

INSTALLATION REPORT OF AUDIT

F2009-0107-FBL000

**American Recovery and Reinvestment
Act of 2009
188th Fighter Wing
Air National Guard
Fort Smith AR**

Midwest Area Audit Office

16 September 2009

INTRODUCTION

On 17 February 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 (the Recovery Act). The primary goal of the Recovery Act was to promote economic recovery and to preserve and create jobs. As of 26 August 2009, the 188th Fighter Wing had received \$7.8 million to replace the civil engineer complex.

OBJECTIVES

The objective of this centrally directed audit was to determine whether Air Force personnel properly managed Recovery Act military construction requirements. Specifically, we determined whether personnel:

- Properly justified the Recovery Act project.
- Conducted environmental impact studies for the project.
- Properly programmed, scoped, and supported primary and supporting facility costs included on the Department of Defense Form 1391, *Military Construction Project Data*.
- Complied with Recovery Act contract requirements, including the use of new Federal Acquisition clauses, intended to ensure transparency.
- Established procedures to verify contractor compliance with Recovery Act reporting requirements.
- Prepared an economic analysis, certificate of exemption, or request for waiver for the project.

CONCLUSIONS

Personnel could improve management of four of six Recovery Act areas reviewed. Specifically, wing personnel:

- Properly justified the Recovery Act project and conducted an environmental study. As a result, the selected project represented a prudent expenditure that would provide essential long-term infrastructure requirements. Accomplishing the analyses ensures that Air Force decision-makers consider all factors prior to commitment of resources and prevents environmental damage. (Tab A, page 1)
- In conjunction with National Guard Bureau programming personnel, did not properly program, scope, or support primary or supporting facility costs

identified on the military construction project data form. As a result, the Department of Defense Form 1391, *Military Construction Project Data*, included requirements valued at over \$1.5 million unrelated to the civil engineer complex. Also, the primary facility included 5,200 square feet less space than allowed for a civil engineering squadron with no justification for the reductions. (Tab B, page 3)

- Did not comply with Recovery Act contract requirements, including those to ensure transparency. As a result, contractors might not be aware that they had performed work funded by the Recovery Act and would be required to fulfill Recovery Act reporting requirements. (Tab C, page 6)
- Did not establish procedures to verify contractor compliance with Recovery Act reporting requirements. As a result, no documentation existed to verify the sufficiency or timeliness of services received, or to ensure that personnel adequately reviewed contractor performance. (Tab D, page 10)
- Did not prepare an economic analysis, certificate of exemption, or request for waiver. As a result, decision makers did not have all of the information available regarding economic costs, benefits, and risks associated with the project. (Tab E, page 12)

MANAGEMENT'S CORRECTIVE ACTIONS

- The Contracting Officer
 - Reported task order W912JF-09-D-0017-0001 on the Federal Business Opportunities website.
 - Requested United States Property and Fiscal Officer (Arkansas) assistance inputting W912JF-09-D-0017-0001 to the Federal Procurement Data System website.
 - Input Treasury Account Symbols to the "Descriptions of Requirements" for contract W912JF-09-P-0085 and task order W912JF-09-D-0003-0002 to the Federal Procurement Data System website.
 - Added available Central Contractor Registration, Online Representation and Certifications Application, and

Excluded Parties List System documentation to the contract folders.

- Contacted the contractor not registered in ORCA and requested the contractor complete registration.
- Amended task order W912JF-09-D-0017-0001 to include FAR clauses 52.203-15 and 52.204-11.
- The Contracting Officer's Technical Representative formulated a plan to review contractor reporting requirements during weekly progress meetings (Tab D, page 10).

RECOMMENDATIONS

We made three recommendations to update contract documentation and add required clauses to contracting actions (Tab C, page 9). We made two recommendations to create performance plans and surveillance documentation (Tab D, page 10 and 11). Finally, we made two recommendations to accomplish an economic analysis and to perform future economic analysis as required (Tab E, page 12). Reference the tabs for specific recommendations.

MANAGEMENT'S RESPONSE

Management officials agreed with the audit results, management's corrective actions, and recommendations in this report. The actions taken or planned are responsive to the issues and recommendations in this report. Therefore, this report contains no disagreements requiring elevation for resolution.



