



INSTALLATION REPORT OF AUDIT

F2009-0089-FBL000

**American Recovery and Reinvestment
Act of 2009 Requirements
22d Air Refueling Wing
McConnell AFB KS**

Midwest Area Audit Office

9 September 2009

INTRODUCTION

The American Recovery and Reinvestment Act of 2009 was signed into law on 17 February 2009. The purposes of the Act are to preserve and create jobs, assist those most impacted by the recession, provide investments needed to increase economic efficiency, invest in infrastructure that will provide long-term benefit, and stabilize state and local government budgets. The 22d Air Refueling Wing received approximately \$13.6 million in Recovery Act funds.

OBJECTIVES

We accomplished this centrally directed audit to determine whether the Air Force properly managed Recovery Act Facilities Sustainment, Restoration, and Modernization requirements. Specifically, we determined whether officials:

- Properly justified projects for the Recovery Act.
- Reported contract information that was transparent to the public.
- Included all new Federal Acquisition Regulation clauses in Recovery Act contracts.
- Met the goals of the Recovery Act by fostering competition, expeditiously awarding contracts, and creating or retaining jobs.

CONCLUSIONS

The 22d Air Refueling Wing personnel properly justified projects selected to receive Recovery Act funding. Effectively identifying and correcting valid infrastructure problems will help improve safety in military family housing, as well as morale. (Tab A, page 1)

While we performed some preliminary audit work regarding transparency, Federal Acquisition Regulation clauses, and Recovery Act goals, this work is being performed by the Army Corps of Engineer; therefore, this report does not address those issues. We have reported this information to the audit control point for review.

RECOMMENDATIONS

The audit identified no problems requiring corrective action. Therefore, this report contains no recommendations.

**MANAGEMENT'S
RESPONSE**

Management agreed with the audit results and concurred with the issues as presented in the report. This report contains no disagreements requiring elevation for resolution.



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BACKGROUND

The American Recovery and Reinvestment Act of 2009 was intended to jump-start the economy by making money available quickly. Therefore, Recovery Act Facilities Sustainment, Restoration, and Modernization project selections had quick execution potential with a focus on infrastructure or energy. Installations provided input to Major Commands (MAJCOM) on which projects should be selected. Installations develop Department of Defense (DD) Forms 1391, *Military Construction Project Data*, for every project. These documents outline the work that needs to be accomplished and contains the justification that supports the validity of the project. Valid project justifications must meet an urgent need and/or provide the most cost savings by considering payback periods, sustainment versus repair, and history of work orders. The Department of Defense Inspector General selected four military family housing (MFH) projects at McConnell AFB for review.

AUDIT RESULTS 1 – PROJECT JUSTIFICATION

Condition. Installation personnel properly justified projects selected to receive Recovery Act funding. Specifically, all four projects selected for review contained valid justifications and documentation.

Cause. This occurred because personnel properly selected Repair Overhead Electricals projects that were valid and urgent. Specifically, justifications for the selected projects identified that the current switchgear and primary power distribution hardware components are no longer manufactured and have no replacement parts. In addition, results of an infrastructure program reviewed by the MAJCOM recommended replacement of the overhead distribution conductors underground to minimize maintenance, provide a safer system, and improve MFH appearance.

Impact. Effectively identifying and correcting valid infrastructure problems will help improve safety in military family housing, as well as morale.

Recommendations. We have no recommendations.

AUDIT SCOPE

Audit Coverage. To accomplish the audit objectives, we interviewed responsible personnel and reviewed Department of Defense (DD) Forms 1391, *Military Construction Project Data*, Standard Forms (SF) 1442, *Solicitation, Offer, and Award*, and supporting documents dated July 2008 to August 2009. We performed audit work from 3 August 2009 to 18 August 2009, and provided the draft report to management in September 2009.

- **Justification.** To determine whether officials properly justified projects, we obtained the installation's Recovery Act project listing and interviewed Civil Engineer personnel to ascertain their role and methods for developing this listing. In addition, we obtained and reviewed DD Forms 1391 to verify justifications were valid.
- **Transparency.** To confirm officials reported contract information that was transparent to the public, we reviewed the status of all projects and obtained a SF 1442 for each project. We viewed the synopsis for each solicitation on the Federal Business Opportunities website (www.fbo.gov) to conclude if solicitations were posted and marked "Recovery".
- **Federal Acquisition Regulation (FAR) Clauses.** We reviewed solicitations to verify whether officials included all new FAR clauses. Specifically, we determined if solicitations included the Whistleblower Protection, Recovery Act Reporting Requirements, Audit and Records – Sealed Bidding, Buy American Act, Davis-Bacon Act, Contract Terms and Conditions, and Subcontracts for Commercial Items and Commercial Components clauses.
- **Recovery Act Goals.** To determine whether officials met the goals of the Recovery Act, we identified the solicitation method used and the type of contract anticipated. In addition, we interviewed quality assurance personnel to verify plans were established for Recovery Act reporting. Finally, we interviewed Civil Engineer personnel to ascertain whether they had controls and procedures in place to track and report savings, economic benefits, and the percentage of backlog reduced by Recovery Act funding.

Sampling Methodology.

- **Sampling.** We did not use statistical techniques to project results in this audit. We reviewed 100 percent of military family housing Recovery Act projects selected at McConnell Air Force Base at the request of the Department of Defense Inspector General.
- **Computer Assisted Auditing Tools and Techniques (CAATTs).** We used CAATTs to analyze data using Excel functions. Specifically, we used the COUNTIF function to determine the total number of solicitations posted on the Federal Business Opportunities

website. In addition, the COUNTA function was used to determine the total number of solicitations marked “Recovery”.

Data Reliability. We did not rely on computer-generated data to support conclusions in this audit.

Auditing Standards. We accomplished audit work in accordance with generally accepted government auditing standards.

Discussion with Responsible Officials. We discussed this report with the 22d Air Refueling Wing Vice Commander, Mission Support Group Deputy Commander, and other interested officials. We advised management that this audit was part of an Air Force-wide evaluation, Project Number F2009-FD1000-0516.000, American Recovery and Reinvestment Act of 2009 Requirements. Selected data not reflected in this report, as well as data contained herein, may appear in a related Air Force audit report.

PRIOR AUDIT COVERAGE

We did not identify any Air Force Audit Agency, DoD Inspector General, or Government Accountability Office reports issued to the 22d Air Refueling Wing within the past 5 years that related to our specific objectives.

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PROJECT NUMBER

We accomplished this audit under project number F2009-FD1000-0516.028.

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.