Audit Report

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR THE CLOSURE OF BERGSTROM AIR RESERVE BASE, TEXAS, AND REALIGNMENT OF THE 10TH AIR FORCE HEADQUARTERS TO NAVAL AIR STATION FORT WORTH, JOINT RESERVE BASE, TEXAS

Report No. 96-142 June 5, 1996

Department of Defense

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Acronyms

AFRES	Air Force Reserve
BRAC	Base Realignment and Closure
JRB	Joint Reserve Base
MILCON	Military Construction
NAS	Naval Air Station

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

June 5, 1996

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

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for the Closure of Bergstrom Air Reserve Base, Texas, and Realignment of the 10th Air Force Headquarters to Naval Air Station Fort Worth, Joint Reserve Base, Texas (Report No. 96-142)

We are providing this audit report for review and comment. This report is one in a series of reports about FY 1997 Defense base realignment and closure military construction costs. Management comments on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all audit recommendations and potential benefits be resolved promptly. We request that the Air Force provide additional comments on Recommendations 2.b.(2) and 2.c. by July 3, 1996.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Ms. Kimberley A. Caprio, Audit Program Director, at (703) 604-9248 (DSN 664-9248) or Ms. Addie M. Beima, Audit Project Manager, at (703) 604-9243 (DSN 664-9243). See Appendix F for the report distribution. The audit team members are listed inside back cover.

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Office of the Inspector General, DoD

Report No. 96-142 **June 5, 1996**
(Project No. 6CG-5001.24)

Defense Base Realignment and Closure Budget Data for the Closure of Bergstrom Air Reserve Base, Texas, and Realignment of the 10th Air Force Headquarters to Naval Air Station Fort Worth, Joint Reserve Base, Texas

Executive Summary

Introduction. This report is one in a series of reports about FY 1997 Defense base realignment and closure military construction costs. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Office of the Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. Our audits include all projects valued at more than $1 million.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the results of the audit of one project, valued at $4.3 million, for the closure of Bergstrom Air Reserve Base, Texas, and realignment of the 10th Air Force Headquarters to Naval Air Station Fort Worth, Joint Reserve Base, Texas.

Audit Results. The Air Force overestimated requirements for constructing a new 10th Air Force headquarters building at the Naval Air Station Fort Worth and requirements for acquiring pre-wired workstations. As a result, the Air Force may have overstated the headquarters building project by $1.9 million, the difference in cost between constructing a new building and renovating an existing building, and overstated the project by $0.2 million for pre-wired workstations.

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

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) place on administrative withhold project DDPF959004 "Numbered Air Force Headquarters," until the Air Force submits a revised DD Form 1391, "FY 1997 Military Construction Project Data." We recommend that the Commander, Air Force Reserve, prepare an economic analysis of the use of Building 390 for permanent headquarters of the 10th Air Force and revise and resubmit the DD Form 1391 to reflect the results of the economic analysis and the $0.2 million reduction for pre-wired workstations.

Management Comments. The Under Secretary of Defense (Comptroller) agreed to put the funds associated with the project on administrative withhold if the audit issues are not resolved by the start of FY 1997. The Air Force concurred with the audit finding and recommendation, stating that an economic analysis and a revised DD Form 1391 would be completed by July 15, 1996. The Air Force also stated that the pre-wired workstations requirement would be removed from the DD Form 1391 and transferred to a Base Realignment and Closure Operations and Maintenance account. 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.

Audit Response. We consider the Under Secretary of Defense (Comptroller) comments responsive to the report. We consider the Air Force comments on the building responsive, but only partially responsive on the pre-wired workstations. We request that the Air Force provide additional comments on the final report by July 3, 1996.

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Part I - Audit Results

Audit Background

The Office of the Inspector General, DoD, is performing various audits of the Defense base realignment and closure (BRAC) process. This report is one in a series of reports about FY 1997 BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C.

