



U.S. Army Audit Agency

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American Recovery and Reinvestment Act of 2009

Aberdeen Proving Ground, Maryland

Executive Summary

Audit Report A-2010-0127-FFE

1 July 2010



American Recovery and Reinvestment Act of 2009

Aberdeen Proving Ground, Maryland



Results

On 17 February 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 with the express purpose of stimulating economic growth. The Recovery Act requires unprecedented levels of transparency, oversight, and accountability. The Office of the DOD Inspector General is executing a joint oversight approach with the Service audit agencies to ensure maximum and efficient audit coverage of Recovery Act plans and implementation.

We reviewed Aberdeen Proving Ground's implementation of the Recovery Act to ensure that it was in accordance with the requirements of the Act, the Office of Management and Budget guidance, and subsequent related guidance. Specifically, we focused on the planning, funding, project execution, and tracking and reporting of Recovery Act projects to ensure transparency, accountability, and mitigation of fraud, waste, and abuse.

Aberdeen Proving Ground generally implemented the Recovery Act in accordance with the requirements of the Act, the Office of Management and Budget guidance, and subsequent related guidance for the three projects that we reviewed. Specifically, for the three projects that we reviewed, Aberdeen Proving Ground sufficiently planned Recovery Act project implementation, awarded and distributed funds in a prompt and reasonable manner, properly performed contract and project execution duties, and properly tracked and reported information.

However, the installation didn't have sufficient documentation to justify the need for two of the three projects. This occurred because personnel didn't clearly document maintenance and workorder requests. Without properly documented justification and a clear definition of the work to be performed, there is reduced transparency.

In spite of the minimal reduction in transparency, there is reasonable assurance that Aberdeen Proving Ground used Recovery Act funds for authorized purposes, mitigated the risks of fraud, waste, and abuse, and achieved program transparency goals.

Recommendation

We recommended the Garrison Commander, Aberdeen Proving Ground require personnel to clearly document details of workorder requests and maintain related project justification information in MAXIMO and the Project Prioritization System.

The Garrison Commander, Aberdeen Proving Ground agreed with our recommendation. The Assistant Chief of Staff for Installation Management provided the official Army position and agreed with our report and Aberdeen Proving Ground's response.



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
OFFICE OF THE DEPUTY AUDITOR GENERAL
FORCES AND FINANCIAL AUDITS
3101 PARK CENTER DRIVE
ALEXANDRIA, VA 22302-1596

1 July 2010

Assistant Chief of Staff for Installation Management
Garrison Commander, Aberdeen Proving Ground

This is our report on our audit of the American Recovery and Reinvestment Act of 2009 at Aberdeen Proving Ground, Maryland. The audit was part of a Defense-wide effort executed by the Office of the DOD Inspector General and the Service audit agencies. In accordance with requirements of the American Recovery and Reinvestment Act of 2009, we will make the results of this audit available to the public. We focused the audit on determining whether Aberdeen Proving Ground implemented the American Recovery and Reinvestment Act of 2009 in accordance with the requirements of the Act, the Office of Management and Budget guidance, and subsequent related guidance.

We conducted this audit in accordance with generally accepted government auditing standards.

This report has one recommendation addressed to the Garrison Commander, Aberdeen Proving Ground.

The Army's official position and command comments on the conclusion and recommendation are provided in Annex D. For additional information about this report, contact the Environment and Civil Works Audits Division at 410-278-4287.

I appreciate the courtesies and cooperation extended to us during the audit.

FOR THE AUDITOR GENERAL:

A handwritten signature in black ink, reading "Clarence G. Johnson, Jr.", is positioned above the printed name.

CLARENCE G. JOHNSON, JR.
Program Director
Environment and Civil Works Audits Division

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INTRODUCTION

WHAT WE AUDITED

On 17 February 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 with the express purpose of stimulating economic growth. The Recovery Act requires unprecedented levels of transparency, oversight, and accountability. The Office of the DOD Inspector General (DODIG) is executing a joint oversight approach with the Service audit agencies to ensure maximum and efficient audit coverage of Recovery Act plans and implementation.

