates on the DD Form 1391 and were meaningless.

The Air Force should validate and document facility requirements for the NAOC mission at Wright-Patterson Air Force Base, and revise and resubmit DD Form 1391 based on validated and documented requirements and military construction standards.

Environmental Constraint

The ACC plans to construct the NAOC crew alert facility on a site that is contaminated with cancer-causing substances. The ACC originally identified a suitable site for the alert facility near building 30016 in Area C of Wright-Patterson AFB. The Office of Environmental Management, 88th Air Base Wing, Wright-Patterson AFB, determined that the soil at that site was suitable for construction. Subsequently, the proposed site was changed to a location between buildings 30072 and 30123 that the Office of Environmental Management had found to be contaminated with tetrachloroethylene and trichloroethylene. The Centers for Disease Control, U.S. Department of Health and Human Services, list those chemicals as carcinogens. As a result, the Office of Environmental Management recommended against using that site.

The Commander, 88th Air Base Wing, approved the contaminated site, but recommended that environmental issues be considered when estimating the overall costs. The U.S. Army Corps of Engineers report, "Geotechnical Report," January 1995, stated that Wright-Patterson AFB decided to proceed with designs for the alert facility at the site in question and that the site should be treated as though it were clean.

The ACC relied on the environmental finding of no significant impact for the site near building 30016 to prepare cost estimates for constructing the crew alert facility at the contaminated site. Due to the lack of documentation, we could not determine whether ACC followed the Commander's recommendation to consider environmental issues when preparing costs estimated in the DD Form 1391 for the contaminated site between buildings 30072 and 30123.

We do not agree with the decision to continue plans and designs for the alert facility on the contaminated site. Extra costs are required to clean up the contaminated site. Other suitable clean sites are available. Further, due to the contaminants, the alert facility might not be suitable for habitation when constructed.

Summary

Section 2905 of Public Law 101-510 stipulates that funds authorized for base realignment and closure should be used only to construct replacement facilities or facilities necessary to meet mission requirements. The Air Force did not justify the BRAC MILCON requirements and cost estimates proposed in DD Form 1391 relating to the NAOC realignment. The ACC could not provide adequate documentation, including an economic analysis that included full consideration of existing facilities and the environmental constraint. The Air Force further exacerbated the justification by overriding its Programming, Design, and Construction Management Information System to generate cost estimates. The Air Force should certify the most efficient and economical facilities available for the realignment of the NAOC mission to

Wright-Patterson AFB. The Air Force should also validate and document construction requirements for the realignment and revise and resubmit DD Form 1391 based on validated and documented requirements and military construction standards. The Under Secretary of Defense (Comptroller) should not allow the release of funds for the Air Force to proceed with the project until the deficiencies discussed in this report are corrected.

Recommendations and Management Comments

1. We recommend that the Under Secretary of Defense (Comptroller) suspend the $8.5 million of funding requested for project ZHTV943204, "Base Closure-NEACP [National Emergency Airborne Command Post] Complex," for the realignment of National Airborne Operations Center Forward Operating Base to Wright-Patterson Air Force Base until the Air Force submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," based on documented and validated requirements.

Under Secretary of Defense (Comptroller) Comments. The Under Secretary of Defense (Comptroller) concurred with the recommendation, but stated that it was premature to take action at this time because the funding for the project is included in the FY 1996 BRAC budget request. However, if the issue is not resolved by the start of FY 1996, the funds associated with the project will be placed on administrative withhold pending resolution of the issues. The complete text of the comments of the Under Secretary of Defense (Comptroller) is in Part III.

2. We recommend that the Deputy Assistant Secretary of the Air Force (Military Installations) direct the Commanders, Air Combat Command and Air Force Materiel Command, to certify the most efficient and economical facilities available for the National Airborne Operations Center mission at Wright-Patterson Air Force Base. The Commanders should fully consider existing facilities that are suitable and sites that are not contaminated.

Air Force Comments. The Air Force concurred with the recommendation and stated that the Air Force Material Command, the Air Combat Command, and the Joint Staff (J-36) will perform a joint site survey to consider existing facilities that are suitable and sites that are not contaminated.

3. We recommend that the Commander, Air Combat Command:

a. Validate and document the Defense base realignment and closure military construction requirements relevant to the realignment of the National Airborne Operations Center mission to Wright-Patterson Air Force Base.

b. Revise and resubmit DD Form 1391, "FY 1996 Military Construction Budget Data," based on validated and documented requirements and military construction standards in DoD and Air Force guidance.