The Realignment of the 10th Air Force. The 10th Air Force commands and administers assigned Air Force Reserve units. The 1995 Commission on Defense Base Closure and Realignment (the Commission) agreed with the Secretary of Defense recommendation to close Bergstrom Air Reserve Base, Texas, and relocate the 10th Air Force to Naval Air Station (NAS) Fort Worth, Joint Reserve Base (JRB), Texas. The Navy is the host of NAS Fort Worth, JRB. The 10th Air Force will be a tenant at NAS Fort Worth, JRB.

Air Force Audit Agency Review. The Air Force Audit Agency reviewed the 10th Air Force BRAC MILCON requirements. Air Force Audit Agency Project No. 95052032, "Review of 1995 Base Realignment and Closure Military Construction Requirements," January 29, 1996, summarized the results of the 10th Air Force BRAC MILCON project and the other 32 Air Force BRAC MILCON projects reviewed. The overall audit objective was to determine whether military construction requirements resulting from the BRAC 1995 recommendations were valid and supportable. The report concluded that Headquarters, Air Force Reserve (AFRES), had not established timelines for the completion of the requirements and management plan and had overestimated both the net office space per person and the net-to-gross conversion ratio for the proposed construction of the 10th Air Force headquarters building. The report recommended that the Headquarters, AFRES, establish a timeline for the completion of the requirements and management plan and reduce the net office space per person and net-to-gross conversion ratio. Air Force Reserve officials were not required to officially respond to the recommendations made in this review.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed project was a valid BRAC requirement, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. Another objective was to assess the adequacy of the management control program as it applied to the overall audit objective.

This report provides the results of the audit of project DDPF959004, "Numbered Air Force Headquarters," valued at $4.3 million, resulting from the closure of Bergstrom Air Reserve Base and realignment of the 10th Air Force Headquarters to NAS Fort Worth, JRB. See Appendix A for a discussion of the scope and methodology, Appendix B for a summary of prior coverage related to the audit objectives and Appendix D for a summary of invalid and partially valid requirements for the project that we reviewed. The management control program objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

Headquarters Building

Air Force Reserve officials overestimated requirements for BRAC MILCON project DDPF959004 for construction of a new 10th Air Force headquarters building and purchase of pre-wired workstations. The Air Force overestimated requirements because it did not consider an existing building that became available after the BRAC decision. Also, Headquarters, AFRES, offered 60 pre-wired workstations to the 10th Air Force at no cost. As a result, the Air Force may have overstated project DDPF959004 by $1.9 million, the difference in the cost between constructing a new building and renovating an existing building, and overstated the project by $0.2 million for pre-wired workstations.

Proposed Project for 10th Air Force Headquarters

Air Force Reserve officials planned to construct a new headquarters building for the 10th Air Force to be located at NAS Fort Worth, JRB, as a result of the realignment of the 10th Air Force from Bergstrom Air Reserve Base to NAS Fort Worth, JRB. On November 7, 1995, AFRES officials submitted a DD Form 1391, "FY 1997 Military Construction Project Data," for project DDPF959004, "Numbered Air Force Headquarters." The project, valued at $4.3 million, was to construct a 2,550-square-meter (27,413-square-foot) headquarters building for $3.7 million and to acquire 148 pre-wired workstations for $0.6 million.

Consideration of Existing Facilities

Before proposing new construction, AFRES officials considered five existing facilities for potential headquarters use during their March 1995 NAS Fort Worth facilities survey: Buildings 1561, 1562, 1750, and 1445, located on NAS Fort Worth, JRB, and building 390 (excess property) located adjacent to NAS Fort Worth, JRB.

o Buildings 1561 and 1562 (30,860 total square feet) are two wood-framed dormitories having no Navy forecasted use, but requiring extensive renovation before reuse.

o Building 1750 (17,210 square feet) is a concrete block weather facility requiring extensive renovation, and lacking the required space by 10,000 square feet.

o Building 1445 (43,633 square feet) is a concrete block building programmed for multiple use by the Navy, and, therefore, is unavailable for Air Force use.

o Building 390 (28,300 square feet) is a concrete block building that was a child development center and that is in good condition.