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BACKGROUND

The Recovery Act was intended to place money into the economy quickly in order to jump-start the economy. The purposes of the Act include preserving and creating jobs, promoting economic recovery, and investing in infrastructure that will provide long-term economic benefits. Additionally, the Act directs that the money will be managed and expended so as to achieve the purposes of the Act, including commencing expenditures and activities as quickly as possible consistent with prudent management.

For military construction projects, the requesting organization completes a Department of Defense (DD) Form 1391, *Military Construction Project Data*. The DD Form 1391 outlines the project description and justification. Before constructing a new facility, personnel must complete an environmental analysis to determine the environmental impact.

The Base Master, or Comprehensive, Plan encompasses those specific resource documents and processes determined to be essential for planning and managing an installation's physical assets in support of the mission. It provides this information at an appropriate level of detail for the installation, the command, and other decision-makers to understand the character and structure of the installation, and its development potential.

AUDIT RESULTS 1 – PROJECT PLANNING

Condition. Personnel properly justified the Recovery Act project and conducted an environmental analyses. Specifically, personnel:

- Selected valid requirements for the Recovery Act project (both the civil engineer complex and the new delivery gate) and documented justification for the requirements. Further, personnel did not overlook more urgent requirements or projects that would create greater cost savings or create or retain more jobs when selecting a project for Recovery Act funding.
- Appropriately evaluated the environmental impact of completing the planned Recovery Act project.

Cause. This occurred because personnel considered the Base Master Plan when they selected which project to complete with Recovery Act funds. In addition, personnel properly identified the requirement for and completed environmental analyses to evaluate the resource commitment and prevention of environmental damage.

Impact. As a result, the selected project represented a prudent expenditure that would provide essential long-term infrastructure requirements. Accomplishing the analyses ensures that Air Force decision-makers consider all factors prior to commitment of resources and prevents environmental damage.

Management Comments. The 188th Fighter Wing Commander concurred with the audit results.

BACKGROUND

Wing and National Guard Bureau (NGB) civil engineer programmers plan military construction projects. One aspect of planning involves developing cost estimates and recording the data on the DD Form 1391. Accurate project cost estimates are essential to successful military construction project development and execution. The NGB Programmer reviews and documents validation of the DD Form 1391 primary and supporting facility costs and work classification.

On 7 May 2009, the Office of the Under Secretary of Defense – Comptroller issued guidance on project cost variations during execution of the Recovery Act expenditures for infrastructure investments. This guidance indicates that if a project is determined to be unexecutable, installation officials should use the resulting unobligated funds for a replacement project, with the same approximate value, at the same installation.

AUDIT RESULTS 2 – SCOPING

Condition. Wing personnel, in conjunction with NGB programmers, did not adequately program, scope, or support primary and supporting facility costs identified on the DD Form 1391. Specifically, personnel

- Overstated requirements on the DD Form 1391. Specifically, they combined facilities of different types (civil engineer complex and exterior gate with gate house and vehicle inspection station) onto a single DD Form 1391 in violation of AFI 32-1021, *Planning and Programming Military Construction (MILCON) Projects*, paragraph 3.2.2. Further, the 200 square feet included on the DD Form 1391 for the gate house represented twice the space allowed by Draft Air National Guard Handbook (ANGH) 32-1084, *ANG Standard Facility Requirements*.
- Understated requirements on the DD Form 1391. Specifically, although personnel cited Draft ANGH 32-1084 as the source of overall space requirements, the DD Form 1391 included 5200 square feet less than authorized for a civil engineer squadron. (Table B.1.)

Area Description	Draft ANGH 32-1084 Space Allowance	DD Form 1391	Difference DD Form 1391/ANGH 32-1084
Administrative Area (CE)	6,500	6,100	-400
Maintenance and Shop Area	7,900	7,100	-800
Readiness Area	3,000	3,000	0
Vehicle Storage Area	4,000	4,000	0
Pavements and Grounds Area	8,000	4,000	-4,000
	29,400	24,200	-5,200

Table B.1. Space Shortages

- Could not provide any supporting documentation to explain how \$1,788,000 in costs - for base entrance relocation, a vehicle inspection station, communications support, and design-build costs - were computed or what the costs included. (Chart B.2.)

