



U.S. Army Audit Agency

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American Recovery and Reinvestment Act of 2009

Pine Bluff Arsenal, Arkansas

Executive Summary

Audit Report A-2010-0123-FFE

24 June 2010



American Recovery and Reinvestment Act of 2009

Pine Bluff Arsenal, Arkansas



Results

On 17 February 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 with the expressed purpose of stimulating economic recovery. 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 Service audit agencies to ensure maximum and efficient audit coverage of Recovery Act plans and implementation.

We reviewed Pine Bluff Arsenal's implementation of the Recovery Act to determine if it was in accordance with the Act's requirements, 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.

Pine Bluff Arsenal generally implemented the Recovery Act in accordance with the Act's requirements, the Office of Management and Budget guidance, and subsequent related guidance for the two projects reviewed. Overall, for the projects reviewed, Pine Bluff Arsenal adequately planned Recovery Act project implementation, awarded and distributed funds in a prompt and reasonable manner, performed contract and project execution duties in a manner that provided reasonable assurance that funds were used for authorized purposes, and properly tracked and reported information. As a result, there was reasonable assurance Pine Bluff Arsenal used Recovery Act funds for authorized purposes, administered projects in a manner to mitigate fraud, waste, and abuse, and achieved program transparency goals.

However, Pine Bluff Arsenal personnel didn't have adequate documentation to justify the need for the two projects we reviewed before receiving project funding. This occurred because Pine Bluff Arsenal's process was to create project justification documents only after command received funding. Command personnel indicated that command didn't want to expend resources on projects when funding assurances couldn't be provided. Executing justification documents at the post-funding phase exposes the Army to potential funding shortfalls and increases the risk of project inefficiencies during execution, and potentially increases the risk of fraud, waste, and abuse of Recovery Act funding.

Recommendation

We recommended the Commander, Pine Bluff Arsenal develop and implement a process that ensures project request documents are prepared and used to justify a project need, and to estimate project costs for subsequent funding and approval upon the identification of the requirement.

The Commander, Pine Bluff Arsenal agreed with our recommendation. The Assistant Chief of Staff for Installation Management provided the official Army position and agreed with our report and Pine Bluff Arsenal'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

24 June 2010

Assistant Chief of Staff for Installation Management
Commander, Pine Bluff Arsenal

This is our report on our audit of the American Recovery and Reinvestment Act of 2009 at Pine Bluff Arsenal, Arkansas. 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 Recovery Act, we will make the results of this audit available to the public. We focused the audit on determining whether Pine Bluff Arsenal implemented the Recovery Act in accordance with 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 Commander, Pine Bluff Arsenal.

The Army's official position and command comments on the conclusion and recommendation are provided in Annex C. 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 typed name.

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

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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 expressed purpose of stimulating economic recovery. 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 Pine Bluff Arsenal's implementation of the Recovery Act for the steamline replacement (Phase 1) and the roof replacement (Building 33-630) projects valued at \$20.9 million and \$1.4 million, respectively. Specifically, we assessed whether personnel:

- Adequately 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 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

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 are meeting the transparency and accountability objectives and mitigate 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 the amount for operation and maintenance (O&M); military construction; research, development, test, and evaluation; and U.S. Army Corps of Engineers civil works projects. The Army provided \$25.4 million in Recovery Act funding to execute Pine Bluff Arsenal's 12 projects. All funds are available for obligation until 30 September 2010, and until 30 September 2013 for military construction.

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 selected projects to review. The predictive analytics identified one project to review at the Pine Bluff Arsenal – the steamline replacement (Phase I), with estimated costs of about \$20.9 million.

With approval from DODIG, our Agency selected an additional project. We selected the roof replacement (Bldg 33-630) project, with estimated cost of about \$1.4 million.

RECOVERY ACT IMPLEMENTATION

OBJECTIVE

Did Pine Bluff Arsenal 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. Pine Bluff Arsenal adequately implemented most of the Recovery Act, OMB guidance, and subsequent guidance requirements for the two projects reviewed. Overall, for the two projects reviewed, Pine Bluff Arsenal:

- Adequately planned Recovery Act project implementation by identifying projects eligible for Recovery Act funding and had adequate 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 and instances of fraud, waste, error, and abuse were mitigated.
- Properly tracked and reported information to ensure the recipients, uses, and benefits of Recovery Act funds were transparent to the public.

However, the Pine Bluff Arsenal didn't have adequate documentation to justify the need for two projects we reviewed. This occurred because command personnel didn't want to exhaust resources on preparing justification documents when project funding wasn't guaranteed. Executing justification documents at the post-funding phase exposes the Army to potential funding shortfalls and increases the risk of project inefficiencies during execution, and potentially increases the risk of fraud, waste, and abuse of Recovery Act funding. Command should develop and implement a process to ensure project request documents are prepared and used to justify a project need and to estimate project costs upon the identification of the requirement.

Our recommendation to correct project justification issues is addressed 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 6.

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 C.

For the Commander, Pine Bluff Arsenal

Recommendation

Develop and implement a process that ensures project request documents are prepared and used to justify a project need, and to estimate project costs for subsequent funding and approval upon identification of the requirement.

Command Comments

Command agreed with the recommendation and said it would immediately begin to process DD form 1391 justification documents prior to the design of all maintenance and repair projects with an estimated cost over \$100,000. Military construction projects would continue to be fully justified (via DD form 1391 preparation), with no regard to dollar limitations. Also, command updated, approved, and documented the process in the Public Works Standard Operating Procedure for Project Development on 17 May 2010.

Official Army Position

The Assistant Chief of Staff for Installation Management provided the official Army position and agreed with our report and Pine Bluff Arsenal'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

Pine Bluff Arsenal adequately planned its Recovery Act projects to ensure the appropriate use of the Act's funds. Pine Bluff Arsenal's Department of Public Works (DPW) personnel coordinated with the U.S. Army Joint Munitions Command and the U.S. Army Installation Management Command to identify and validate proposed projects deemed eligible for Recovery Act funding. Pine Bluff also had adequate controls in place to implement the Recovery Act. For example:

- Personnel from both the Corps of Engineers' Little Rock District and Pine Bluff Arsenal to include (but not limited to) DPW, resource management, and contracting demonstrated a thorough knowledge of each of their respective operational areas. For example, a DPW engineer explained the methodology used to generate a cost estimate for each project. The engineer explained that estimates were developed by executing several interdependent steps. One step involved using the Standard Means and Facilities Guide to identify material cost required for the project under review. Another step involved executing a comparative cost analysis between the project the engineer was evaluating and a similar project (historical). These steps, coupled with more than 25 years of professional experience, helped to generate applicable calculations to be used in preparing cost estimates and executing reasonability checks, which would ensure estimate accuracy.
- Pine Bluff Arsenal's expenditure plan was consistent with the DOD expenditure plan. Both expenditure plans included 12 projects requiring approximately \$25.4 million in Recovery Act funding.

