



INSTALLATION REPORT OF AUDIT

F2010-0009-FBP000

**American Recovery and Reinvestment
Act of 2009
15th Airlift Wing
Hickam AFB Hawaii**

Pacific Area Audit Office

21 December 2009

INTRODUCTION

On 17 February 2009, the President of the United States signed into law the American Recovery and Reinvestment Act of 2009, with the express purpose of stimulating the economy. The Recovery Act provided funding to the Department of Defense of \$2.3 billion for military construction projects and \$3.4 billion for facilities sustainment, restoration, and modernization. Headquarters Pacific Air Forces received approximately \$146 million of these funds distributing \$46 million to the 15th Airlift Wing. As of July 2009, the 15th Airlift Wing identified 27 Recovery Act projects, awarding 21 contracts.

OBJECTIVES

We performed this centrally directed audit to determine whether the 15th Airlift Wing properly implemented the Recovery Act provisions. Specifically, to determine whether Wing personnel:

- Met the goals of the Recovery Act by fostering competition in solicitations, awarding contracts expeditiously, creating or retaining American jobs, and justifying projects properly.
- Reported information regarding Recovery Act funded projects transparently to the public.
- Included in all Recovery Act contracts the new applicable clauses required from the Federal Acquisition Regulation.

CONCLUSIONS

The 15th Airlift Wing could more effectively implement Recovery Act provisions. Specifically, personnel did not:

- Always meet the goals of the Recovery Act by fostering competition in contract solicitations and in creating or retaining American jobs. In addition, personnel did not adequately justify Recovery Act projects by selecting projects representing the most urgent requirements, greatest needs, most jobs created or retained, or highest cost savings. These results were due to the lack of detailed Air Force guidance and the Act's initial requirement of accomplishing readily executable projects, which caused the Wing to select projects not necessarily mission critical, and not always meeting Recovery Act criteria. (Tab A, page 1)

- Disclose Recovery Act projects' contract information transparently to the public. As a result, by not disclosing Recovery Act project information the Wing did not comply with the Recovery Act and Federal Acquisition Regulation requirements for transparency to the public. (Tab B, page 5)
- Include all the applicable Federal Acquisition Regulation clauses in the Recovery Act funded contracts or files. As a result, the contractors may consider the American Recovery and Reinvestment Act clauses are not applicable and object to compliance with the required clauses. (Tab C, page 9)

MANAGEMENT ACTION

The 15th Airlift Wing Civil Engineering and Contracting personnel implemented two management actions to correct deficiencies identified by the audit. (Reference Tab A, page 3 for specific corrective action). Therefore, recommendations addressing these issues are not included in this report.

RECOMMENDATIONS

We made nine recommendations to improve implementation of the Recovery Act provisions. (Reference Tab A, page 3, Tab B, page 6, and Tab C, page 10 for specific recommendations.)

MANAGEMENT'S RESPONSE

Management officials concurred with the audit results in Tab A and Tab C however nonconcurred with the audit result in Tab B of the report. Additionally, management officials disagreed or were nonresponsive to recommendations A.1, B.1 through B.6, and C.1. As a result, the disagreements contained in this report will be elevated for resolution.



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	<u>Page</u>
EXECUTIVE SUMMARY	i
TAB	
A Goals and Justification	1
B Transparency	5
C Federal Acquisition Regulation	9
APPENDIX	
I Audit Scope and Prior Audit Coverage	11
II Points of Contact and Final Report Distribution	14

BACKGROUND

The goal of the American Recovery and Reinvestment Act (ARRA) of 2009 is to spend additional funds expeditiously, within specific guidelines, in order to jump-start or boost the economy of the United States (U.S.). All projects using Recovery Act funds need to be fully justified and consistent with the Act's goals and requirements.

- Recovery Act Goals. The President of the U.S. indicated multiple goals of the Recovery Act, including: (1) awarding projects and putting the money into the economy quickly; (2) fostering competition in contract solicitations; and (3) creating and retaining American jobs. Additionally, organizations should use competitive, firm, fixed price contracts to reduce the risks to the government and taxpayers.
- Project Justification. Organizations must submit Department of Defense Form 1391, *Military Construction Project Data*, or use the Air Force Information Management Tool Form 332, *Base Civil Engineer Work Request*, to request facility sustainment, restoration, and modernization projects. Either of these forms describes the work requested, documents the written justification for the project, and retention in the contract/project file.

AUDIT RESULTS 1 –GOALS AND JUSTIFICATION

Condition. Wing personnel did not always meet the goals of the Recovery Act by fostering competition during contract solicitations, and creating or retaining American jobs. Additionally, Wing personnel did not adequately justify projects for the Recovery Act by properly selecting projects representing the most urgent requirement, greatest need, most jobs created/retained, or highest cost saving. Specifically,

- Personnel selected a Wake Island project valued at \$1.5 million, which did not fully meet the intent of the Recovery Act criteria to create or retain American jobs and stimulate the U.S. economy. Although the project would offer some jobs to U.S. workers, the contractor employs a majority of non-U.S. citizens.
- Contracting personnel awarded sole source contracts for 6 (29 percent) of 21 Recovery Act projects without the required rationale for any of the 6 projects (100 percent).
- Reduction in costs, although realized, did not result from Recovery Act criteria by fostering competition in contract solicitations. To illustrate, 20 of 21 awarded projects indicated cost reductions between the government's estimate and the contract award price. However, these reductions were due to the variance between the cost estimates and award amount, instead of from competing bids. For example, 12 (60 percent) of the 20 awarded projects had estimated costs that were at least 10 percent higher than the

actual contract award amounts. To emphasize included in the 12 were 3 projects having cost estimates more than 400 percent higher than the actual awarded amount¹. (Table 1)

- Personnel did not have plans to verify the contractor performs quarterly Recovery Act reporting even though expectations are for contracting personnel to include a clause requiring contractors to report information related to the number of American jobs retained or created.
- Personnel selected three painting projects that could have been less of a priority. These projects are also identified as the three projects in Table 1 with the largest variance between the government’s cost estimates and the actual contract award amounts (i.e., more than 400 percent variance)².
- Personnel did not maintain justification documents for 6 (22 percent) of 27 Recovery Act projects in the contract/project files.