Air Force Comments. The Air Force concurred with the recommendation to validate and document the requirements and submit a revised DD Form 1391.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We reviewed the FY 1996 BRAC MILCON budget request and related documentation relevant to BRAC MILCON project ZHTV943204 for the realignment of NAOC to Wright-Patterson AFB, Ohio. The DD Form 1391 contained 11 line items, estimated at about $8.5 million. We discussed the budget request and related documentation with Air Force and Joint Staff cognizant management. The line items and estimated costs are listed in the following table.

FY 1996 BRAC MILCON Project Costs for Realignment of NAOC (Project No. ZHTV943204)

Project Title	Estimated Cost
Base Closure-NEACP [National Emergency Airborne Command Post] Complex	$3,589,000
Security Improvements/Vehicle Parking	435,000
Aircraft Ground Equipment Operations Area	90,000
Refuel Vehicle Parking	310,000
Aircraft and Ground Equipment Maintenance	1,250,000
Alarm and Traffic Control System	310,000
Aircraft Parking Utilities/Lighting	650,000
Blast Fence and Paving Alterations	825,000
Demolish Buildings	175,000
Contingency Fee	382,000
Supervision, Inspection, and Overhead	481,000
Total	**$8,497,000**

Audit Period, Standards, Potential Benefits, and Locations. This economy and efficiency audit was made from January through March 1995 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary. The audit did not rely on computer-processed data or statistical sampling procedures. See Appendix E for the potential benefits resulting from the audit. Appendix F lists the organizations visited or contacted during the audit.

Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists selected BRAC reports issued by the Inspector General, DoD.

Inspector General, DoD

Report No.	Report Title	Date
95-250	Defense Base Realignment and Closure Military Construction Budget Data for Randolph Air Force Base, San Antonio, Texas	June 23, 1995
95-249	Defense Base Realignment and Closure Military Construction Budget Data for Goodfellow Air Force Base, San Angelo, Texas	June 23, 1995
95-248	Defense Base Realignment and Closure Military Construction Budget Data for Sheppard Air Force Base, Wichita Falls, Texas	June 23, 1995
95-247	Defense Base Realignment and Closure Military Construction Budget Data for the Naval Aviation Depot North Island, California	June 23, 1995
95-226	Defense Base Realignment and Closure Military Construction Budget Data for the Realignment of Rickenbacker Air National Guard Base, Ohio	June 8, 1995
95-223	Defense Base Realignment and Closure Military Construction Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California, and Realignment to Naval Air Station Miramar, California	June 8, 1995
95-222	Defense Base Realignment and Closure Budget Data for the Proposed Construction of the Automotive Vehicle Maintenance Facility, Guam	June 7, 1995

Report No.	Report Title	Date
Inspector General, DoD (cont'd)		
95-221	Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center San Diego, California	June 6, 1995
95-208	Defense Base Realignment and Closure Budget Data for Realignment of Construction Battalion Unit 416 From Naval Air Station Alameda, California, to Naval Air Station Fallon, Nevada	May 31, 1995
95-205	Defense Base Realignment and Closure Budget Data for the Relocation of Marine Corps Manpower Center at Marine Corps Combat Development Command, Quantico, Virginia	May 26, 1995
95-203	Defense Base Realignment and Closure Military Construction Budget Data for the Army Reserve Center, Sacramento, California	May 25, 1995
95-198	Defense Base Realignment and Closure Budget Data for the Closure of the Underway Replenishment Training Facility, Treasure Island, California, and Realignment to the Expeditionary Warfare Training Group Atlantic, Norfolk, Virginia	May 19, 1995
95-196	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Alameda, California, and Realignment to Puget Sound Naval Shipyard, Washington	May 17, 1995
95-191	Defense Base Realignment and Closure Budget Data for the Closure of Naval Reserve Readiness Center San Francisco, California, and Realignment to Naval and Marine Corps Reserve Center Alameda, California	May 15, 1995
95-172	Defense Base Realignment and Closure Budget Data for Griffiss Air Force Base, New York	April 13, 1995

Report No.	Report Title	Date

Inspector General, DoD (cont'd)