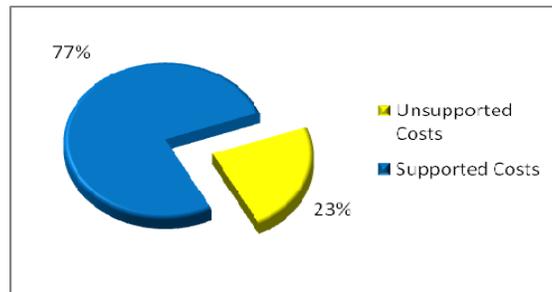


Chart B.2. Unsupported Project Costs

Cause. This condition occurred because:

- The current NGB Facility Programmer could not explain why prior personnel had combined the two facilities onto a single DD Form 1391. Base personnel provided a DD Form 1391, created by the 188th Base Civil Engineer prior to September 2003 that included only the civil engineer complex. According to base personnel, NGB personnel had combined the facilities onto a single DD Form 1391.
- Neither the current Facility Programmer nor the Base Civil Engineer could explain why the space allotted to the unit was less than the Draft ANGH 32-1084 allowances. Further, they could not explain why additional documentation was not available to explain the unsupported costs or to justify the reduced space allowances.

Impact. As a result, the DD Form 1391 included over \$1,498,000¹ in requirements unrelated to the civil engineer complex. The ANGH represents current experience and knowledge regarding space requirements for typical missions. Unless otherwise justified, the unit should be provided sufficient space to accomplish the mission in a reasonable manner. Supporting documentation for costs on the DD Form 1391 would provide assurance that these costs are reasonably derived and represent justifiably foreseeable expenses.

Audit Comment. Personnel at the 188th Fighter Wing do not program military construction projects. Therefore, they cannot correct issues related to the gate being included on the DD Form 1391 with the civil engineer complex or space allowances on the DD Form 1391 not correlating to Draft ANGH 32-1084. Therefore, we have forwarded these issues to the audit control point for inclusion in an Air Force level report of audit.

¹ The 12 March 2009 DD Form 1391 included primary facility costs for a gate house (\$90,000) and a vehicle inspection station (\$208,000) and supporting facility costs for base entrance relocation (\$1.2 million).

Management Comments. The 188th Fighter Wing Commander concurred with the audit results.

BACKGROUND

The Federal Business Opportunities (FBO) website is the single government point-of-entry for Federal government procurement opportunities over \$25,000. This website contains all Federal government solicitations and contract awards. The Federal Acquisition Regulation (FAR) requires personnel post to the FBO all contract actions over \$25,000, as well as any contract action, regardless of amount, which was not awarded both competitively and firm, fixed price.

The Federal Procurement Data System (FPDS) is the Federal government's central source of procurement information. Personnel must post all contract actions, including task orders, to FPDS. Additionally, to enable tracking of Recovery Act contract actions, personnel must include the Treasury Account Symbol (TAS) in the "Description of Requirements" data element.

The Central Contractor Registration (CCR) is the primary registrant database for the Federal government. Any organization wishing to do business with the Federal government under a FAR-based contract must register in CCR before being awarded a contract. The Online Representation and Certifications Application (ORCA) is a complementary system to CCR. Any contractor required to register in CCR must also register in ORCA. The Excluded Parties List System (EPLS) documents information on companies and individuals excluded from receiving Federal contracts.

Effective 31 March 2009, the FAR was changed to implement contract-related Recovery Act requirements including several new clauses developed to help achieve the goals of the Recovery Act. For example, contracting officers must include FAR clause 52.204-11 in solicitations and contracts, including existing contracts, funded in whole or in part with Recovery Act funds.

AUDIT RESULTS 3 – CONTRACT REQUIREMENTS

Condition. Contracting personnel did not comply with Recovery Act requirements including those to ensure transparency. Specifically, for the three contracting actions related to the Recovery Act project, personnel did not:

- Report task order W912JF-09-D-0017-0001, "Provide Design-Build Consultant² Services," valued at \$98,365, on the FBO website.
- Clearly describe all work included in task order W912JF-09-D-0003-0002, "Replace Civil Engineer Complex" in the information posted to the FBO website. The synopsis for this task order only described the civil engineer complex to be constructed and did not mention the new delivery gate, gate house, or vehicle inspection area.