Air Force Reserve officials discussed interim use of building 390 with officials from the Carswell Redevelopment Authority, which is a local government authority responsible for developing a plan for the reuse of NAS Fort Worth, JRB, excess property; the Air Force Base Conversion Agency; and the office of the mayor of Westworth Village.

Facilities Survey Report

Buildings 1445, 1561, 1562, and 1750. Air Force Reserve officials determined buildings 1445, 1561, 1562 and 1750 at NAS Fort Worth to be unavailable or unsuitable for permanent headquarters use. Navy officials planned to use building 1445 as a training facility. The facilities survey concluded that the dormitories (buildings 1561 and 1562) and building 1750 would each cost about $2.6 million to renovate. However, even after extensive renovation, the dormitory site would not provide adequate parking facilities, and the building 1750 site would not support the needed 10,000-square-foot expansion.

Building 390. Air Force Reserve officials considered building 390 for permanent use at the time of the facilities survey, but the building was not offered to the Air Force for permanent use. Building 390 had already been excessed and was proposed to be transferred to the city of Westworth Village under public benefit conveyance provisions. However, the facilities survey report concluded that building 390 could have been a permanent alternative to building a new 10th Air Force headquarters building. The survey report stated that "Of all the options available, use of the school [building 390--the child development center] appears to be the most expeditious, efficient, cost-effective facility." According to the report, it would cost about $0.6 million to renovate the site for interim use, and the "move-in cost" for permanent use would be about $1.8 million. However, because the city of Westworth Village planned to use building 390 as a city hall, AFRES officials did not pursue the potential for using it on a permanent basis. Instead, the facilities survey report recommended building a new two-story facility on the site of building 1750.

Economic Analysis

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

The AFRES officials did not perform an economic analysis as part of the evaluation of 10th Air Force BRAC MILCON requirements for project DDPF959004, "Numbered Air Force Headquarters." Air Force Reserve officials requested an exception from developing an economic analysis for construction of the 10th Air Force headquarters building. The basis for the exception was that, even if an existing building were extensively renovated, it would not be a suitable permanent alternative to building a new headquarters building at NAS Fort Worth, JRB. Also, the cost of new construction was not site-dependent: the cost to build a new facility was generally considered to be valid regardless of the location of the building site. Thus, the exception to the economic analysis was granted because only one method for accomplishing the objective was available. However, because the total project cost exceeds $2 million, and subsequent events explained below show that more than one way is now available to satisfy the requirement, the AFRES should prepare an economic analysis.

Subsequent Events

Availability of Building 390. Building 390 became available for permanent use after the facility survey was completed. According to the Director, Carswell Redevelopment Authority, the city of Westworth Village abandoned its plans to use building 390 as a city hall facility, making the property available for other permanent use. The Director, Carswell Redevelopment Authority, expressed an interest in having the Air Force use building 390 as a headquarters building, offering to either lease the property to the Air Force for the sum of $1 per year or to transfer the building directly back to the Air Force. The Carswell Redevelopment Authority proposal is not possible because the Air Force cannot own property on NAS Fort Worth, JRB. The Navy is the host of NAS Fort Worth, JRB, and the Air Force is a tenant.

Consequently, the Navy would have to request that building 390 be transferred back to Navy ownership. Navy officials indicated that they had no plans to use building 390 and that they would work with Air Force and Carswell Redevelopment Authority officials to secure building 390 for 10th Air Force use.

Our review of building 390 found it to be in good condition and adequately sized to meet the 10th Air Force needs. Also, because of the depressed state of the economy in the region, and the recency of the original estimate to renovate the building, we believe that the "move-in" cost of $1.8 million to renovate the building is still valid. The following table shows the potential funds put to better use of the possible renovation and use of building 390 as a permanent headquarters building.