We audited the Army's implementation of the Recovery Act at Aberdeen Proving Ground, Maryland. Specifically, we assessed whether Aberdeen Proving Ground personnel:

- Sufficiently planned the projects to ensure the appropriate use of Recovery Act funds. (Planning)
- Awarded and distributed funds in a prompt, fair, and reasonable manner. (Funding)
- Performed contract administration and project execution duties in a manner to ensure the use of Recovery Act funds was for authorized purposes and that instances of fraud, waste, error, and abuse were mitigated; program goals were achieved; and funded projects avoided unnecessary delays and cost overruns. (Project Execution)
- Ensured that recipients and uses of funds were transparent to the public and the benefits of the funds were reported clearly, accurately, and in a timely manner. (Tracking and Reporting)

BACKGROUND

The Office of Management and Budget (OMB) Memorandum M-09-15 (Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009, dated 3 April 2009) provides an updated set of governmentwide requirements and guidelines that Federal agencies must implement or prepare for, in order to effectively manage activities under the Recovery Act. Specifically, the guidance establishes and

clarifies the required steps Federal agencies must take to meet the following crucial accountability objectives:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner.
- The recipients and uses of all funds are transparent to the public and the public benefits of these funds are reported clearly, accurately, and in a timely manner.
- Funds are used for authorized purposes and the potential for fraud, waste, error, and abuse are mitigated.
- Projects funded under this Act avoid unnecessary delays and cost overruns, and program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

Additionally, the guidance requires agencies to compile weekly reports, including financial and activity details, to ensure that they're meeting the transparency and accountability objectives and mitigating the potential for fraud, waste, and abuse.

DOD received approximately \$12 billion as part of the Recovery Act. The Army received about \$7.7 billion of this amount for operation and maintenance (O&M); military construction; research; development, test, and evaluation; and U.S. Army Corps of Engineers' civil works projects. All funds are available for obligation until 30 September 2010, and until 30 September 2013 for military construction. Aberdeen Proving Ground received about \$44.4 million in Recovery Act funding for 107 projects.

The Office of the DODIG performed analysis of all DOD agency-funded projects, locations, and contracting oversight organizations to assess the risk of fraud, waste, and abuse associated with each. The DODIG used predictive analytics to quantify the risks and to select projects to review. The predictive analytics identified two projects to review at Aberdeen Proving Ground:

- A Defensewide medical project modernizing a health facility, with estimated costs of about \$15.8 million.
- An energy project for building repair, with estimated costs of \$9.4 million.

Together, the DODIG and our Agency also selected four additional projects to review at Aberdeen Proving Ground. Our Agency reviewed the following three projects at Aberdeen:

Aberdeen Proving Ground Projects Reviewed by USAAA		
Project Title	Cost Estimate	Project Type
Repair Building 316 Electrical, HVAC, Plumbing, Finishes, Doors, Windows	\$9,400,000	Energy
Repair Child Development Center Facility, 2485-Repair Roof, Sprinkler, Floor, Mechanical System	1,800,000	Roofing
Barracks E4229 Replace Chiller, Renovate Lobby and Laundry Room and Replace Windows	1,100,000	Barracks

Annex C includes before and after pictures of the roofing for the child development center facility.

OTHER MATTERS

We conducted the review of Aberdeen Proving Ground as a joint effort with the DODIG. This report addresses our review of three projects. The DODIG will report separately on the following three projects that they reviewed.

Aberdeen Proving Ground Projects Reviewed by DODIG		
Project Title	Cost Estimate	Project Type
Replace 3 Boilers in E1574	\$2,000,000	Energy
Repair Interior of APG 30	\$1,600,000	Quality of Life
Modernize 3 rd Floor Utilities-Center for Health Promotion and Preventive Medicine	\$15,750,000	Defensewide Medical

RECOVERY ACT IMPLEMENTATION

OBJECTIVE

Did Aberdeen Proving Ground implement the American Recovery and Reinvestment Act of 2009 in accordance with the requirements of the Act, the Office of Management and Budget guidance, and subsequent related guidance?