As a result of adequate planning, there is reasonable assurance that Pine Bluff Arsenal appropriately used Recovery Act funds for the two projects we reviewed.

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

B – FUNDING

BACKGROUND

OMB Bulletin 09-02 (Budget Execution of the American Recovery and Reinvestment Act of 2009) requires agencies to use a separate Treasury appropriation fund symbol to track and report Recovery Act funding 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 the component's request to use O&M funds appropriated in DOD Appropriations Acts 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 is determined to be unexecutable or no longer required, and cancellation is deemed the better course of 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 two projects reviewed at Pine Bluff Arsenal. The Army provided approximately \$25.4 million in Recovery Act funding to execute Pine Bluff Arsenal's 12 projects. Little Rock District received \$20.9 million in funding for the steamline replacement (Phase 1)

project and Pine Bluff Arsenal received approximately \$4.5 million from U.S. Army Installation Management Command to execute the remaining 11 projects. Of the \$4.5 million, Pine Bluff Arsenal received \$1.4 million in funding for the roof replacement (Building 33-630) project.

The Commander, U.S. Army Corps of Engineers provided funding for the steamline replacement (Phase 1) project in the form of a funding authorization document that it sent to Little Rock District. The Corps properly recorded and assigned the funds to the steamline replacement project in the Corps of Engineers Financial Management System. U.S. Army Installation Management Command provided funding for the roof replacement (Building 33-630) project to Pine Bluff Arsenal in the form of a direct citation military interdepartmental purchase request. Both the funding authorization document and military interdepartmental purchase request properly cited the Recovery Act designation - O&M, Army - Recovery Act, appropriation 2022.

As of 15 March 2010, Little Rock District awarded Architectural and Engineering contracts for the steamline replacement project (Phase 1) obligating approximately \$849,000 of the \$20.9 million. Additionally, Pine Bluff Arsenal awarded a contract for the roof replacement (Building 33-630) project obligating approximately \$1.4 million.

As a result, there is reasonable assurance that Pine Bluff Arsenal properly funded the two Recovery Act projects, the use was appropriate and Pine Bluff Arsenal will distribute the funds in a prompt, fair, and reasonable manner for the remaining projects.

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

C – PROJECT EXECUTION

BACKGROUND

The Project Prioritization System is a Web site that the U.S. Army Installation Management Command uses to view and prioritize sustainment, restoration, and modernization projects. The system includes a narrative and memo field used for justifications, descriptions of work, and contacts that can serve to validate a project.

A military construction project data sheet (DD Form 1391) is a construction project-programming document used to scope, estimate, and justify all types of construction requirements. The forms are prepared using collaborative efforts of engineers and architects to define requirements and estimate costs.

Federal Acquisition Regulation (FAR) Subpart 4.11, Central Contractor Registration, requires contractor registration in the central contractor registry database. Prospective contractors need to register in the database before being awarded a contract or agreement.

FAR Subpart 5.7, Publicizing Contracts Requirements under the American Recovery and Reinvestment Act of 2009, requires 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 is not both fixed-price and competitive.

DISCUSSION

Pine Bluff Arsenal and Little Rock District generally performed project execution, contract execution, and administration duties in accordance with the requirements of the Act. These duties were executed to ensure the uses of Recovery Act funds were for authorized purposes and transparent to the public. The two projects we reviewed

represented valid needs in support of Recovery Act goals, the personnel overseeing the projects complied with environmental policies, and contracting personnel generally met transparency requirements. However, Pine Bluff Arsenal didn't adequately document the project requirements before receiving Recovery Act funding.

Project Justification and Cost Estimates

Pine Bluff Arsenal personnel generally executed their duties in accordance with the requirements of the Act. Specifically, Pine Bluff Arsenal:

- Submitted projects representing valid needs that met the criteria for Recovery Act funding.
- Obtained categorical exclusion waivers for both projects.
- Developed cost estimates for both projects that we considered reasonable. DPW personnel used historical costs and the means guide to assist in calculating the government estimate for both projects.

However, Pine Bluff Arsenal personnel didn't adequately document the justification or cost estimate for either project before submitting the projects for consideration and subsequent funding. Pine Bluff Arsenal personnel provided the original DD Form 1391 for the steamline replacement (Phase 1) project. However, DPW personnel informed us that they re-scoped the project before entering the project in Installation Management Command's Project Prioritization System. To support the re-scoped project, DPW personnel provided us with a copy of the Priority Project System screen shot. Additionally, DPW was in the process of staffing the DD Form 1391 for the roof replacement project during our visit in October 2009. Personnel indicated their normal process is to forgo preparing a justification document (to support the project need) until they receive actual funding. Because of our visit to Pine Bluff Arsenal, DPW personnel prepared a re-scoped DD Form 1391 to support the steamline replacement (Phase 1) project.

Executing justification documents at the post-funding phase exposes the Army to potential funding shortfalls at the project level, and potential inefficiencies relative to project completion and increases the risk of potential fraud, waste, and abuse of Recovery Act funding.

We address actions needed for Command to develop a process to ensure project request documents are prepared and used to justify a project need and to estimate project costs in the Recommendation on page 5.

Competition and Transparency Goals

Contracting personnel at Pine Bluff Arsenal and Little Rock District generally met and reinforced the Act's competition and transparency goals and requirements. Specifically:

- Contracting officers used existing, fully competed indefinite-delivery indefinite-quantity or base order agreement contracts to award firm fixed-price task orders to government-approved contractors. Additionally, Pine Bluff Arsenal awarded one task order to a certified 8(a) small disadvantaged business.
- Contracting officials ensured both contractors were listed in the Central Contract Registry database and weren't listed in the Excluded Parties List System. However, one contracting official didn't maintain a copy of the excluded parties list search results in the contract file. The official indicated the requirement to maintain the documentation occurred after the original award date. We independently verified both contractors were listed in the Central Contract Registry and weren't reported in the Excluded Parties List System.
- Contracting officers properly cited the Recovery Act designation on the award notices for both projects on the Federal Business Opportunities Web site (www.fbo.gov).
- Both contracting officers included the appropriate FAR clauses required for Recovery Act actions.
- Both contracting officers identified Recovery Act in the presolicitation postings.