Receipt of Pre-Wired Workstations. Project DDPF959004 includes a requirement for 148 pre-wired workstations with an estimated cost of $0.6 million to be used by 10th Air Force personnel and their subordinate units. The pre-wired workstation requirement can be reduced by 60 workstations. The Headquarters, AFRES, purchased workstations for its Pentagon renovation swing space in Rosslyn, Virginia. When the Pentagon renovation project was subsequently put on hold, the Air Force determined that canceling the pre-wired workstation contract was cost prohibitive. During our visit to NAS Fort Worth, JRB, Headquarters, AFRES, made 60 pre-wired workstations available to the 10th Air Force at no cost and planned to recommend that the Under Secretary of Defense (Comptroller) reduce the FY 1997 BRAC budget accordingly. Because the design plans had not been prepared, the pre-design concepts could be revised to incorporate the free workstations. We agree with Headquarters, AFRES, that the 10th Air Force should use the pre-wired workstations. Therefore, the DD Form 1391 cost for the 60 pre-wired workstations could be decreased by approximately $251,000. The following table shows our computation of potential funds put to better use for project DDPF959004.

Potential Funds Put to Better Use for Project DDPF959004

Description	Estimated Cost (millions)
Cost estimates from DD Form 1391	$4.3
Estimated cost to renovate building 390	(1.8)
Cost to purchase workstations not donated	(0.4)
Total	**(2.2)**
Potential Funds Put to Better Use	**$2.1**

Conclusion

Although opportunity for permanent use of building 390 to meet 10th Air Force headquarters building requirements arose after the BRAC decision was made, it is not too late for AFRES officials to work with Navy and Carswell Redevelopment Authority officials to use building 390 as a permanent

10th Air Force Headquarters site. Also, AFRES officials should use the pre-wired workstations provided by Headquarters, AFRES, in lieu of buying 60 pre-wired workstations.

Recommendations, Managements Comments, and Audit Response

1. We recommend that the Under Secretary of Defense (Comptroller) place project DDPF959004, "Numbered Air Force Headquarters," on administrative withhold until management submits a revised DD Form 1391, "FY 1997 Military Construction Project Data," to accurately reflect requirements and costs.

Under Secretary of Defense (Comptroller) Comments. The Under Secretary of Defense (Comptroller) concurred with the recommendation, but stated that taking action was premature at this time because the funding for the project is included in the FY 1997 BRAC budget request. However, if the issue is not resolved by the start of FY 1997, the funds associated with the project will be placed on administrative withhold pending resolution.

2. We recommend that the Commander, Air Force Reserve:

a. Prepare an economic analysis that includes Building 390 on Naval Air Station Fort Worth, Joint Reserve Base, Texas, as a possible facility for the permanent Headquarters of the 10th Air Force.

b. Submit a revised DD Form 1391, "FY 1997 Military Construction Project Data," to:

(1) Reflect requirements and costs based on the results of the economic analysis performed in response to Recommendation 2.a. above.

(2) Reduce the pre-wired workstations requirement by $251,000.

c. Correspondingly reduce the budget estimates by the amount that results from the economic analysis performed in response to Recommendation 2.a. above and by $251,000.

Air Force Comments. The Air Force concurred with the finding and recommendation. The Air Force plans to complete the economic analysis and prepare a revised DD Form 1391 by July 15, 1996. The Air Force also stated that there were problems identified with building 390 and contract estimated will exceed the $1.8 million estimate. The Air Force stated that the pre-wired workstations requirement would be removed from the DD Form 1391 and would be transferred to be funded by the BRAC operation and maintenance account.

Audit Response. Air Force comments on Recommendations 2.a. and 2.b.(1) will correct the identified discrepancies. Although the Air Force concurred with Recommendations 2.b.(2) and 2.c., the proposed corrective actions are not responsive to the recommendations. The proposed transfer of the entire workstation requirement from one BRAC account to another BRAC account will not achieve the desired results. We continue to recommend that the pre-wired workstation requirement be reduced by $251,000 and not just moved among BRAC accounts. Therefore, we request that the Air Force provide additional comments to Recommendations 2.b.(2) and 2.c. when responding to the final report.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We examined the FY 1997 BRAC MILCON budget request, economic analysis, and supporting documentation for space requirements for one realignment project regarding the realignment of the 10th Air Force Headquarters from Bergstrom Air Reserve Base, Texas, to NAS Fort Worth, JRB, Texas. Project DDPF959004, "Numbered Air Force Headquarters," is estimated to cost $4.3 million.

