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# **INSTALLATION REPORT OF AUDIT**

**F2009-0080-FCR000**



**American Recovery and Reinvestment  
Act of 2009 Military Construction  
23rd Wing  
Moody AFB GA**

**Robins Area Audit Office  
17 September 2009**

### INTRODUCTION

On 17 February 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 providing the DoD with \$2.3 billion in military construction projects. The purpose of the Act is to provide an infusion of money within specific guidelines that will result in a jump start to the United States economy. While the Air Force overall received major funding dollars for numerous projects, a portion of the Act included \$80 million in funding for Child Development Centers at 7 Air Force installations.

According to project documents, the current Child Development Center at Moody AFB was at 100 percent capacity, could not offer hourly care to eligible families, and as of June 2009, had a full-time care waiting list of 130 children. The Center is presently housed in 2 separate facilities – the main facility and an annex. The main facility was constructed in 1980 with 5 small renovations. The annex is located approximately a half mile from the main facility. The annex is a wooden substandard WWII-era facility constructed in 1941.

A major safety concern with the annex is parents and children must cross a major intersection to drop off and pick up children, and children must cross the same intersection to access outdoor playground equipment. In addition, the annex is slated for demolition. The project is currently in the contracting phase with the Corps of Engineers in Savannah, GA with expected award in September 2009, a planned construction start in February 2010, and completion in August 2011.

Prior to the Recovery Act funding, 23rd Wing, Civil Engineering Squadron personnel developed the project justification documentation and estimated costs for a new Child Development Center, while Family Support Flight personnel provided additional supporting information. Based on the initial justification documentation, the 23rd Wing at Moody AFB GA estimated approximately \$11.4 million was needed to build the new 37,800 square foot Child Development Center for 200-300 children.

### OBJECTIVES

The overall objective of this centrally directed audit was to determine whether applicable 23rd Wing personnel properly managed Recovery Act 2009 military construction requirements. Specifically, we evaluated whether applicable Wing personnel:

- Documented the need and properly justified the Child Development Center; and effectively documented and

supported all estimated project costs.

- Conducted an environmental assessment to determine if any significant impact to the environment existed; and obtained a Certificate of Exception from applicable Command personnel.
- Reported contract information transparently to the public.
- Included all new Federal Acquisition Regulation clauses in Recovery Act contracts.
- Met the Recovery Act goals of fostering competition, expeditiously awarding the contract, and creating/retaining jobs.

The review at Moody AFB was limited to initial project and cost justification, and the other supporting requirements including an environmental assessment and Certificate of Exception. The objectives associated with transparently reporting contract information, including all new Federal Acquisition Regulation clauses, and meeting the Recovery Act goals were not reviewed during the audit because the contract for this project was not yet awarded,

### CONCLUSIONS

The 23rd Wing Civil Engineering and Family Support Flight effectively justified and documented the initial need and project request, and estimated costs for the Child Development Center at Moody AFB. Specifically, Wing civil engineering personnel,

- In coordination with Family Support Flight personnel, maintained adequate documentation to support a long standing waiting list of 94 children as far back as 2002. Also, civil engineering personnel effectively documented and supported all estimated project costs. A properly justified and documented project helps validate the need for a new Child Development Center. Also, effectively documenting and supporting project costs helps Command and Air Force level personnel validate projected expenditures are appropriately computed and allows the most efficient use of available Recovery Act funds. (Tab A, page 1)
- Conducted an environmental assessment and determined that no significant impact on the environment existed and

no additional environmental costs were expected. Additionally, Wing engineering personnel initiated and Command personnel provided a Certificate of Exception. Completing the environmental assessment helps determine any potential impact on the environment and identify any additional environmental costs. Further, obtaining a Certificate of Exception validates Air Force leadership has the required information to make construction decisions in the best interest of the Air Force. (Tab A, page 1)

**RECOMMENDATIONS** This audit did not identify any problems requiring corrective actions. Consequently, this report contains no recommendations requiring corrective actions.



*Janet F. Herndon*

TEAM CHIEF

Robins Area Audit Office, Team D



*Ron J. Misamore*

OFFICE CHIEF

Robins Area Audit Office

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## **BACKGROUND**

Prior to the Recovery and Reinvestment Act of 2009 and as a result of the enrollment capacity, 23rd Wing Civil Engineering Squadron personnel completed the Department of Defense (DD) Form 1391, *Fiscal Year 2009 Military Construction Project Data*, on 22 January 2009, for a new Child Development Center (CDC) at Moody AFB. The plans for new CDC included training and staff resource rooms, administrative offices, reception area, isolation room, kitchen, kitchen dry storage, staff break room, laundry rooms, and janitorial rooms. The Base Facilities Board approved the new larger structure and forwarded the request to Air Combat Command (ACC) for military construction funding consideration before the Recovery Act funding was approved.

During the planning stage of a military construction project, the engineer programmer completes a DD Form 1391 to justify the need for a project. The justification data on the form includes primary and supporting information about the project, such as floor space, infrastructure requirements, and cost estimates. The DD Form 1391 explains and justifies the project to all levels of the Air Force, the Office of Secretary of Defense, the Office of Management and Budget, and Congress.