² This Architect-Engineer firm has provided Type A services (such as, advance planning studies and cost concept development studies) and will provide Type C services (construction inspection, testing, shop drawing review and management services).

- Include task order W912JF-09-D-0017-0001 in the FPDS or include the required TAS in the Description of Requirements for contract W912JF-09-P-0085 ("Provide Soil Testing") or task order W912JF-09-D-0003-0002. As a result, the FPDS American Recovery and Reinvestment Act report did not capture any data related to projects at the 188th Fighter Wing.
- Document performance of eight (89 percent) of nine reviews of CCR, ORCA, and EPLS data. As a result, personnel awarded one contract to a contractor who, from 1 January 2007 to the present, did not register in ORCA.
- Maintain records showing the rationale for selecting specific contractors for contract W912JF-09-P-0085 and W912JF-09-D-0017 (the original competed contract). In addition, personnel did not maintain documentation explaining the rationale for awarding a task order directly to an existing Indefinite Delivery/Indefinite Quantity contract (W912JF-09-D-0017).
- Include all required FAR clauses in Recovery Act contracts and task orders. (See Table C.1.)

	Soil Testing	Design-Build Consultant	Replace CE Complex
FAR Clause	W912JF-09-P-0085	W912JF-09-D-0017-0001	W912JF-09-D-0003-0002
52.203-15	No	No	Yes
52.204-11	No	No	Yes
52.215-2	No	No	Yes
52.225-21	N/A	N/A	Yes
52.225-22	N/A	N/A	Yes
52.244-6	No	No	No
52.222-6	N/A	N/A	Yes
52.212-4	Yes	No	No
52.212-5	Yes	No	No
# Missing	4	6	3
# Required	6	6	9

Table C.1. Missing FAR Clauses

Cause. This condition occurred for several reasons:

- The current Contracting Officer, assigned 2 August 2009, was not aware that the soil testing contract or the design-build consultant task order were funded by the Recovery Act.

- Personnel were not familiar with the requirement to add TAS information for Recovery Act tracking in the "Description of Requirement" field in FPDS and did not know what TAS to use in the field.
- Despite multiple attempts, the Contracting Officer was unable to load task order W912JF-09-D-0017-0001 to the Standard Procurement System (which feeds into FPDS). Further, personnel contacted United States Property and Fiscal Office (Arkansas) (USP&FO (AR)) personnel at Little Rock to obtain assistance processing the awarded task order into the system when the initial loading error occurred.
- The Contracting Officer was not aware of the requirement in the FAR to include the printed documentation in the contract folder.
- Personnel could not determine whether the prior Contracting Officer, who departed in April 2009, did not create documentation or misplaced documentation.
- Finally, the current Contracting Officer had no access to the prior Contracting Officer's email account, and, therefore, did not receive any guidance forwarded to the prior Contracting Officer's email address USP&FO (AR).

Impact. As a result, contractors might not be aware that they had performed work funded by the Recovery Act and would be required to fulfill Recovery Act reporting requirements. Further, due to the wording of the project title and the synopsis information posted to the Federal Business Opportunities website, personnel did not transparently advertise the complete requirements for the project.

Audit Comment. See Audit Results 1, Tab A, regarding the issue of the new delivery gate being combined with the civil engineer complex on a single DD Form 1391. Since this issue has been forwarded to the audit control point to be addressed at a higher level, no recommendation is made to add information to the synopsis for task order W912JF-09-D-0003-0002 on the FBO website.

Management's Corrective Action. The Contracting Officer:

- Reported task order W912JF-09-D-0017-0001 on the FBO website.
- Requested USP&FO (AR) assistance inputting W912JF-09-D-0017-0001 to the FPDS website.
- Input TAS codes to the Descriptions of Requirements for contract W912JF-09-P-0085 and task order W912JF-09-D-0003-0002 to FPDS.
- Added available CCR, ORCA, and EPLS documentation to the contract folders.

- Contacted the contractor not registered in ORCA and requested the contractor complete registration.
- Amended task order W912JF-09-D-0017-0001 to include FAR clauses 52.203-15 and 52.204-11.