Audit Period, Standards, and Locations. This economy and efficiency audit was performed from January through March 1996 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. The audit did not rely on computer-processed data or statistical sampling procedures. Appendix E 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 the summary reports for the audits of BRAC budget data for FYs 1992 through 1996 and BRAC audit reports published since the summary reports. Also, this appendix includes the Air Force Audit Agency report on the 10th Air Force BRAC MILCON project.

Inspector General, DoD

Report No.	Report Title	Date
96-137	Defense Base Realignment and Closure Budget Data for the Realignment of March Air Force Base, Riverside, California	May 31, 1996
96-136	Defense Base Realignment and Closure Budget Data for the Closure of Gentile Air Force Station, Dayton, Ohio and Realignment of Defense Logistics Agency Components to Wright-Patterson Air Force Base, Ohio	May 31, 1996
96-135	Defense Base Realignment and Closure Budget Data for the Fleet Anti-Submarine Warfare Training Center Pacific, San Diego, California	May 30, 1996
96-131	Defense Base Realignment and Closure Budget Data for Realigning Elements of Headquarters, Department of the Navy, to the Washington Navy Yard	May 28, 1996
96-127	Defense Base Realignment and Closure Budget Data for the Closure of Roslyn Air National Guard Base and Realignments to Stewart Air National Guard Base, New York	May 23, 1996
96-122	Defense Base Realignment and Closure Budget Data for the Realignment of the Air Education and Training Command at Vandenberg Air Force Base, California.	May 17, 1996

Inspector General, DoD

Report No.	Report Title	Date
96-119	Defense Base Realignment and Closure Budget Data for the Construction of a Multiple Purpose Facility at Fort McCoy, Wisconsin	May 14, 1996
96-118	Defense Base Realignment and Closure Budget Data for the Medical and Dental Clinic Expansion Project at Naval Weapons Station Charleston, South Carolina	May 13, 1996
96-116	Defense Base Realignment and Closure Budget Data for the Relocation of Deployable Medical Systems to Hill Air Base, Odgen, Utah	May 10, 1996
96-112	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Cecil Field, Florida, and Realignment of the Aviation Physiology Training Unit to Naval Air Station Jacksonville, Florida	May 7, 1996
96-108	Defense Base Realignment and Closure Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania	May 6, 1996
96-104	Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island	April 26, 1996
96-101	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment of P-3 Aircraft Squadrons to Naval Air Station Whidbey Island, Washington	April 26, 1996
96-093	Summary Report on the Audit of Defense Base Realignment and Closure Budget Data for FYs 1995 and 1996	April 3, 1996
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994

Inspector General, DoD

Report No.	Report Title	Date
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

Air Force Audit Agency

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

Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

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

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

Military Department BRAC Cost-Estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1997 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON

project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1997 BRAC MILCON $820.8 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least $1 million for each group. We also reviewed those FY 1996 BRAC MILCON projects that were not included in the previous FY 1996 budget submission, but were added as part of the FY 1997 BRAC MILCON budget package.

Appendix D. Projects Identified as Invalid or Partially Valid

Table D-1. Causes of Invalid or Partially Valid Projects

Project Location	Project Number	Causes of Invalid Projects		Causes of Partially Valid Projects	
		Overstated	Unsupported	Overstated	Unsupported
NAS Fort Worth, JRB	DDPF959004			X	

Table D-2. Recommended Changes in Project Estimates

Project Location	Project Number	Amount of Estimate on DD Form 1391 (thousands)	Recommended Amount of Change: Invalid Projects (thousands)	Recommended Amount of Change: Partially Valid Projects (thousands)
NAS Fort Worth, JRB	DDPF959004	$4,300	$251	
Total		**$4,300**	**$251**	
Total Invalid and Partially Valid Projects			**$251***	

*Recommended amount of change does not include $1.9 million potential funds put to better use pending economic analysis.