CONCLUSION

Generally, yes. Aberdeen Proving Ground implemented the Recovery Act in accordance with the requirements of the Act, OMB guidance, and subsequent related guidance for the three projects that we reviewed. Overall, for the three projects that we reviewed, the installation:

- Sufficiently planned Recovery Act project implementation by identifying projects eligible for Recovery Act funding and having sufficient controls and an approved expenditure plan in place.
- Awarded and distributed funds in a prompt and reasonable manner.
- Performed contract and project execution duties in a manner that provided reasonable assurance that Recovery Act funds were used for authorized purposes, instances of fraud, waste, and abuse were mitigated, and program goals were achieved.
- Properly tracked and reported information to ensure the recipients, uses, and benefits of Recovery Act funds were transparent to the public.

However, the installation didn't have sufficient documentation to justify the need for two of the three projects. This occurred because personnel didn't clearly document maintenance and workorder requests. Without proper justification and a clear definition of the work to be performed, there is reduced transparency. Aberdeen Proving Ground needs to ensure personnel clearly document details of workorder requests and maintain related project information in MAXIMO, a computerized asset maintenance system, and the Project Prioritization System (PPS), a Web site that the Army used to view and prioritize sustainment, restoration, and modernization projects.

Our recommendation to correct project justification issues is in the next section. We discuss our detailed audit results for the four areas of planning, funding, project execution, and tracking and reporting, beginning on page 7.

RECOMMENDATION AND COMMENTS

This section contains a specific recommendation and a summary of command comments for the recommendation. The official Army position and verbatim command comments are in Annex D.

For the Garrison Commander, Aberdeen Proving Ground

Recommendation

Require personnel to clearly document details of workorder requests and maintain related project justification information in MAXIMO and the Project Prioritization System.

Command Comments

Command concurred with the recommendation and stated that the recommended actions are Aberdeen's policy for all projects, not just Recovery Act projects. Command recognized that it's in the best interest of Aberdeen Proving Ground to have clear definitions of the work to be performed. Aberdeen Proving Ground made corrections to the Recovery Act projects already and stated that they'll continue to make improvements in this area.

Official Army Position

The Assistant Chief of Staff for Installation Management provided the official Army position and agreed with our report and Aberdeen Proving Ground's response.

A – PLANNING

BACKGROUND

In a February 2009 memorandum, the Office of the Secretary of Defense directed the Army and other military departments to identify military construction and facilities sustainment, restoration, and modernization projects that they planned to execute using Recovery Act funding. The memo stated that, in accordance with Section 1602, the departments should give preference to activities that could be started and completed expeditiously, with a goal of using at least 50 percent of the funds for activities that could be initiated not later than 120 days after the date of the enactment of the Act.

DISCUSSION

Aberdeen Proving Ground sufficiently planned its Recovery Act projects. Our review showed Aberdeen Proving Ground coordinated with U.S. Army Installation Management Command to identify, validate, and prioritize requirements eligible for Recovery Act funding. Aberdeen Proving Ground also had sufficient controls in place to implement the Recovery Act to include:

- The responsibility for Recovery Act implementation assigned to sufficiently trained personnel within the Public Works, Resource Management, and Contracting directorates.
- The use of a separate Treasury account fund symbol to ensure Recovery Act funds are clearly distinguished.
- A process in place to track the receipt of funding, status, and milestone completion for Recovery Act projects.
- A process in place to promptly resolve audit findings that may affect the installation's ability to successfully implement the Recovery Act.

In addition, Aberdeen Proving Ground's expenditure plan matched DOD's expenditure plan for all Recovery Act projects at Aberdeen. Both expenditure plans included 107 projects requiring about \$44.4 million in Recovery Act funding. Because of sufficient planning, there is reasonable assurance that Aberdeen Proving Ground appropriately used Recovery Act funds for the three projects that we reviewed.

Because our results are positive, there are no recommendations for planning.

B – FUNDING

BACKGROUND

OMB Bulletin 09-02 (Budget Execution of the ARRA of 2009) requires agencies to use a separate Treasury appropriation fund symbol to track and report Recovery Act funding in order to facilitate transparency.