As a result, we make no recommendations to add information to FBO or FPDS; request assistance from the USP&FO (AR); add CCR, ORCA, or EPLS documentation to contract folder; request the contract register in ORCA; or amend task order W912JF-09-D-0017-0001 to include the two FAR clauses.

Recommendations. The 188th Fighter Wing Commander should direct the Contracting Officer to:

- **Recommendation C.1.** Document that original source selection documentation cannot be located and the rationale, based on the recollection of involved personnel, for source selection for contracts W912JF-09-P-0085 and W912JF-09-D-0017 (the original contract).
- **Recommendation C.2.** Document the rationale for not competing the design-build consultant work and include in the contract folder for task order W912JF09D00170001.
- **Recommendation C.3.** Process bilateral modifications to the contract and task orders to add the required FAR clauses.

Management Comments. The 188th Fighter Wing Commander concurred with the audit result, corrective actions, and Recommendations C.1. through C.3., and stated:

- **Recommendation C.1.** "The Contracting Officer will complete memorandums for record indicating that the original source selection documentation for contracts W912JF-09-P-0085 and W912JF-09-D-0017 cannot be located and describing the rationale, based on the recollections of personnel, for selection of the winning bid. Estimated Completion Date: 31 October 2009.
- **Recommendation C.2.** "The Contracting Officer will complete memorandums for record indicating the rationale for using the existing IDIQ design-build consultant contract instead of competing for a separate design-build consultant contract for this project. Estimated Completion Date: 31 October 2009.
- **Recommendation C.3.** "The Contracting Officer will transmit bilateral modifications, to the contractors, incorporating the missing FAR clauses into each contract or task order. Estimated Completion Date: 31 October 2009."

Evaluation of Management Comments. Management comments addressed the issues presented in this audit result and actions planned should correct the problems.

BACKGROUND

Performance-based acquisitions involve the organization identifying the results they want to obtain and the contractor determining how to achieve those results. Personnel develop a performance plan to identify the strategy, methods, and tools that management will use to validate the contractor's performance against performance thresholds identified in the contract. Quality Assurance personnel, who may be designated Quality Assurance Evaluator or Contracting Officer Technical Representative (COTR), assess contractor performance against contract performance standards.

FAR clause 52.204-11 requires contractors receiving Recovery Act funds to report quarterly regarding the amount of money expended, percent of project completion, salaries of particular personnel, and the number of jobs created and retained. Contractors are required to post the report to www.federalreporting.gov by 10 October 2009. Air Force personnel then have 20 days to review the reports for obvious errors or omissions and post them to www.recovery.gov. Quality Assurance personnel must ensure the contractor is meeting these reporting requirements.

AUDIT RESULTS 4 – SURVEILLANCE

Condition. The COTR did not develop formal performance plans for two contracting actions awarded for the Recovery Act project. Specifically, no surveillance documentation was available for the soil-testing contract or the design-build consultant task order. In addition, the COTR had no procedures to validate contractor quarterly reporting.

Cause. After physically observing satisfactory contractor performance, the COTR did not feel formal surveillance documentation was necessary. Further, he had received no guidance specific to processes for the Recovery Act.

Impact. As a result, no documentation existed to verify the sufficiency or timeliness of services received, or to ensure that personnel adequately reviewed contractor performance. Proper, planned surveillance ensures attainment of Recovery Act goals and minimizes the potential for fraud, waste, and abuse.

Management's Corrective Action. The COTR formulated a plan to address review of contractor reporting requirements during weekly progress meetings with the contractor. As a result, we made no recommendations to develop procedures to validate contractor quarterly reporting.

Recommendations. The 188th Fighter Wing Commander should direct the Base Civil Engineer to:

- **Recommendation D.1.** Prepare a performance plan for the contract to replace the civil engineer complex and for work not yet completed by the design-build consultant.

- **Recommendation D.2.** Document surveillance performed to date on the soil-testing contract and design-build consultant task-order and provide copies to the contracting office for inclusion in the contract folders.