95-154	Audit of Construction Budget Data for Realigning Naval Training Centers Orlando and San Diego to Various Locations	March 21, 1995
95-150	Defense Base Realignment and Closure Budget Data for Closing Naval Station Charleston, South Carolina, and Realigning Projects at Various Sites	March 15, 1995
95-051	Defense Base Realignment and Closure Budget Data for Closing Mare Island Naval Shipyard, California, and Realigning Projects to Various Sites	December 9, 1994
95-041	Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California, and the Realignment to Naval Air Station Miramar, California	November 25, 1994
95-039	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, Realigning to Naval Air Station Fallon, Nevada	November 25, 1994
95-037	Realignment of the Fleet and Mine Warfare Training Center from Naval Station Charleston, South Carolina, to Naval Station Ingleside, Texas	November 23, 1994
95-029	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning Projects to Various Sites	November 15, 1994
95-010	Defense Base Realignment and Closure Budget Data for Marine Corps Air Station Tustin, California, and Realignment to Marine Corps Air Station Camp Pendleton, California	October 17, 1994

Report No.	Report Title	Date
Inspector General, DoD (cont'd)		
94-179	Defense Base Realignment and Closure Budget Data for McGuire Air Force Base, New Jersey; Barksdale Air Force Base, Louisiana; and Fairchild Air Force Base, Washington	August 31, 1994
94-146	Defense Base Realignment and Closure Budget Data for Closing Naval Air Station Cecil Field, Florida, and Realigning Projects to Various Sites	June 21, 1994
94-141	Defense Base Realignment and Closure Budget Data for Naval Air Stations Dallas, Texas, and Memphis, Tennessee, Realigning to Carswell Air Reserve Base, Texas	June 17, 1994
94-127	Defense Base Realignment and Closure Budget Data for the Realignment of the Defense Personnel Support Center to the Naval Aviation Supply Office Compound in North Philadelphia, Pennsylvania	June 10, 1994
94-126	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Glenview, Illinois, and Realignment Projects at Fort McCoy, Wisconsin, and Carswell Air Reserve Base, Texas	June 10, 1994
94-125	Defense Base Realignment and Closure Budget Data for the Naval Medical Center Portsmouth, Virginia	June 8, 1994
94-121	Defense Base Realignment and Closure Budget Data for Naval Air Technical Training Center, Naval Air Station Pensacola, Florida	June 7, 1994
94-109	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Training Center Great Lakes, Illinois	May 19, 1994

Report No.	Report Title	Date

Inspector General, DoD (cont'd)

94-108	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Station Treasure Island, California	May 19, 1994
94-107	Griffiss Air Force Base, New York, Defense Base Realignment and Closure Budget Data for Military Construction at Other Sites	May 19, 1994
94-105	Defense Base Realignment and Closure Budget Data for a Tactical Support Center at Naval Air Station Whidbey Island, Washington	May 18, 1994
94-104	Defense Base Realignment and Closure Budget Data for the Defense Contract Management District-West	May 18, 1994
94-103	Air Force Reserve 301st Fighter Wing Covered Aircraft Washrack Project, Carswell Air Reserve Base, Texas	May 18, 1994
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

Appendix C. Background of Defense Base Realignment and Closures and Scope of the Audit of FY 1996 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the DoD Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress. The following table summarizes the current estimated costs and net savings for the previous three BRAC actions and the actions recommended in the 1995 Commission decisions:

BRAC Costs and Savings
(Billions of FY 1996 Dollars)

	BRAC Actions		Closure	6-Year Net	Recurring Annual	Total
	Realignments	Closures	Costs	Savings	Savings	Savings
1988	86	59	$ 2.2	$0.3	$0.7	$ 6.8
1991	34	48	4.0	2.4	1.6	15.8
1993	130	45	6.9	.4	1.9	15.7
Subtotal	**250**	**152**	**13.1**	**3.1**	**4.2**	**38.3**
1995	113	33	3.8	4.0	1.8	18.4
Total	**363**	**185**	**$16.9**	**$7.1**	**$6.0**	**$56.7**

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Military Department BRAC Cost-estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model (COBRA). COBRA uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1996 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. COBRA provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because COBRA develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1996 BRAC MILCON $1.4 billion budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least $1 million for each group.

Appendix D. Air Force Criteria for Base Realignment and Closure Military Construction Projects

The following criteria provide Air Force guidance for developing Defense BRAC MILCON project requirements and cost estimates.

• Air Force Instruction 32-1021, "Planning and Programming of Facility Construction Projects," May 12, 1994, prescribes methods for documenting and justifying project requirements and associated costs. The instruction requires a cost estimate to be prepared in conjunction with the DD Form 1391 in sufficient detail to permit cost validation. The instruction also requires installation commanders to determine whether inactive, excess, or only partially occupied Government facilities and installations are available to meet requirements. The host installation will provide the same assistance and other services to tenant and supported units as it normally provides for its own units. Commanders are required to certify that excess existing space cannot be used to satisfy requirements.