Office of the Secretary of Defense (Comptroller) Memorandum, dated 7 May 2009, (Subject: “Project Cost Variations during Execution of ARRA Expenditure Plans for Infrastructure Investments,” signed by the Principal Deputy and Senior Accountable Official for Recovery Act), contains guidance for:

- **Availability of O&M funds to complete recovery act projects.** O&M funds appropriated in DOD Appropriations Acts or in emergency supplemental appropriations shouldn't be used to carry out Recovery Act projects except when Recovery Act supplemental O&M appropriated funds are no longer available and component request is approved by Principal Deputy Under Secretary of Defense (Comptroller).
- **Bid Savings.** Components should use their management discretion to use bid savings (as they occur) to offset the cost growth in other projects, regardless of location. If bid savings aren't available, then the component should “borrow” funds from the later-executing projects to cover cost variations. When subsequent bid savings become available, the later executing projects should be executed from Recovery Act O&M appropriations in accordance with the original expenditure plan.
- **Project Cancellations and Additions.** If a project can't be executed or is no longer required, and cancellation is deemed the better action, rather than retaining unobligated balances in the Recovery Act O&M appropriation, the component must nominate a replacement project.

DISCUSSION

The Army awarded and distributed funds in a prompt, fair, and reasonable manner for the three projects that we reviewed at Aberdeen. Aberdeen Proving Ground received approximately \$44.4 million in Recovery funds through two funding authorization documents. Both documents properly cited the Recovery Act designation – O&M,

Army – Recovery Act, Appropriation 2022. Of the \$44.4 million, Aberdeen received \$12.3 million for the three projects we reviewed, \$9.4 million for Building 316, \$1.8 million for the child development center, and \$1.1 million for the Barracks Building E4229. Each is consistent with the approved DOD expenditure plan.

Aberdeen Proving Ground awarded approximately \$7.0 million for the three projects we reviewed, resulting in about \$5.29 million in bid savings available to use for other projects.

As a result, there is reasonable assurance that Aberdeen Proving Ground properly funded its Recovery Act projects and the use was appropriate.

Additionally, our initial review of Aberdeen Proving Ground’s expenditure plan showed \$0 cost estimates for 11 projects that totaled \$1.2 million in the approved DOD expenditure plan. According to installation personnel, they needed to remove the 11 projects from the expenditure plan because they completed 6 of the projects with regular sustainment, restoration, and modernization or other funding and they no longer needed the other 5 projects. At the time of our initial review, installation personnel stated that the oversight occurred because of the initial lack of guidance and the expediency associated with identifying requirements and that they’d initiate actions to nominate replacement projects. However, Aberdeen Proving Ground subsequently awarded contracts for 10 of the 11 projects. Although installation personnel provided some information on the awards, we’ll conduct a separate audit to review the 10 projects because a detailed review of those projects wasn’t included in the scope of this audit.

Because our results are positive, there are no recommendations for funding.

C – PROJECT EXECUTION

BACKGROUND

PPS is a Web site that the Army used to view and prioritize sustainment, restoration, and modernization projects. PPS includes a narrative and memo field used for justifications, descriptions of work, and contacts that can serve to validate a project.

MAXIMO is a computerized asset maintenance system. The system's capabilities include the ability to track workorders and reasons for not scheduling preventive maintenance, and the purchase of inventory stores and materials for workorders.

The National Environmental Policy Act of 1969 requires Federal agencies to integrate environmental values into their decisionmaking processes by considering the environmental effects of their proposed actions and develop reasonable alternatives to those actions. To meet National Environmental Policy Act requirements, Federal agencies should prepare a detailed statement known as an environmental statement.

Federal Acquisition Regulation (FAR) Subpart 5.7 (Publicizing Contracts Requirements under the American Recovery and Reinvestment Act of 2009) required the contracting officers to use the Federal Business Opportunities Web site to:

- Identify the action as funded by the Recovery Act.
- Post preaward notices for orders exceeding \$25,000 for “informational purposes only.”
- Describe supplies and services that are clear and unambiguous.
- Provide a rationale for awarding any action that isn't both fixed-price and competitive.