Management Comments. The 188th Fighter Wing Commander concurred with the audit result, corrective actions, and Recommendations D.1. and D.2., and stated:

- **Recommendation D.1.** "The COTR will utilize contract requirement documents to prepare a performance document for the contract to replace the civil engineer complex and for work not yet completed by the design-build consultant. Once completed, copies will be provided to the Contracting Officer for inclusion in the contract folders . Estimated Completion Date: 31 October 2009.
- **Recommendation D.2.** "The COTR will create memorandums documenting the surveillance performed to date for the soil testing contract and the design-build consultant task order. Copies will be provided to the Contracting Officer and will be included in the contract folders. Estimated Completion Date: 31 October 2009."

Evaluation of Management Comments. Management comments addressed the issues presented in this audit result and actions planned should correct the problems.

BACKGROUND

Economic Analysis provides decision makers with data to help in making choices among alternatives. A good economic analysis examines the costs, benefits, and risk of various alternative solutions. An economic analysis is required when the cost of military construction will equal or exceed \$2 million. A waiver or exemption from performing an economic analysis may be requested if the Office of the Secretary of Defense or a higher authority, such as Congress, directs a program and specifies how to accomplish program goals.

AUDIT RESULTS 5 – ECONOMIC ANALYSIS

Condition. Personnel did not accomplish an economic analysis, certificate of exemption, or request for waiver for the project. Specifically, personnel at neither the 188th Fighter Wing nor the National Guard Bureau could provide any documentation to support any economic analysis having been performed or any request for exemption or waiver ever having been processed.

Cause. Neither the Comptroller nor the Base Civil Engineer could explain why no economic analysis documentation was available. Although economic analysis was a prerequisite for project approval, the current NGB Facility Programmer could not explain why no economic analysis documentation was available for this 1988 project.

Impact. As a result, decision makers did not have all of the information available regarding economic costs, benefits, and risks associated when they chose their approach to the project.

Recommendations. The 188th Fighter Wing Commander should direct the Comptroller to:

Recommendation E.1. Work with NGB Financial Management personnel to ensure an economic analysis is completed.

Recommendation E.2. Ensure an economic analysis is completed for all future projects costing over \$2 million prior to deciding the appropriate course of action to pursue.

Management Comments. The 188th Fighter Wing Commander concurred with the audit result, corrective actions, and Recommendations E.1. and E.2., and stated:

Recommendation E.1. "The Comptroller will work with NGB Financial Management personnel to obtain an economic analysis for the civil engineer complex project. Estimated Completion Date: 31 December 2009.

Recommendation E.2. "The Comptroller implemented procedures to ensure an economic analysis is completed for future construction projects costing over \$2 million. CLOSED."

Evaluation of Management Comments. Management comments addressed the issues presented in this audit result and actions taken and planned should correct the problems.

AUDIT SCOPE

Audit Coverage. The 188th Fighter Wing was one of six locations selected for this audit. To accomplish our audit objectives, we reviewed DD Forms 1391 and associated supporting documentation, solicitations, contracts, task orders, an environmental assessment, requests to exceed multiple award task order contract limitations, financial transaction history data, Wide Area Work Flow Invoice 2-in-1 reports, the base master plan, and data included in the FBO, FPDS, CCR, ORCA, and EPLS websites dated from 9 July 2003 to 14 September 2009. Also,

- To determine the validity of the project, we reviewed the justification included on the DD Form 1391. Further, we reviewed the base master plan and meeting minutes for the Facility Working Group and Facility Board for the last two years to determine if personnel selected the highest priority military construction project for Recovery Act funding. In addition, we obtained and reviewed environmental assessment documentation.
- To evaluate project scoping, we compared quantities and costs on the DD Form 1391 to supporting documentation prepared at the National Guard Bureau. In addition, space allowances on the DD Form 1391 were compared with allowances in Draft ANGH 32-1084. We discussed differences with personnel.
- To evaluate compliance with contract notification requirements, we reviewed the FBO and FPDS websites. We evaluated data posted to the sites to verify all required data was included. Contract documentation was reviewed to verify contracts included required clauses, documentation supporting source selection rationale and the non-competitive award of a task order against an existing IDIQ contract was on hand, and CCR, ORCA, and EPLS data was on hand. Where documentation was missing, we reviewed the CCR and ORCA websites to verify contractor registration and the EPLS website to validate contractors were not included.
- To evaluate contractor surveillance, copies of the performance plans for existing contracts and task orders were requested. We discussed missing documentation and plans for tracking contractor reporting requirements with the Base Civil Engineer.
- To evaluate economic analysis accomplishment, we requested economic analysis, certificate of exemption, or request for waiver documentation from the Base Civil Engineer, Comptroller, and National Guard Bureau Facility Programmer. Also, the reasons documentation was not accomplished was discussed with personnel.