The instruction also requires that project cost estimates be based on completed requirements and management plan and parametric cost model estimate or 35-percent conventional design. DD Form 1391 must show that design will be completed in time to award the construction in the fiscal year for which funding is requested. Projects that have not achieved this status at the time of the budget estimate submission risk being deleted from the program.

• Air Force Instruction 32-1024, "Standard Facility Requirements," May 31, 1994, provides general guidance for developing standard facility requirements. All available space must be considered when establishing a space deficiency and when justifying programming action.

• Air Force Instruction 32-1032, "Planning and Programming Real Property Maintenance Projects Using Appropriated Funds," May 11, 1994, implements Air Force Policy Directive 32-10. The instruction prescribes methods for documenting and justifying project requirements and associated costs. It also prescribes procedures for preparing DD Form 1391.

• In April 1993, the Deputy Assistant Secretary of the Air Force (Installations) and the chairperson of the Air Force Base Closure Executive Group issued instructions for preparing FY 1993 BRAC MILCON cost estimates. The instructions provided a standard approach that Air Force activities were to use to develop and support BRAC MILCON projects. If Air Force activities used the standard approach, projects would be valid and would contain the level of detail required to justify budget requests. The instructions require all BRAC MILCON cost estimates to be supported with sufficient information for someone unfamiliar with the subject area to be able to reconstruct each step of the cost estimate.

• Air Force Regulation 90-9, "Unaccompanied Personnel Housing and Temporary Lodging Facilities," October 1984, provided standards for space in existing facilities. Air Force Regulation 90-9 was superseded by Air Force Instruction 34-601, "Air Force Lodging Program Management," July 1994. Standards for crew alert facilities remained unchanged.

• Air Force Instruction 32-6005, "Unaccompanied Housing Management and Operations," April 28, 1994, outlines rules for unaccompanied housing at Air Force installations. It explains adequacy standards and assignment of permanent party people to unaccompanied officers quarters, unaccompanied noncommissioned officers quarters, and unaccompanied enlisted quarters. The adequacy standards, outlined in Chapter 2, pertain to existing facilities only.

• Air Force Manual 86-2, "Standard Facility Requirements," March 1973 specified guidance for planning space requirements for crew alert facilities. The Air Force further clarified those space requirements in October 1980. Air Force Manual 86-2 was superseded by Air Force Instruction 32-1024, "Standard Facility Requirements," May 1994. Air Force Handbook 32-1084, "Standard Facility Requirements Handbook," drafted March 1995, contains detailed guidance for planning facility space requirements. Space requirements for crew alert facilities remained constant since October 1980.

Appendix E. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount and Type of Benefit
1.	Economy and Efficiency. Suspends the FY 1996 BRAC MILCON budget for project ZHTV943204, "NEACP [National Emergency Airborne Command Post] Complex," because cost estimates were not adequately validated and documented.	$8.5 million* of funds put to better use in the Air Force FY 1996 Base Closure Account.
2.	Management Controls. Reevaluates the use of existing facilities and the effects of environmental contamination.	Undeterminable.*
3.a.	Economy and Efficiency. Validates and documents BRAC MILCON requirements relevant to NAOC realignment	Undeterminable.*
3.b.	Economy and Efficiency. Revises and resubmits DD Form 1391 with valid cost estimates based on validated requirements and established guidance.	Undeterminable.*

*Exact amount of benefits will depend on future budget decisions and budget requests.

Appendix F. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC

Office of the Joint Staff

Deputy Director for National Military Command Systems (J-36), Washington, DC
National Airborne Operations Center Program Office, Offutt Air Force Base, NE

Department of the Army

U.S. Army Corps of Engineers Louisville District, KY

Department of the Air Force

Air Combat Command, Langley Air Force Base, VA
  55th Wing, Offutt Air Force Base, NE
Air Force Materiel Command, Wright-Patterson Air Force Base, OH
  Aeronautical Systems Center, Wright-Patterson Air Force Base, OH
    88th Air Base Wing, Wright-Patterson Air Force Base, OH
Assistant Secretary of the Air Force (Financial Management and Comptroller), Washington, DC
Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment), Washington, DC
Office of the Deputy Chief of Staff (Plans and Operations), Washington, DC
Headquarters, Air Force Reserve, Robins Air Force Base, GA
  Grissom Air Reserve Base, IN