Civil engineering personnel also perform an environmental assessment to document the construction's impact on the environment and identify any additional environmental costs. In addition, engineering personnel request an economic analysis. An economic analysis evaluates alternatives to determine the most economical and effective method of construction, like renovation or new construction. Command personnel provide a Certificate of Exception or waiver when installation level personnel provide documentation that economically and effectively supports only 1 decision, the construction alternative, to solve the current situation.

## **AUDIT RESULTS 1 – JUSTIFICATION AND COST SUPPORT**

**Condition.** The 23rd Wing Civil Engineering and Family Support Flight personnel effectively justified and documented the initial need and project request, and estimated costs for the CDC at Moody AFB. Specifically, Wing civil engineering personnel:

- In coordination with Family Support Flight personnel, maintained adequate documentation to support a long standing waiting list of 94 children as far back as 2002, properly justifying and documenting the need for the CDC. Also, civil engineering personnel effectively documented and supported all estimated project costs.
- Conducted an environmental assessment and determined that no significant impact on the environment existed and no additional environmental costs were expected. Additionally, Wing engineering personnel initiated and Command personnel provided the Certificate of Exception to support the construction decision.

**Causes.** This situation occurred because 23rd Wing personnel adhered to Air Force guidance relating to construction planning and programming procedures.

**Impact.** Adhering to the Air Force guidance for construction planning and programming procedures helps validate the need for a new CDC; verify projected expenditures are appropriately computed and represent the most efficient use of available Recovery Act funds; determine any potential environmental impact and resulting costs; and provide Air Force leadership the necessary information to make construction decisions prior to contract award.

**Management Comments.** The 23rd Wing Commander concurred with the audit results in this audit report.

### AUDIT SCOPE

We conducted this centrally directed audit at the 23rd Wing at Moody AFB. Specifically, to determine whether 23rd Wing personnel effectively managed the Recovery Act of 2009 military construction requirements, we reviewed the Child Development Center (CDC) justification data, the Department of Defense (DD) Form 1391, *Fiscal Year 2009 Military Construction Project Data*, that Wing civil engineering personnel submitted to Air Combat Command (ACC) on 22 January 2009; and various other project supporting documentation dated between July 2000 and 19 August 2009. We conducted the audit from 18 August to 9 September 2009 and issued a draft report to management on 14 September 2009.

- **Project Justification.** To evaluate whether Wing personnel provided ACC with valid information to allow them to properly justify the selected Recovery Act project to Air Staff, we reviewed waiting list information dated from April 2002 through June 2009; an Air Force Special Operations Command sponsored study by Price/Waterhouse/Coopers of existing conditions and space deficiency at the existing Moody CDC, dated January 2005; and the 12 May and 12 December 2008, and 12 May 2009 Base Facilities Board results. Also, we interviewed the 23rd Wing Family Support Flight Director and the Chief, Asset Optimization.
- **Estimated Costs.** To determine whether Wing personnel provided ACC with valid information to allow them to properly estimate costs for the selected Recovery Act project to Air Staff, we reviewed the DD Form 1391 submitted to ACC. Also, we validated the facility information contained on the DD Form 1391 matched the information contained in Air Force Handbook 32-1084, *Facility Requirements*, 1 September 1996; and the associated parametric cost estimating documentation. In addition, we obtained and reviewed a copy of the environmental assessment and the Wing initiated and ACC personnel provided Certificate of Exception. Lastly, we interviewed the 23rd Wing Chief, Engineer; and the ACC military construction program manager.

### Sampling Methodology.

- **Sampling.** The audit control point (AFAA/SPE, Brooks City-Base, TX) obtained a full listing of Air Force Recovery and Reinvestment Act of 2009 military construction projects that included family housing, CDC, and dormitory projects. This listing contained 13 projects at 13 locations and was valued at approximately \$260 million. We reviewed 100 percent of the Recovery Act projects at each location and for the 23rd Wing this resulted in 1 project, the CDC.
- **Computer Assisted Auditing Tools and Techniques.** We used computer assisted auditing tools and techniques to summarize audit results. Specifically, we used Microsoft Excel® spreadsheets and used the IF, COUNTIF, COUNTA, and sum functions to summarize data.

**Data Reliability.** We did not rely on computer-generated data for our audit conclusions.

**Auditing Standards.** We conducted this audit in accordance with generally accepted government auditing standards, and accordingly included tests of management controls over justification of need, documentation of need and estimated costs, document retention, and management review and oversight.

**Discussion with Responsible Officials.** We discussed and coordinated this report with the 23rd Wing, Mission Support Group, and Civil Engineering Commanders, and other interested officials. We received management's formal coordination on 17 September 2009.

### **PRIOR AUDIT COVERAGE**

During the last 5-years, we did not identify any Air Force Audit Agency, DoD Inspector General, or Government Accountability Office reports for the 23rd Wing addressing the same or similar objectives as this audit.

**POINTS OF CONTACT**

AFAA Robins Area Audit Office  
755 Warner Robins Street  
Robins AFB GA 31098.-1469

Mr. Ron J. Misamore, Office Chief  
DSN 472-0350  
Commercial (478) 222-0350

Ms. Janet F. Herndon, Team Chief

Ms. Mary E. Ross, Auditor-in-Charge

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**PROJECT NUMBER**

We accomplished this audit under project number **F2009-FD1000-0655.006**.

**FREEDOM OF INFORMATION ACT**

The disclosure/denial authority prescribed in AFPD 65-3 will make all decisions relative to the release of this report to the public.