The Office of the Secretary of Defense (Acquisition, Technology and Logistics) Memorandum, “Updated Instructions for Posting Pre-Solicitation and Award Notices; Reporting Contract Actions; and Reporting Performance Assessments for Actions Funded by the American Recovery and Re-Investment Act of 2009,” dated 21 April 2009, provides updated instructions specific to publicizing and reporting contract actions on the Federal Business Opportunities Web site and the Federal Procurement Data System, in compliance with the transparency and accountability requirements associated with the Recovery Act.

DISCUSSION

For the three projects that we reviewed, Aberdeen Proving Ground personnel generally performed contract administration and project execution duties in accordance with the requirements of the Act. The three projects in our review weren't funded by other programs (like base realignment and closure) and represented valid needs that supported the Recovery Act goals. The project managers complied with National Environmental Policy Act requirements for the three projects by completing records of environmental consideration and contracting personnel generally met transparency requirements and reinforced goals of the Act. However, Aberdeen Proving Ground project managers didn't maintain sufficient documentation to support the need for two of the three projects.

Project Justification

We determined that the three projects that we reviewed represented a valid need. However, we had to validate the need for two of the three projects by conducting interviews and visual inspection of the facilities because Aberdeen Proving Ground project managers didn't maintain sufficient documentation. Aberdeen personnel provided workorder requests from MAXIMO and PPS narratives as justification for the two projects. Neither source provided sufficient justification for the projects. For example, the narrative in PPS for the child development center stated, "repair the failed or failing roof, sprinkler system, floor finishes to include carpet and tile, and the water heater," and the MAXIMO workorder didn't provide any justification. We confirmed that the project was a valid need by taking a tour of the building and interviewing center personnel. Without the proper justification for projects and a clear definition of the work to be performed, there is reduced transparency.

We addressed action needed to maintain sufficient documentation for project justification in the Recommendation on page 6.

Project Estimates

Aberdeen Proving Ground obtained independent government estimates for the three projects that we reviewed. However, the estimates differed significantly from the project cost estimates included in the approved DOD expenditure plan – ranging from a 63 percent overstatement in the plan to an 11.5 percent understatement. Project managers explained the differences stating that they had added to estimates included in the plan to account for inflation for an older independent government estimate or used

budgetary numbers created before the development of the independent government estimate. They also reduced the estimate for one project to reflect the reduced cost of construction supplies. The increased estimates in the expenditure plan weren't reasonable and the actual awards for the three projects were significantly less than the expenditure plan estimates and the independent government estimate. Specifically:

- The actual award for the Building 316 renovation was \$5.8 million, which was 45 percent less than the independent government estimate and 38 percent less than the estimate included in the expenditure plan.
- The actual award for the child development center was \$820,000, which was 18 percent less than the independent government estimate and 54 percent less than the estimate included in the expenditure plan.
- The actual award for the Barracks E4229 was \$390,000, only 5 percent less than the independent government estimates and 65 percent less than the estimate included in the expenditure plan.

Although the estimated costs in the expenditure plan for the three projects didn't appear reasonable, we concluded that the independent government estimates and contract awards resulted in the effective use of Recovery Act funds.

Competition and Transparency Goals

Contracting personnel generally met and reinforced the Recovery Act's competition and transparency goals and requirements. Specifically:

- Contracting officers used existing, fully competed indefinite-delivery, indefinite-quantity contracts to award firm, fixed-price task orders to government-approved contractors. Additionally, Aberdeen Proving Ground awarded contracts for two of the three projects to a certified 8(a) small disadvantaged business.
- Contracting officers included all of the applicable FAR clauses in the contracting documents for the three projects.
- Contracting officers properly posted most of the required notices (solicitations and awards) on the Federal Business Opportunities Web site. However, the contracting officer didn't include the required "For Informational Purposes Only" statement in the initial posting of the Architecture and Engineer Design Special Notice for the Building 316 project, resulting in reduced transparency for the project. However, the contracting officer corrected the notice during the audit.