At the time of our review, construction had not begun so we didn't evaluate quality assurance surveillance plans. However, we confirmed that the construction contract for the roof replacement (Building 33-630) project included quality assurance language. The contract stated that the Government would monitor the contractor's performance in accordance with the inspection clauses. The contract included FAR 52.246-12, which states that the contractor's work is subject to Government inspection and test at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the contract.

As a result, there is reasonable assurance that contracting personnel at Pine Bluff Arsenal and Little Rock District used the funds for authorized purposes; instances of fraud, waste, error and abuse were mitigated; and the uses were transparent to the public.

D – TRACKING AND REPORTING

BACKGROUND

FAR Subpart 4.15 and FAR Clause 52.204-11 (American Recovery and Reinvestment Act – Reporting Requirements) requires 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

Pine Bluff Arsenal properly tracked the two Recovery Act projects we reviewed. Personnel at Pine Bluff provided monthly updates to U.S. Army Joint Munitions Command on the status of its projects. The command used this information to update its weekly installation Recovery Act funding execution status document for its higher headquarters. The status document captured:

- Approved dollars by installation.
- Total dollars awarded.
- Percentage of obligation awarded.
- Unobligated dollars.
- Dollars expended.
- Estimated number of jobs created or retained.

Additionally, Pine Bluff Arsenal, Little Rock District, and the recipients complied with reporting requirements. Some of the data the contracting personnel reported included the:

- Award amount.
- Award date.

- Project status.
- Jobs reported.

Finally, some of the data the contractor reported included the:

- Number of jobs saved or created.
- Total recovery dollars invoiced.
- Award amount.

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 for tracking and reporting.

A – GENERAL AUDIT INFORMATION

SCOPE AND METHODOLOGY

We conducted the engagement from October 2009 through June 2010 under project A-2009-FFE-0446.002. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objective.

We obtained data from the Federal Business Opportunities and Federal Reporting Web sites. We obtained additional documentation, such as contract files, to help validate the information obtained from the Web sites. We determined that we could sufficiently rely on the information obtained from the Web sites.

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

To determine whether Pine Bluff Arsenal implemented the Recovery Act in accordance with the requirements of the Act, the OMB guidance, and subsequent related guidance, we:

- Conducted interviews with key personnel from the DPW, Contracting Office, and Resource Management at Pine Bluff Arsenal and Little Rock District, to obtain an understanding of their involvement in the requirements identification, contracting, and funding distribution processes for the Recovery Act.
- Reviewed and compared the Pine Bluff Arsenal base realignment and closure project list to its Recovery Act project list to ensure Recovery Act funding wasn't used to support base realignment projects.
- Reviewed and analyzed records of environmental consideration to identify whether the installation considered the environmental impact of selected Recovery Act projects.
- Reviewed and analyzed project justifications to identify whether selected Recovery Act projects constituted as a valid need.
- Reviewed and analyzed the funding authorization document and the military interdepartmental purchase request for both the steamline replacement (Phase 1) and roof replacement (Building 33-630) projects respectively, as well as associated project details, to

identify the amount of funding Pine Bluff Arsenal and Little Rock District received to execute Recovery Act projects.

- Reviewed and analyzed the Central Contractor Registration database to verify the contractors were government-approved contractors and to obtain the contractors' address.
- Reviewed and analyzed the Excluded Parties List System to verify the contractors were eligible to conduct business with the U.S. Government.
- Reviewed and analyzed printouts from the Federal Business Opportunities Web site to:
 - Determine whether the contracting office pre-solicited the opportunity.
 - Verify the synopsis contained a description of services.
 - Identify the Recovery Act designation and contract award date.
- Reviewed and analyzed the contract modifications to verify the inclusion of required FAR clauses for the contracts used to award work for the two projects.

RESPONSIBILITIES AND RESOURCES

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.

The U.S. Army Corps of Engineers provides vital public engineering services in peace and war to strengthen our Nation's security, energize the economy, and reduce risks from disasters. The U.S. Army Corps of Engineers, Headquarters was responsible for distributing the Recovery Act funding for the steamline replacement project (Phase 1). Little Rock District was responsible for soliciting and awarding the contract and conducting quality assurance for the project we reviewed.

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 the Pine Bluff Arsenal, identified the project requirements for specific projects that were eligible for Recovery Act funding.

The U.S. Army Materiel Command is the Army's premier provider of materiel readiness – technology, acquisition support, materiel development, logistics power projection, and sustainment – to the total force, across the spectrum of joint military operations. Army Materiel Command operates the research, development and engineering centers; Army Research Laboratory; depots; arsenals; ammunition plants; and other facilities; and maintains the Army's prepositioned stocks, both on land and afloat.

The U.S. Army Joint Munitions Command provides the conventional ammunition life-cycle functions of logistics sustainment, readiness and acquisition support for all U.S. military services, other government agencies, and allied nations as directed. Joint Munitions Command is the logistics integrator for life-cycle management of ammunition providing a global presence of technical support to frontline units. Pine Bluff Arsenal is one of Joint Munitions Command's installations.

The Pine Bluff Arsenal supports the storage and destruction of the chemical weapons stockpile. Additionally, the arsenal is responsible for the preservation of the only permitted site east of the Rockies for acceptance of non-stockpile chemical munitions and enforcement of international treaty efforts through compliance, and education of worldwide inspectors. The arsenal is the Joint Services' Center of Expertise for Chemical/Biological defense equipment production, maintenance, testing, certification and training. The following identifies the duties of key organizations involved in Recovery Act projects at Pine Bluff Arsenal:

- **Resource Management.** Maintains the responsibility of accounting for Recovery Act funding receipt and related distributions based on authorizations.
- **Department of Public Works.** Maintains the responsibility of identifying project needs, developing cost estimates, managing and reporting the work performed by contractors awarded project work on the installation and validating services as being performed/delivered for payment issuance.
- **Contracting Department.** Maintains the responsibility of issuing bid solicitations, coordinating contractor site visits for bid preparation, managing the bid evaluation process, posting the award, and ensuring contractors are U.S. Government approved.