Appendix G. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
  Deputy Chief Financial Officer
  Deputy Comptroller (Program/Budget)
Under Secretary of Defense for Personnel and Readiness
Assistant Secretary of Defense (Economic Security)
  Deputy Assistant Secretary of Defense (Installations)
Assistant to the Secretary of Defense (Public Affairs)
Director, Defense Logistics Studies Information Exchange

Office of the Joint Staff

Director, Joint Staff (J-36)

Department of the Army

Auditor General, Department of the Army
U.S. Army Corps of Engineers Louisville District

Department of the Navy

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

Department of the Air Force

Commander, Air Combat Command
  Commander, 55th Wing
Commander, Air Force Materiel Command
  Commander, Aeronautical Systems Center
    Commander, 88th Air Base Wing
Assistant Secretary of the Air Force (Financial Management and Comptroller)
Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment)
  Deputy Assistant Secretary of the Air Force (Installations)
Deputy Chief of Staff (Plans and Operations)
Auditor General, Department of the Air Force

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, National Security Agency

Non-Defense Federal Organizations and Individuals

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

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

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate 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 National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
House Committee on National Security

Honorable Dan Coats, U.S. Senate
Honorable Mike Dewine, U.S. Senate
Honorable Richard G. Lugar, U.S. Senate
Honorable Stephen Buyer, U.S. House of Representatives
Honorable Tony P. Hall, U.S. House of Representatives

Part III - Management Comments

Office of the Under Secretary of Defense (Comptroller) Comments

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

COMPTROLLER
(Program/Budget)

MAY 23 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for the Realignment of the National Airborne Operations Center Forward Operating Base from Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio (Project No. 5CG-5017.25)

This responds to your May 15, 1995, memorandum requesting our comments on the subject report.

The audit recommends that the USD(Comptroller) suspend funding of $8.5 million for Military Construction project, ZHTV943204 associated with the realignment of the National Airborne Operations Center Forward Operating Base from Grissom Air Force, Indiana.

The funding for the project at issue is included in the FY 1996 BRAC budget request. We generally agree with the audit and recommendations; however, since the Air Force has yet to comment formally on the audit and the amount of the savings has not been resolved, it is premature to take action at this time. However, if the issue is not resolved by the start of the fiscal year, we will place funds associated with the project on administrative withhold. Further, any savings resulting from the audit will be reprogrammed to other BRAC requirements as appropriate.

B. R. Paseur
Director for Construction

Department of the Air Force Comments

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

12 JUN 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

FROM: HQ USAF/RT
1670 Air Force Pentagon
Washington DC 20330-1670

SUBJECT: Draft Audit Report, Defense Base Realignment and Closure Budget Data for the Realignment for the National Airborne Operations Center Forward Operating Base from Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio (Project No 5CG-8017.25)

1. This is in reply to your Memorandum to the Assistant Secretary of the Air Force (Financial Management and Comptroller) requesting Air Force comments on the draft report.

2. The first DOD(IG) recommendation is to suspend the $8.5 million of funding requested for project ZHTV945204, Base Closure - NECAP (National Emergency Airborne Command Post) complex for the realignment of National Airborne Operations Center Forward Operating Base to Wright-Patterson Air Force Base until the Air Force submits a revised DD Form 1391 based on documented and validated requirements.

AIR FORCE COMMENTS: Concur. No funding will occur on this BRAC MILCON project until the Joint Staff (J-36) reinsits the project and provides actual requirements for review. Estimated completion date is 5 Jul 95.

3. The second DOD(IG) recommendation is to fully consider existing facilities at Wright-Patterson AFB that are suitable and sites that are not contaminated.

AIR FORCE COMMENTS: Concur. A HQ AFMC/ACC/J36 joint site survey will be scheduled for the second week of Jul 95 or earlier.

4. The third DOD (IG) recommendation is to validate and document the Base Realignment and Closure Military Construction requirements relevant to the realignment of the National Airborne Operations Center Mission to Wright-Patterson Air Force Base. Revise and resubmit DD Form 1391 based on the Validated requirements.

AIR FORCE COMMENTS: Concur. The revised documents will be prepared the third week of July 95.

5. Our Point of Contact for this report is Mr. Lester R. Schauer, HQ USAF/CEC, DSN 227-6559

JAY D. BLUME, Jr.
Major General, USAF
Special Assistant to the Chief of Staff
for Realignment and Transition

Audit Team Members

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

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