Quality Assurance

Aberdeen Proving Ground had sufficient quality assurance control plans for the three projects that we reviewed. The plans, outlined as a requirement in the contracts for the projects, included steps to ensure that the contractor met technical requirements for inspection, testing, and other quality controls. The plans also outlined methods of control management to ensure the contractor followed contract requirements and remedied any defects or nonconformances. As a result, there is reasonable assurance that Aberdeen Proving Ground will avoid unnecessary delays and cost overruns for the three projects that we reviewed.

In spite of the reduced transparency for the project justifications, there is reasonable assurance that Aberdeen Proving Ground performed contract administration and project execution duties for the three projects that we reviewed in a manner to ensure: the use of Recovery Act funds was for authorized purposes; instances of fraud, waste, error, and abuse were mitigated; program goals were achieved; and funded projects avoided unnecessary delays and cost overruns.

D – TRACKING AND REPORTING

BACKGROUND

FAR 4.15 and 52.204-11 (American Recovery and Reinvestment Act – Reporting Requirements) require contractors to report on their use of Recovery Act funds. Contracting officers must include these clauses in solicitations and contracts funded with Recovery Act funds.

FAR Subpart 4.1501 (Procedures) requires contracting officers to ensure the contractors comply with Recovery Act reporting requirements.

DISCUSSION

Army personnel at Aberdeen Proving Ground properly tracked the three Recovery Act projects we reviewed. Specifically, they:

- Tracked and reported the status, receipt and distribution of funding, and contract actions.
- Reported the total dollar value of Recovery Act contract awards in the Federal Procurement Data System.
- Included the appropriate FAR clauses for Recovery Act reporting in the contract actions and offered to assist the contractors.
- Had information available to track and report the percentage of backlog reduced by Recovery Act funding.

We also found that the contractors for the three projects complied with reporting requirements by posting award summaries that included the appropriate recipient data, total award amount, award date, project status, and number of jobs created or retained.

As a result, there is reasonable assurance that the recipients and uses of Recovery Act funds were transparent to the public and the benefits of the funds were reported clearly, accurately, and in a timely manner.

Because our results are positive, there are no recommendations.

A – GENERAL AUDIT INFORMATION

SCOPE AND METHODOLOGY

We conducted the engagement from July 2009 through May 2010 under project A-2009-FFE-0446.000. We performed this performance audit at Aberdeen Proving Ground, Maryland in accordance with generally accepted government auditing standards for performance audits. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusion based on our audit objective.

We obtained computer-generated data from the Federal Business Opportunities and Federal Reporting Web sites; the Central Contractor Registration and MAXIMO databases; the Excluded Parties List, Project Prioritization, and Federal Procurement Data Systems; and Microsoft Excel spreadsheets provided by Aberdeen Proving Ground personnel. We reviewed Recovery Act project data and contracting documents to verify the need for the projects, reasonableness of cost estimates, contractor eligibility, and the inclusion of required language and clauses. We assessed the reliability of the data by testing for completeness, accuracy, and consistency. However, we didn't test or evaluate any general or application controls of the systems. Our assessment showed that the data was sufficiently reliable to answer our audit objective and support our conclusions.

We covered issues, items, and transactions representative of operations current at the time of our audit.

To determine whether Aberdeen Proving Ground implemented the Recovery Act in accordance with the requirements of the Act, OMB guidance, and subsequent related guidance, we:

- Identified and interviewed key personnel at Aberdeen to obtain an understanding of their involvement in identifying requirements, and contracting and funding the distribution processes for the Recovery Act.
- Reviewed and compared Aberdeen Proving Ground's base realignment and closure project list to its Recovery Act project list to ensure the Act's funding wasn't used when base realignment and closure money should be.
- Reviewed and analyzed three records of environmental consideration to determine whether Aberdeen Proving Ground considered the environmental effect of selected Recovery Act projects.