ACKNOWLEDGMENTS

These personnel contributed to the report: Denise C. Saenz (Audit Manager); Paul Griffith (Auditor-in-Charge); G. Kendall Gordon, Edward Heugel, and Romina Rodrigo (Auditors); 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 Corps of Engineers
Commanding General, U.S. Army Installation Management Command
Commanding General, U.S. Army Materiel Command
Commander, U.S. Army Corps of Engineers, Little Rock District

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
DPW	Department of Public Works
FAR	Federal Acquisition Regulation
O&M	Operation and Maintenance
OMB	Office of Management and Budget

C – OFFICIAL ARMY POSITION AND VERBATIM COMMENTS BY COMMAND



DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
600 ARMY PENTAGON
WASHINGTON, DC 20310-0600

DAIM-ZA

JUN 11 2010

MEMORANDUM FOR US Army Audit Agency (SAAG-FFE/Denise Saenz), 3101 Park Center Drive, Alexandria, VA 22302-0600

SUBJECT: Response to Draft Report, Audit of the American Recovery and Reinvestment Act (ARRA) of 2009 at Pine Bluff Arsenal (Audit Report: A-2010-0XXX-FFE), Project A-2009-FFE-0446-002

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. The recommendation is consistent with and requires adherence to existing applicable regulations. The OACSIM concurs with Pine Bluff Arsenal's enclosed response.
2. The OACSIM point of contact for this matter is Mr. Scott Dias, (703) 604-2425, email: scott.dias@us.army.mil.

Encl
as

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



REPLY TO
ATTENTION OF

JMPB-CO

21 May 2010

MEMORANDUM THRU

U. S. Army Sustainment Command (AMSAS-IA/Dave Sarafin), External Audit Liaison
(ASC/JMC/RICC), 1 Rock Island Arsenal, Rock Island, IL 61299-6000

U. S. Army Material Command (AMCIR/Susan McCoy), 9301 Chapek Road, Fort Belvoir, VA
22060-5527

U. S. Installation Management Command (OACS-IM/Jean Danckaert), 600 Army Pentagon, GA
Room 3E474 Washington, DC 20310-0600

FOR Office of U. S. Army Audit Agency (SAAG-FFE/Denise Saenz), 3101 Park Center Drive,
Alexandria, VA 22302-1596

SUBJECT: Response to Draft Report, Audit of the American Recovery and Reinvestment Act of
2009 at Pine Bluff Arsenal (Audit Report: A-2010-0XXX-FFE), Project A-2009-FFE-0446-002

1. Reference American Recovery and Reinvestment Act of 2009 Pine Bluff Arsenal, Draft Report, Office of the Deputy Auditor General Forces and Financial Audits, 7 May 2010.
2. Required responses to the subject are attached as enclosures one and two.
3. Recommend the following changes are made to the Draft Report: Page 11, Transparency and Competition Goals, 1st bullet, 2nd line, "base" should be "basic".
4. POC for this response is Jackie Flowers, Chief, Internal Review and Audit Compliance Office, DSN 966-3201.

2 Encl


FRANZ J. AMANN
COL, CM
Commanding

FOR OFFICIAL USE ONLY

Project: A-2009-FFE-0446.002

Audit Location: Pine Bluff, Arkansas

Objective Designation: C

Objective Title: American Recovery and Reinvestment Act of 2009

Objective:

Did Pine Bluff Arsenal 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. Pine Bluff Arsenal adequately implemented most of the Recovery Act, OMB guidance, and subsequent guidance requirements for the two projects reviewed. Overall, for the two projects reviewed, Pine Bluff Arsenal:

- Adequately planned Recovery Act project implementation by identifying projects eligible for Recovery Act funding and having adequate 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 and instances of fraud, waste, error, and abuse were mitigated.
- Properly tracked and reported information to ensure the recipients, uses, and benefits of Recovery Act funds were transparent to the public.

However, the Army didn't have adequate documentation to justify the need for two projects we reviewed. This occurred because command personnel didn't want to exhaust resources on preparing justification documents when project funding wasn't guaranteed. Executing justification documents at the post-funding phase exposes the Army to potential funding shortfalls and increases the risk of project inefficiencies during execution and potentially increases the risk of fraud, waste, and abuse of Recovery Act funding. Command should develop and implement a process to ensure project request documents are prepared and used to justify a project need and to estimate project costs upon the identification of the requirement.

Additional comments: N/A

Recommendation:

Recommendation C-1. Develop and implement a process that ensures project request documents are prepared and used to justify a project need, and to estimate project costs for subsequent funding and approval upon the identification of the requirement.

Enclosure 1

Action taken or planned:

Concur. The Directorate of Public Works (DPW) interprets Army regulations, installation requirements, and local best practices to require a DD 1391 justification document and budget estimate for every project above \$100,000.00 before execution of design. Chief of Engineering Plans and Services, Directorate of Public Works (PWE) is responsible to the Director of Public Works (DPW) and the Commander, to assure the 1391 is prepared and staffed. At the direction of the Chief (PWE), project engineers will begin immediately to process DD 1391 documents prior to design of all maintenance and repair projects over \$100,000.00. MILCON projects however, will continue to be fully justified (1391) with no regard to dollar limitations. This requirement was approved 17 May 2010, is documented in the PWE Standard Operating Procedure for Project Development (Enclosure 2) and highlighted in section 5.g.2 of the procedure.

Potential monetary benefits: N/A

DIRECTORATE OF PUBLIC WORKS (DPW)
PINE BLUFF ARSENAL
Pine Bluff, Arkansas 71602-9500

STANDING OPERATING PROCEDURE
DPW SOP 420-13
Revision: 1
Approval Date: 17 May 2010

Facilities Engineering Project Administration

Applicability: This guidance applies to all DPW personnel involved in project development or administration except those classified Military Construction, Army. Supersedes DPW SOP 420-13, 1 February 2008.

Suggested Improvements: The proponent of this SOP is the Directorate of Public Works, Engineering Plans and Services Division.

Distribution: Distribution of this SOP will be made electronically to all directorate divisions/offices and as shown on distribution.