Appendix E. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology, Washington, DC
Under Secretary of Defense (Comptroller), Washington, DC

Department of the Army

Auditor General, Department of the Army, Washington, DC

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller), Washington, DC
Naval Air Station Fort Worth, Joint Reserve Base, TX

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller), Washington, DC
Deputy Assistant Secretary of the Air Force (Installations), Washington, DC
Headquarters, United States Air Force Reserve, Washington, DC
Headquarters, Air Force Reserve, Robins Air Force Base, GA
10th Air Force, Bergstrom Air Reserve Base, TX
301st Air Fighter Wing, Naval Air Station Fort Worth, Joint Reserve Base, TX

Non-Federal Organization

Carswell Redevelopment Authority, Fort Worth, TX

Appendix F. Report Distribution

Office of the Secretary of Defense

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

Department of the Army

Auditor General, Department of the Army

Department of the Navy

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

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment)
  Deputy Assistant Secretary of the Air Force (Installations)
Deputy Chief of Staff (Plans and Operations)
Auditor General, Department of the Air Force
Chief, Air Force Reserve
  Vice Commander, Air Force Reserve
    Commander, 10th Air Force
    Commander, 301st Fighter Wing

Other Defense Organizations

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

Non-Defense Federal Organizations and Individuals

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

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

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

Honorable Phil Gramm, U.S. Senate
Honorable Kay Bailey Hutchison, U.S. Senate
Honorable Richard K. Armey, U.S. House of Representatives
Honorable Joe Barton, U.S. House of Representatives
Honorable Martin Frost, U.S. House of Representatives
Honorable Pete Geren, U.S. House of Representatives
Honorable Eddie Bernice Johnson, U.S. House of Representatives
Honorable Samuel C. Johnson, 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 2, 1996

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: DoD IG Quick-Reaction Report on Defense Base Realignment and Closure Budget Data For the Closure of Bergstrom Air Reserve Base, Texas, and Realignment of the 10th Air Force Headquarters to Naval Air Station Fort Worth, Joint Reserve Base, Texas (Project No. 6CG-5001.24)

This responds to your April 12, 1996, memorandum requesting our comments on the subject report.

The audit recommends that the USD(Comptroller) place project DDPF9590O4, "Numbered Air Force Headquarters," on administrative withhold until the Air Force submits a revised DD 1391 form that accurately reflects project requirements and costs.

The funding for the project at issue is included in the fiscal year 1997 Base Realignment and Closure (BRAC) budget request. We generally agree with the audit findings and recommendations, however, since the Air Force has not officially commented on it and the amount of the savings has not been resolved, it is premature to take action at this time. If this issue in not resolved by the start of the fiscal year, we will place the funds associated with the project on administrated withhold. Any savings resulting from the audit will be reprogrammed to other BRAC requirements as appropriate.

B. R. Paseur
Director for Construction

Department of Air Force Comments

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

24 April 1996

MEMORANDUM FOR The Assistant Inspector General for Auditing
Office of the Inspector General
Department of Defense

FROM: SAF/MIIT
1660 Air Force Pentagon
Washington, DC 20330-1660

SUBJECT: Quick reaction Report on Defense Base Realignment and Closure Budget Data for the Closure of Bergstrom Air Reserve Base,TX and Realignment of the 10th Air Force Headquarters to Naval Air Station Fort Worth, Joint Reserve Base, TX April 12,1996 (6CG-5001.24)

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

Your report indicated that existing facility 390 (child development center) is now available for permanent use vice temporary. We have confirmed this with the local reuse committee and will now prepare an economic analysis to compare alteration of facility 390, versus constructing a new facility. Per the new MILCON guidelines, all costs for the pre-wired workstations will be removed from DD 1391 and transferred to the BRAC O & M account. However, be aware that new problems have been identified with the interior utilities (bldg 390) by the user and actual contract estimates will exceed the old $1.8M estimate.

We concur with your recommendation. The economic analysis and revised DD 1391 will be available 15 Jul 96. All contract funding will be on administrative withhold until these documents are approved. Our POC is Mr Lester R. Schauer, DSN: 227-6559.

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

cc:
SAF/FMBIC
SAF/MII
HQ AFR/XP/CE
AFCEE/CM

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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