- Reviewed and analyzed project justifications from the PPS, work requests from MAXIMO and contracts to determine whether selected Recovery Act projects constituted as a valid need.
- Visited selected Recovery Act projects to confirm that they constituted as a valid need.
- Reviewed and analyzed the funding authorization documents to identify the amount of funding Aberdeen Proving Ground received to execute Recovery Act projects and to identify the appropriation codes.
- Reviewed and analyzed independent government estimates to verify that the contracting office obtained a cost estimate.
- Reviewed and analyzed the Central Contractor Registration database to verify the contractor is a government-approved contractor; to obtain the contractor's address and ensure that the contractor qualified as a small and disadvantage business.
- Reviewed and analyzed the price analysis memorandum for record to identify the contracting office's decisionmaking process for awarding the buildings' renovation contract.
- Reviewed and analyzed the Excluded Parties List System to verify the contractor is eligible to conduct business with the U.S. Government.
- Reviewed and analyzed the small business coordination record to identify whether the contracting office recommended that the building renovation contract should be a small business set-aside.
- Reviewed and analyzed printouts from the Army Single Face to Industry, Federal Business Opportunities, and Federal Procurement Data System databases to verify whether the contracting office competed the opportunity; to verify the synopsis contained a description of services, and to identify the Recovery Act designation, contract date, project duration, and completion date.
- Reviewed and analyzed the solicitations, contract awards, and contract modifications to verify the inclusion of required FAR clauses for the renovations to Building 316, Building 2485, and Barracks E4229 projects, and to identify the statements of work.

RESPONSIBILITIES AND RESOURCES

The Office of the Assistant Secretary of the Army (Financial Management and Comptroller) formulates, submits, and defends the Army budget to Congress and the American people. The

Office oversees the proper and effective use of appropriated resources to accomplish the Army's assigned missions and provides transparent reporting to Congress and the American people on the use of appropriated resources and the achievement of established Armywide performance objectives.

The Office of the Assistant Chief of Staff for Installation Management provides policy formulation, strategy development, enterprise integration, program analysis and integration, requirements and resource determination, and best business practices for services, programs, and installation support to Soldiers, families, and civilians of an expeditionary Army in a time of persistent conflict.

U.S. Army Installation Management Command provides the Army with the installation capabilities and services to support expeditionary operations in a time of persistent conflict, and to provide a quality of life for Soldiers and families commensurate with their service. Installation Management Command, in coordination with personnel at Aberdeen Proving Ground, identified the projects that were eligible for Recovery Act funding.

The Garrison Commander is responsible for ensuring the implementation of projects receiving Recovery Act funds is in accordance with the requirements of the Act, OMB guidance, and subsequent related guidance. The Commander received support in implementing the Recovery Act projects from the following key offices:

- **Resource Management.** Maintained accountability of Recovery Act funds received and distributed to projects.
- **Department of Public Works.** Assisted Installation Management Command with identifying facility, sustainment, restoration, and modernization projects eligible for Recovery Act funding. Managed and maintained the PPS, prepared project justifications, and oversaw project execution.
- **Contracting.** Maintained responsibility for issuing solicitations, managing the evaluation process, ensuring contractor eligibility, including required language and clauses in solicitation/contracting documents, and posting the documents to required Web sites and systems.
- **U.S. Army Corps of Engineers Baltimore District.** Administered contract actions to obtain architecture and engineer design support for one of the projects that we reviewed.

ACKNOWLEDGMENTS

These personnel contributed to the report: Kimberly Craig (Audit Manager), Jacqueline Thompson (Auditor-in-Charge), Rhonda Surrena (Assistant Auditor-in-Charge), Laura Knebel (Auditor), and Elizabeth Curran (Editor).

DISTRIBUTION

We are sending copies of this report to:

Assistant Secretary of the Army (Financial Management and Comptroller)
Commanding General, U.S. Army Installation Management Command
Commanding General, U.S. Army Corps of Engineers
Commander, Baltimore District, U.S. Army Corps of Engineers

In accordance with requirements of the American Recovery and Reinvestment Act of 2009, we are sending a copy of this report to the Office of the Department of Defense Inspector General to make the results available to the public.

We will also make copies available to others upon request.

B – ABBREVIATIONS USED IN THIS REPORT

DODIG	Department of Defense Inspector General
FAR	Federal Acquisition Regulation
O&M	Operation and Maintenance
OMB	Office of Management and Budget
PPS	Project Prioritization System

C – CHILD DEVELOPMENT CENTER REPAIRS



Child development center roof before repairs.