Submitted:

FISH.RAY.A.
1270777410

Digitally signed by
FISH.RAY.A.1270777410
DN: cn=FISH.RAY.A., o=DPW, ou=DPW,
email=FISH.RAY.A.1270777410
Date: 2010.05.13 09:58:43 -0500

RAY FISH
Chief, Engineering Plans and Services

Approved

MCCORMACK MIC
HAEL.J.107054678
3

Digitally signed by
MCCORMACK MICHAEL.J.107054678
DN: cn=HAEL.J. MCCORMACK, ou=DPW,
o=DPW, ou=DPW,
email=MCCORMACKMICHAEL.J.107054678
Date: 2010.05.20 14:07:38 -0500

MICHAEL J. MCCORMACK
Director, Public Works

DISTRIBUTION:

JMPB-PW - Marquitta Magnini
JMPB-PWE
JMPB-PWC - Connie Boutwell

JMPB-PWM - Mark Throneberry
JMPB- PW1 - Joel S. Marriott

Enclosure 2

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Revision of Records

Revision No.	Date	Description
0	01/10/2003	Initial Issue
1	5/17/2010	1391 required in initial planning phase for projects >\$100K

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-R1 17 May 2010 Page 3 of 14
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STANDING OPERATING PROCEDURE (SOP)
PWE 420-022 1 October 2003
Revision 1, 17 May 2010

Facilities Engineering Project Administration

	Paragraph
Purpose	1
Scope	2
Definitions	3
Policy	4
Responsibilities	5
References	6

1. **Purpose:** To define and prescribe policies, responsibilities, and interface procedures for project administration in the Directorate of Public Works (DPW) except Military Construction, Army (MCA).

2. **Scope:** Applicable to all DPW personnel having responsibility, in any phase, for the accomplishment of projects.

3. **Definitions:**

a. **Project.** A single undertaking involving repairs, maintenance or alterations; also, minor construction up to \$500,000 for facilities on the installation. Includes real property and related site preparation, excavation, fill, land improvements, and site restoration. Funding sources are referred to as follows:

- (1) Army Family Housing (AFH)
- (2) Army Working Capital Fund (AWCF)
- (3) Capital Investment Program (CIP)
- (4) Operation and Maintenance, Army (OMA)
- (5) Morale, Welfare and Recreation (MWR)

b. **Administrative Approval.** The functional review of a project for work classification coding, essentiality, priority, mission requirement, funding, safety, environmental, security and programming considerations.

c. **Technical Approval.** The engineering review and approval of the design, plans, specifications, and cost estimates in accordance with regulatory and statutory limitations.

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-RI 17 May 2010 Page 4 of 14
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d. Safety Approval. The review and approval of site plans and/or safety submissions required by AMCR 385-100, OSHA, and other safety directives.

e. Project Approval. Consists of administrative, technical, environmental, and safety (as required) approval.

f. Administrative Data Package. The administrative data package includes DD Form 1391, cost estimate, Ozone Depletion Statement, Record of Environmental Consideration, and any other documents necessary to fully document the project.

g. Technical Data Package. The technical data package includes specifications, drawings, DD Form 1391, detailed cost estimate, Record of Environmental Consideration and any other necessary special documents.

h. Safety Data Package. There are (when required) two parts to the safety data package; the site plan and the final safety package, which may be developed separately or combined. The site plan includes a narrative, quantity distance diagram, and any other documents necessary to represent site conditions. The final safety package includes the above site plan, specifications, construction drawings, hazard analysis and other documents necessary to represent safety considerations.

i. Project Design Engineer. The directorate representative (Architect, Engineer or Technician) who has been assigned responsibility for a project.

j. Construction Inspector (CI). The CI is designated by the DPW and recommended to the Contracting Officer (KO) for consideration of collateral appointment as Contracting Officer's Representative (COR). The CI reports to DPW and Project Designer on contractor compliance with proper construction practices, resolution of technical questions, and progress against scheduled performance.

k. Contracting Officer's Representative (COR). The COR is appointed by the Contracting Officer with responsibility for monitoring the contract to its completion; that is, assuring that the work is performed in accordance with the contract documents, and for submitting required reports to the Contracting Officer. An alternate COR is normally appointed to serve in the absence of the COR.

4. Policy:

a. Projects must be described, listed, classified and determined to be within regulatory and statutory limitations. Total cost of a project includes design, accomplishment (in-house or contract), and Supervision, Inspection and Administration (SI&A). Note that design and SI&A are to be included when determining project limitations.

b. Priority numbers will be computed and assigned as described in SOP PWE 420-

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094 before accomplishment of any engineering administrative work beyond that preliminary work required to establish scope and estimate cost.

c. The responsibilities described in paragraph 5 hereinafter are for projects scheduled in a normal time frame. This procedure must be followed even for short time frame projects unless approved by the Chief/Engineering Plans & Services (EP&S) Division of DPW.

d. Projects funded with AWCF, OMA and Non-Appropriated Funds (NAF) will be submitted for administrative approval and technical approval in accordance with Appendix A. Reference documents are AR 420-10, AR 415-35 and supplementary instructions from Industrial Operations Command (IOC).

e. Construction projects funded with OMA funds will be processed in accordance with AR 415-35 with latest changes and supplements. Reference Appendix A.

5. Responsibilities:

a. Chief/Engineering Plans and Services (EP&S) Division will:

(1) Solicit, research, evaluate, assure interface, and develop lists of projects required for current and future years accomplishment including:

- (a) AWCF funded major maintenance (>\$100K)
- (b) AWCF funded routine maintenance (<\$100K)
- (c) AWCF funded CIP equipment and minor construction.
- (d) OMA funded Unaccompanied Personnel Housing (UPH)
- (e) MWR funded projects
- (f) AFH funded projects

(2) Prepare official lists of projects for approval. Coordinate lists with DPW Program Analyst for budget and annual work plan preparation. Update all project listings and quarterly brief the DPW on status. Approved projects will be included in program year Advanced Acquisition Plan (AAP).

(3) Obtain project request number from DPW Program Analyst.

(4) Assign projects to appropriate designer and support team.

(5) Participate in Project Planning Meeting and in Design Review Meeting.

(6) Be responsible for all division engineering design. Review for compliance with Installation Design Guide (IDG) and applicable technical standards. Sign all drawings in SUBMITTED block.

(7) Establish priorities and milestones.

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(8) Review the preliminary accomplishment plan developed by the Project Designer, in accordance with directed guidance.

b. Chief/Contract Construction Coordination (CCC) Division will:

(1) Provide input to Chief/EP&S Division, in preparation of lists of projects.

(2) From knowledge of craft workload and coordination with Chief, EP&S Division, determine whether project is to be done by contract or arsenal forces: May refer to DPW Corporate Board (Director/PW, Chief/EP&S, Chief/CCC, and Chief/O&M) for resolution.

(3) Attend Project Planning Meeting (or send representative). Authorize the JOC program Construction Representative to participate in Design Review Meeting.

(4) Follow regular work order procedures for Arsenal in-house work. Work Order Request will note that the request is a part of PR XX-XX and state whether a hazardous work permit is required or not. If required, permit will be furnished by the Project Designer IAW PBA Reg 385-31.