We conducted this audit from July to September 2009 and provided a draft report to management on 15 September 2009.

Criteria. Guidance used included Public Law 111-5, *The American Recovery and Reinvestment Act of 2009*, 17 February 2009; the *Federal Acquisition Regulation*, 11 August 2009; Air Force

Civil Engineer Support Agency Directorate of Engineering Support, *Historical Air Force Construction Cost Handbook*, February 2007; Unified Facilities Criteria 3-701-07, *DoD Facilities Pricing Guide*, 2 July 2007; Office of Management and Budget Memorandum M-09-15, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*, 3 April 2009; AFI 32-1021, *Planning and Programming Military Construction (MILCON) Projects*, 24 January 2003; AFM 32-1089, *Air Force Military Construction and Family Housing Economic Analysis Guide*, 1 August 1996; AFI 63-124, *Performance-Based Services Acquisition (PBSA)*, 1 August 2005; AFI 65-501, *Economic Analysis*, 10 November 2004; AFM 65-506, *Economic Analysis*, 10 November 2004; Working Draft ANGH 32-1084, *ANG Standard Facility Requirements*, 24 April 2006; National Guard Regulation (AF) 86-1, *Civil Engineering Programming Policies and Procedures*, 29 May 1992; and National Guard Regulation (AF) 86-2, *Civil Engineering Planning, Programming, and Design Air National Guard Planning Factors*, 29 May 1992.

Sampling. We did not use sampling to accomplish this audit; instead, as instructed by the audit control point, we evaluated all contracting actions associated with the one Recovery Act project for the 188th Fighter Wing.

Computer Assisted Auditing Tools and Techniques. We used the following Microsoft® *Excel* features to analyze data. Specifically, we used the "COUNTA" function to enumerate the number of contracts. The "COUNTIF" function was used to identify the number of required clauses missing from each contract. Also, the "IF" function was used to determine the number of contracts missing required clauses.

Data Reliability. We extensively relied on computer-generated data contained in FPDS, FBO, CCR, EPLS, ORCA, the General Accounting and Finance System, Integrated Accounts Payable System, Wide-Area Work Flow, Automated Civil Engineer System, Unit Type Code Management Information System, and Military Personnel System. The results of data tests, comparing output data to manual documents to validate data accuracy and reviewing output products for obvious errors, reasonableness, and completeness, showed an error rate that cast doubt on the data's validity. However, we believe the opinions, conclusions, and recommendations in this report are valid when viewed with other available evidence.

Auditing Standards. We accomplished audit work in accordance with generally accepted Government auditing standards, and accordingly, included such tests of internal controls as considered necessary under the circumstances. Specifically, we reviewed transaction documentation, retention of documentation, training of personnel, and management review and oversight.

Discussion with Responsible Officials. We discussed the results of this audit with the 188th Fighter Wing Commander, Comptroller, Base Civil Engineer, Contracting Officer, Staff Judge Advocate, and other interested officials. Management was advised this audit was part of an Air Force-wide evaluation, *American Recovery and Reinvestment Act of 2009 Air National Guard Military Construction*, Project F2009-FD1000-0659. Therefore, selected data not

contained herein may be included in a related Air Force Report of Audit. Management provided formal comments, included in this report, on 15 September 2009.

PRIOR AUDIT COVERAGE

Our review of audit files and contact with installation officials disclosed no other audit report issued to the 188th Fighter Wing by any audit agency within the last 5 years that related to our audit objectives.

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PROJECT NUMBER

We accomplished this audit under project number F2009-FD1000-0659.005.

FREEDOM OF INFORMATION ACT

The disclosure/denial authority prescribed in Air Force Policy Directive 65-3, *Internal Auditing*, will make all decisions relative to the release of this report to the public.