Child development center roof after repairs.

D – OFFICIAL ARMY POSITION AND VERBATIM COMMENTS BY COMMAND



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
600 ARMY PENTAGON
WASHINGTON, DC 20301-0600

DAIM-ZA

JUN 4 2010

MEMORANDUM FOR Program Director, Forces and Financial Audits, U.S. Army Audit Agency, 3101 Park Center Drive, Alexandria, VA 22302

SUBJECT: Draft Report, Audit of the American Recovery and Reinvestment Act of 2009 at Aberdeen Proving Ground, Maryland (Project A-2009-FFE-0446.000)

1. The Office of the Assistant Chief of Staff for Installation Management (OACSIM), in coordination with the US Army Installation Management Command (IMCOM) has reviewed the subject draft report and provides the following comments concerning the conclusions, recommendations, and discussions. We note that the recommendation is consistent with and requires adherence to existing applicable regulations. We concur with US Army Garrison Aberdeen Proving Ground's response and IMCOM Northeast Region's endorsement enclosed.

2. The OACSIM point of contact for this matter is Mr. Scott Dias, commercial (703) 604-2425, email: scott.dias@us.army.mil. The IMCOM point of contact is Ms. B.J. Trivett, commercial (210) 424-8178, email: bertha.j.trivett@us.army.mil.

Encl

A handwritten signature in black ink, appearing to read "Rick Lynch", written over the typed name and title.

RICK LYNCH
Lieutenant General, GS
Assistant Chief of Staff
for Installation Management

CF:
IMCOM-IR

05/19/2010 14:54 8846338344

MWR

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REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
US ARMY INSTALLATION MANAGEMENT COMMAND
US ARMY GARRISON ABERDEEN PROVING GROUND
2201 ABERDEEN BOULEVARD
ABERDEEN PROVING GROUND MARYLAND 21005-8001

IMNE-APG-IR

11 MAY 2010

MEMORANDUM THRU Chief of Staff, Northeast Region, Installation Management Command,
5 North Gate Road, Fort Monroe, VA 23651-1048

FOR Commanding General, Installation Management Command, 2511 Jefferson Davis Hwy,
Arlington, VA 22202

SUBJECT: Draft Report on the Audit of the American Recovery and Reinvestment Act of 2009
at Aberdeen Proving Ground, Maryland (Project A-2009-FFE-0446.000)

1. Reference memorandum, USAAA, SAAG-FFE, 4 May 10, SAB.
2. The US Army Garrison, Aberdeen Proving Ground concurs with subject report. Our specific response to the recommendation related to project execution is enclosed.
3. The point of contact for this action is Ms. Marian Hodge, IMNE-APG-IR,
marian.hodge@us.army.mil, DSN 298-4201.

Encl

Orlando W. Ortiz
ORLANDO W. ORTIZ
Colonel, MI
Commanding

Project: A-2009-FFE-0446

Title: American Recovery and Reinvestment Act of 2009, Aberdeen Proving Ground, MD

Objective C: Project Execution

AAA Conclusion: For the three projects reviewed, Aberdeen Proving Ground personnel generally performed contract administration and project execution duties in accordance with the requirements of the Act. The three projects in our review weren't funded by other programs (like base realignment and closure) and represented valid needs that supported the Recovery Act goals. The project managers complied with National Environmental Policy Act requirements for the three projects by completing records of environmental consideration, and contracting personnel generally met transparency requirements and reinforced goals of the Act. However, Aberdeen Proving Ground project managers didn't maintain adequate documentation to support the need for two of the three projects.

AAA Recommendation C-1: Require personnel to clearly document details of workorder requests and maintain related project justification information in MAXIMO and the Project Prioritization System.

Garrison Comments to Recommendation C-1: Concur. The recommended actions have been and are our policy for all projects at Aberdeen Proving Ground not just Recovery Act projects. We have made corrections to the Recovery Act projects, which are routinely pulled by IMCOM in their review of execution. It is in the best interest of Aberdeen Proving Ground to have clear definitions of the work to be performed and we will continue to make improvements in this area.

Encl

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