(5) Schedule all in-house work to conform with budget projections. Furnish Chief/EP&S Division revised work schedule if necessary. Provide close coordination of all work accomplished by in-house forces. Coordination includes planning, estimating, material procurement, scheduling of work and evaluation of work in process and at completion. Concur in all project estimates for arsenal force work. When vendor submittals are called for, staff through Project Designer for approval.

(7) Review for adequacy the asbestos remediation plans submitted by contractors. Perform all required coordination with on-post offices in those instances where asbestos abatement work must be performed by in-house forces.

(8) Provide Space Utilization and Real Property Management with a copy of all work orders and/or contracts to enable that office to be aware of all changes to real property.

c. Chief/Operations and Maintenance (O&M) Division will :

(1) Assist Chief/EP&S Division, Chief/CCC Division and Chief/Fire and Emergency Services (F&ES) Division in preparation of lists of projects, as required.

(2) Furnish advice and assistance to project designers, Chief/EP&S Division and Chief/CCC Division in developing projects.

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(3) Monitor all in-house work to insure against cost overruns, non-approved items of work, and to insure that work is performed in accordance with drawings and/or engineering instructions. Accomplish in-house work in the time period scheduled by Chief/CCC Division.

d. Chief/Fire and Emergency Services (F&ES) Division will:

(1) Assist Chief/EP&S Division, Chief/CCC Division and Chief/O&M Division in preparation of list of projects, as required.

(2) Furnish technical advice and assistance to Chief/CCC Division and Chief/EP&S Division in developing designs and plans.

(3) Review and initial all drawings as they pertain to proper fire prevention and evacuation of buildings and structures, and to fire protection systems.

(4) Issue Hot Work permits as requested by COR and forward to COR upon completion of permit.

e. Housing manager.

(1) Plan and coordinate the preparation of lists of Army Family Housing (AFH) and Unaccompanied Personnel Housing (UPH) projects required for current and future years accomplishment.

(2) Attend project planning meeting for AFH and UPH projects.

(3) Initial drawings for projects involving AFH/UPH.

(4) Coordinate availability of work sites involving AFH and UPH.

(5) Participate in final inspection of the completed project. Obtain from the CI/COR any specific housekeeping/maintenance requirements or procedures that apply, and provide written instructions to occupants and/or housekeeping staff.

f. Directorate Program Analyst

(1) Assist Chief/EP&S Division, in preparation of lists of projects for various programs. (Major Maintenance, CIP etc.)

(2) Obtain from Budget Officer, Directorate of Resource Management (DRM), programmed amount of funds which will be available for accomplishment of each program.

(3) Submit lists of projects with estimated costs to DRM for budgeting. Lists will be furnished by Chief/EP&S Division.

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(4) Prepare and maintain official file folder for maintenance/repair or minor construction projects and dispose of per AR 420-17, C1.

(5) Concur in all project estimates.

(6) Prepare bid sheets on project orders for each work center category of work for submission to Budget Division of DRM for authorization and allocation of funds.

(7) Designate a project Construction Inspector prior to Project Planning Meeting and notify Project Designer and Chief/CCC Division of selection. Notify Contracting Officer by copy of the designation memo so the CI may be considered for collateral appointment as COR.

(8) Notify divisions within the directorate of any funds authorized/received for related work centers to be accomplished by arsenal forces or contract.

Furnish final invoices for all construction projects to the Real Property Manager.

g. Project Designer will:

(1) Upon request for project, determine if project is feasible and delineate potential problem areas; i.e., availability of a building, contamination, etc.. Secure digital or color photographs if desired, to document project scope. Look carefully at interface areas, evaluating the impact of projects on contiguous operations or on adjacent facilities.

(2) Make a preliminary study of the project, consulting with the customer/user and other interested or appropriate personnel. Determine a preliminary budget estimate. Compute and assign a priority number per SOP PWE 420-094. *Priority System for Public Works Project Requests* Recommend method of accomplishment to be by contract or by arsenal forces. Prepare DD 1391 for non-MCA projects over \$100,000 and coordinate with Master Planner for PAX 1391 for projects over \$750,000.

(3) Present this preliminary project plan to Chief/EP&S Division. Participate in an oral review of the project plan and schedule with Chief/EP&S Division, to receive approval of the preliminary plan, or guidance as to its modification. On approval of the preliminary plan/schedule, Chief/EP&S will assign support personnel to assist in project development or the project will be forwarded to Little Rock District, Corps of Engineers (LRDE) for design support.

(4) Chair a Project Planning Meeting with the following elements involved to assure consideration of all project requirements and to receive input from all subject matter resource personnel.

(a) Always invited:

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Customer/user
 Chief/EP&S Division
 Supporting designers (including LRDE when applicable)
 Director/Public Works
 Director/Law Enforcement and Security
 Director/Risk Management and Regulatory Affairs (RM&RA)
 Chief/Safety Division
 Chief/Robert Morris Acquisition Center
 Chief/F&ES Division
 Chief/CCC Division
 Construction Inspector
 Space Utilization/Real Property Manager

(b) Invited on a "need to know" basis:

Industrial Hygienist/Environmental Health Specialist (asbestos, lead, and enclosed space)
 Director/Information Management (Communications Systems)
 O&M Division (in-house crafts involved)
 Capital Investment Program (CIP) manager (Construction)
 Director/Technical Operations/Strategic Planning (Construction)
 Master Plans and Programs (Construction)
 DPW Housing Manager

If agreement is reached in the meeting, the Project Designer (A/E) will proceed with development of project. In the event an agreement is not reached, the Director/PW or Chief/EP&S Division, will provide proper guidance in resolution of problem areas. Initiate minutes of the meeting, secure customer concurrence, and send copies to all invited elements--present or not, to the DPW Program Analyst (Official File Folder) and to the Director, Business Management . Furnish Master Plans and Programs necessary information for assistance in preparation of Safety Site Plan, if applicable.

(5) Secure communications cost from Directorate of Information Management (DOIM).

(6) Update the budget estimate and forward through Chief/EP&S to the DPW Program Analyst for programming coordination and Official Project Folder documentation.

(7) Review plans for project. Confirm the previously assigned priority number. File documentation at this stage is to include a memorandum outlining investigations to that point, photographs, and minutes of the Project Planning Meeting.

(8) If during preparation of a project, a revision occurs that involves work to be accomplished in-house by O&M Division personnel, obtain concurrence on revisions of estimates from Chief/CCC Division.

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(9) Develop the project through personal efforts and through the efforts of the design team and/or the architect-engineer. Project development will be in accordance with the preliminary plan, project planning, and/or A/E Task. If circumstances force departure from the approved plan and schedule, inform Chief/EP&S Division as soon as possible. The Project Designer is expected to be fully informed regarding their projects and to furnish information as requested by management personnel.

(10) Architect-Engineer task preparation procedure is in sequence as follows:

(a) Tasks may be proposed by anyone in the Directorate.

(b) Upon task approval, schedule a Project Planning Meeting IAW Par. 5.g.(4). Normally, not less than one week's notice is provided.

(c) Utilizing knowledge gained in the Project Planning Meeting, visit the work site with the A/E and jointly finalize the scope of the A/E Task.

(d) The finalized task will be placed in the required format and presented to the A/E. A current task file will be maintained by the Project Designer.

(e) After presentation of the finalized task to the A/E, prepare the government task estimates. The estimates will be approved by Chief/EP&S and furnished to the point of contact at LRD, C of E.

(f) Upon task award, interface directly with the A/E while the task is being performed. Task status will be reviewed monthly. Upon 90% completion of the Technical Data Package (TDP) from A/Es, submit the TDP to Chief/EP&S for review and approval. When approved, conduct a Design Review Meeting with project team or A/E, Construction Inspector, Contracting Officer, Chief/CCC Division, Chief/EP&S Division, and the customer. Check for coordination, omissions, etc., in specifications and drawings and have necessary corrections made. Include Arsenal Senior NCO in review of projects involving family or troop housing.

(11) Prepare cost estimate, (SIOPB Forms 420-18-E, 420-18-a-E and 420-41 or other approved format), under cover memo and SIOPB Form 25-2-E, and forward to DPW Program Analyst for administrative review to assure compliance with regulations and policies. If project requires correction, coordinate any necessary revision and return the completed Administrative Data Package through Chief/EP&S Division, other concurrees and the DPW, to the Command Section for approval.

(12) Obtain specifications Conditions C-6, from Director, RM&RA together with Record of Environmental Considerations.

(13) While the Administrative Data Package is being staffed for approval, continue with development of project TDP. Upon completion of the project design, conduct a Design Review Meeting with project team, Construction Inspector, Chief EP&S

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-R1 17 May 2010 Page 11 of 14
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Division, the customer, and for JOC projects, the JOC program Construction Representative. Following incorporation of review comments, submit Technical Approval Package consisting of draft TDP transmittal, DA Form 3953 stamped FOUO, DD Form 1391 (approved or copy of 1391 being staffed) with cost estimate, specifications/scope of work and drawings to Chief/EP&S Division for review and drawing submittal signatures.

(14) Present drawings to elements involved for review and approval. In addition to the organizations specifically noted in the drawing title block, the following internal review will be confirmed by initial in the "Operations" square:

- (a) Customer/user (always)
- (b) Space Utilization and Real Property Management (only for administrative/office layout).
- (c) Natural Resources Specialist (only for drawings pertaining to land management, landscape planting, site clearing/restoration).
- (d) Master Plans and Programs (only for siting of new facilities).

(15) Submit TDP to the Director/PW for review and signatures.

(16) Upon completion of any necessary revision in scope of approved projects, advise appropriate personnel in writing. If it should be necessary to revise/update a 1391 which has been previously approved, the Project Number is to be annotated with the suffix R1, and the reason for revision noted in the staffing memo.

(17) Upon receipt of approved Administrative Data Package, obtain cost certification on the 3953 from DRM, make distribution as shown on staffing memo and send the original copy of the 1391 to the DPW Program Analyst to place in the Official File Folder.

(18) Upon receipt of approved Technical Data Package, make distribution as follows:

- (a) A complete set to the DPW Program Analyst to be placed in the Official Project File Folder.
- (b) A set of drawings, specifications, DA Form 3953 with cost estimate obliterated, and a Hazardous Work Permit with the upper section completed (ref: PBA Reg. 385-31) will be furnished to Chief/CCC Division for the Construction Inspector.
- (c) Provide one copy of 3953 under FOUO cover to:
 - (1) Chief/EP&S Division

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-R1 17 May 2010 Page 12 of 14
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- (2) Real Property Manager
 - (3) Environmental Coordinator
 - (4) Capital Investment Program Manager (as applicable)
- (d) For contract work, provide required number of sets of specs and drawings, and completed copy of the latest version of the PR Package Checklist from DOC, with all documents stipulated therein.
- (19) If project is to be accomplished by arsenal forces, follow regular work order procedures including preparation of detailed bills of materials, drawings, scope of work, etc..
- (20) Accompany CI/COR if possible when job site is shown to prospective bidders.
- (21) Attend the post-award conference with CI/COR.
- (22) Review/approve all project submittals, whether contract or in-house. Notify COR or Chief/CCC respectively, by copy of approvals with submittals attached.
- (23) Follow the progress of the project in sufficient detail to be able to provide information to management personnel. Due to workload demands of a Project Designer he will not become more deeply involved in the progress of the project than necessary.
- (24) Project design changes or modifications will be coordinated with responsible arsenal elements. Confirm with Chief/EP&S Division that funds are available before initiating changes to contracts. A revision of the project DD Form 1391 may be required.
- (25) Perform a final inspection of the project with the customer and the CI/COR. Take sufficient pictures to show project work completion.
- (26) Review marked set of contract drawings, sketches, or other documents received from the CI/COR. Corrections will be made by responsible designer on the record drawings, showing them in the revision block "as built" to assume proper configuration management, file the "as-built" drawings at E&T or in the Civil Files in Building 34-985 as appropriate.
- (27) Furnish MP&P one corrected set of drawings if project involves construction, (any changes to base data).
- (28) Evaluate contractor performance on SF 1420 and forward to Director of Contracting within three working days of contract completion. Provide necessary documentation for performance that is either outstanding or unsatisfactory. Ten months

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-R1 17 May 2010 Page 13 of 14
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from the contract warranty date, an on-site inspection will be made by the Project Designer, CI/COR, support engineers, and customer/user. The inspection will identify contract items which need correction by the contractor prior to expiration of the 1-year warranty period. The CI/COR will initiate a memorandum describing the warranty deficiencies (if any) and deliver it to the Contracting Officer for resolution prior to expiration of the warranty period.

h. Space Utilization and Real Property Management:

(1) Review design of administrative areas to assure conformance to current Space Utilization guidance.

(2) Keep an accurate running account of projects involving alteration or construction to be alert to changes in real property records and capital investment.

(3) Make field trips to gather data and/or contact the CI/COR for needed information, vouchers, and drawings.

(4) Adjust Real Property Accountable Records and Inventory of Military Real Property to properly reflect real property changes.

i. Master Plans and Programs

(1) Attend Project Planning Meetings for projects involving construction of new facilities. Provide input pertaining to relationship of the facilities to other proposed facilities as shown on Master Planning documents.

(2) Assist in the preparation of the Safety Site Plan and narrative for proposed construction.

(3) Review and initial design drawings involving construction of new facilities.

(4) Receive copy of as-built drawings of new construction and update Master Planning documents.

j. Construction Inspector (CI) and Contracting Officer's Representative (COR) will:

(1) Attend Project Planning Meeting and the Project Design Review Meeting.

(2) Show job site to prospective bidders, with Project Designer, if possible. Attend post-award conference. Present the Hazardous Work Permit at the post-award conference for input and signature by the contractor and the PBA Risk Management representative, and distribute copies. Perform daily inspections of the work and record findings in accordance with SOP PWC 420-002, Operation of Contract Construction Coordination (CCC) Division. Secure Hot Work permit copy (DA Form 5383-R) and take actions to correct any listed limitations. Obtain digging permit from contractor and forward

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-R1 17 May 2010 Page 14 of 14
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through Project Designer to Chief/CCC Division. Coordinate compliance with all safety regulations and practices with the contractor. Make certain all contract-related work is charged to the proper account.

(3) On notice from the local Simplified Acquisition Office (SAO) or the JOC program Construction Representative that physical work is scheduled on the project, see that the building or facility has been released by the customer/user and that government locks have been removed. See that it is free of equipment, fixtures, or material which would interfere with project accomplishment, or which might create safety or security problems. If the building or area is, or has been, contaminated or if contamination is suspected, contact Chief/Risk Management Division for directions. Any equipment removed must be decontaminated if it is to be reused. DA Form 3803 (Tag) or DD Form 2271 will be attached to decontaminated equipment.

(4) Receive asbestos abatement/remediation plan from contractor and forward to Chief/CCC Division for review/approval. Return approved plan to the contractor for implementation. Receive all laboratory and other reports associated with asbestos remediation from the contractor and make appropriate distribution. Unless specifically stated otherwise, current policy provides that the contractor shall furnish all labor, materials, equipment, services, employee training and testing, air and personnel monitoring, clearance samples, permits (including EPA and/or PC&E notifications), and agreements necessary to perform the work required for Asbestos Abatement and Decontamination in accordance with EPA, OSHA, Arkansas Asbestos Abatement regulations, PBA regulations, and other applicable federal, state, and local government regulations; and applicable recommendations (NIOSH).

(5) On notification by contractor of requirement for interruption of utility services, notify Director/PW, Chief/CCC Division, Chief/ O&M Division, Project Designer; and customer representative. Reference is SOP PWM 420-044; *Interruption of Utility Services*.

(6) Review with the Project Designer any proposed modification to the contract and all shop drawings, samples and descriptive data submitted under the contract.

(7) Initiate documentation for provision of new real property and/or Equipment in Place (EIP) and for disposal of real property items being removed from the work site as directed in SOP PWC 735-001, *Turn-In of Materials and Equipment*. Coordinate actions with Space Utilization and Real Property Management and assure that the real property accounts within the project scope are correct. Obtain signature of Real Property Officer that all required information has been supplied before final payment is made.

(8) Furnish the Project Designer within one month after project completion, as-built drawings, sketches or other documents that reflect changes made in the field.

(9) Make final inspection of the contract jointly with the Project Designer and customer.

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-R1 17 May 2010 Page 15 of 14
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6. References:

- | | |
|-----------------|--------------------|
| a. AR 11-28 | h. PBA Reg. 5-1 |
| b. AR 415-15 | i. PBA Reg. 385-31 |
| c. AR 415-17 | j. SOP PWE 420-094 |
| d. AR 415-35 | k. SOP PWC 735-001 |
| e. AR 420-10 | l. SOP PWC 420-002 |
| f. AR 420-17 | m. SOP PWM 420-044 |
| g. AMCR 385-100 | |

(AMSSB-OPB-PW)

WILLIE E. THOMAS
Director, Public Works

DISTRIBUTION:

Executive Assistant	(1)	Opr & Maint Div	(1)
Robert Morris Acquisition Center	(2)	DPW Program Analyst	(1)
Dir/Public Works	(1)	DPW Contract Administrator	(1)
Dir/Resource Mgmt	(1)	Ch, Risk Management Div.	(1)
Engr Plns & Svcs Div	(1)	Housing Manager	(1)
Ch, Contract Construction Coordination Div	(3)	Ch, Fire & Emergency Svcs Div	
(1)			

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-RI 17 May 2010 Page 16 of 14
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APPENDIX A

Maintenance & RepairAdministrative Approval

Instal Cdr	HQDA
<\$2,000,000	\$2,000,001 and above

Technical Review

Instal Cdr	U.S. AMC I&SA (AMXEN-C)
<\$2,000,000	\$2,000,001 and above

Minor Construction < \$300KAdministrative Approval

Instal Cdr	IOC
<\$250,000	\$250,001- \$300,000

Technical Review

Instal Cdr	IOC	U.S. AMC I&SA (AMXEN-C)
<\$250,000	\$200,001- \$280,000	\$280,001- \$300,000

DIRECTORATE OF PUBLIC WORKS (DPW)

Pine Bluff Arsenal	Facilities Engineering Project Administration	DPW SOP 420-22-R1 17 May 2010 Page 17 of 14
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PINE BLUFF ARSENAL
Pine Bluff, Arkansas 71602-9500

STANDING OPERATING PROCEDURE
DPW SOP 420-13
Revision: 1
Approval Date:

Inspection and Testing of Lightning/Grounding Protection Buildings, Igloos, Fences/Gates, and Railroads

Applicability: This guidance applies to all DPW personnel involved inspecting and testing of lightning/grounding protection of buildings, igloos, fences/gates, and railroads. Supersedes DPW SOP 420-13, 1 February 2008.

Suggested Improvements: The proponent of this SOP is the Directorate of Public Works, Engineering Plans and Services Division.

Distribution: Distribution of this SOP will be made electronically to all directorate divisions/offices and as shown on distribution.

Submitted:

Approved

RAY FISH
Chief Engineering Plans and Services

MICHAEL J. MCCORMACK
Director, Public Works

CONCUR:

MARK A. LUMPKIN
Director, Risk Management
and Regulatory Affairs

BRUCE BADDELEY
Director, Material Management

DAVID MORROW
Director of Risk Management,
Pine Bluff Chemical Activity

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