	Project Number Contract Number.	Description	Estimated Cost (000)	Contract Award Cost (000)	Variance Percentage
1.	KNMD041000F1 FA521506D00015300	Paint Exterior, Youth Center, B1335	\$215	\$39	451.28%
2.	KNMD041000L1 06-D-00015301	Paint Exterior Main Child Development Center, Bldg 1597/1598 (IDIQ)	\$323	\$52	521.15%
3.	KNMD031002F1 06-D00085016	Repair Pavement Engine Test Road	\$430	\$371	15.90%
4.	KNMD061009C1 06-D-00085013	Repair Taxiway Ha/Hb Intersection	\$430	\$390	10.26%
5.	KNMD061009V1 08-D-00085012	Repair Alert Pad Shoulder	\$484	\$434	11.52%
6.	KNMD041004O4 09-D-00045000	Repair Water Line, Vickers Avenue, Phase 4	\$557	\$404	37.87%
7.	KNMD041004P 09-D-00045001	Repair Water Line, Signer Blvd.	\$1,398	\$903	54.82%
8.	KNMD031075 09-C-0011	Install Traffic Signal at Vandenberg and Freedom	\$600	\$541	10.91%
9.	KNMD081083 09-C-0013	Repair Roof, Security Forces Building- B1001	\$225	\$194	15.98%
10.	KNMD091048A 09-C-0010	Repair Roof; Power Plant-B1109	\$150	\$105	42.86%
11.	KNMD081084 09-C-0014	Repair Child Development Center Roof, B1597	\$300	\$238	26.05%
12.	KNMD041000K1 06-D-00015303	Paint Exterior Child Dev Center-B1654	\$200	\$37	440.54%
	Total		\$5,312	\$3,708	

Table 1. Recovery Act Cost Variances

¹ Per 15th Airlift Wing management, these government estimates include a 7 percent mark up by Air Staff.

² These projects are noted as valid needs but with weak justifications such as descriptions of “high visibility”.

Cause. This condition occurred because Wing personnel lacked detailed guidance and information for selecting Recovery Act projects. The request to Civil Engineering personnel was to provide the most readily executable projects. For example, personnel initially were unaware that contracts employing non-U.S. workers would not satisfy the intent of the Act to create and retain American jobs. In addition, neither the Recovery Act nor the Air Force provided guidance or procedures to verify contractors' report data for job retention or creation. Further, Contracting officials did not provide adequate oversight to confirm processes were in place to meet the Recovery Act provisions.

Impact. As a result, lack of detailed Air Force guidance and the initial requirement to provide readily executable projects caused the Wing to potentially not meet Recovery Act goals and requirements through the selection of projects not necessarily mission critical and not always congruous with criteria. Additionally, because Recovery Act funding is based on government estimates, inflated estimates can result in restricting funds that could be put to better use for other government programs.

Management Corrective Actions. During the audit, Civil Engineering personnel took the following actions:

- Provided confirmation the removal of the Wake Island project from the Hickam ARRA list of projects.
- Provided copies of the six missing justification documents and contracting personnel filed these documents in the contract/project files.

Audit Comments. Guidance regarding ARRA projects prioritization, contractors required reporting requirements, and cost savings cannot be addressed locally therefore these issues have been elevated to the Audit Control Point for inclusion in the Air Force Report of Audit:

Recommendations. The 15th Mission Support Group Commander should require:

- **Recommendation A.1.** Contracting personnel to include the rationale for awarding sole-source projects.
- **Recommendation A.2.** Contracting personnel to review the current Recovery Act requirements and include these in management processes to help address all criteria required by the Act.

Management Comments. The 15th Airlift Wing Vice Commander concurred with the audit result and one of two recommendations, accordingly the response given to Recommendation A.1 does not address the issue raised in the report, and stated,

- **Recommendation A.1.** "Concur. In our Federal Business Opportunities pre-solicitation or award notice, it stated that these six 8(a) projects were sole source fiscal year 2008 Straddle Bid projects and completed in accordance with Small Business guidelines. They

were shelf ready executable actions that could be awarded quickly under ARRA guidance; not sure what additional rationale is required. Estimated Completion Date: 30 January 2010.” (OPEN)

- **Recommendation A.2.** “Concur. ARRA guidance was issued 13 March 2009, 21 April 2009 and then final guidance was received 19 August 2009. Guidance was followed as it was issued. To go backward from 19 August 2009 guidance does not make operational sense when most of the projects were already started and almost near completion. If additional projects come down we will be sure to follow final guidance as we are now well versed in current ARRA requirements. Estimated Completion Date: 30 January 2010.” (OPEN)

Evaluation of Management Comments. Management action planned for Recommendation A.2 should correct the related issue identified. However, management’s comment to Recommendation A.1 does not address the issue raised in the report. The area of concern with management’s comment is the missing rationale in the six projects using ARRA funds for sole sourced contracts and not having the mandatory specific authority reference as required by FAR policy 6.301 when not providing for full and open competition.

BACKGROUND

Organizations meet Recovery Act transparency requirements to foster competition through solicitation by posting contract information on the Federal Business Opportunities and Federal Procurement Data System websites.

- The Federal Business Opportunities website is the government’s single point-of-entry for posting solicitations and other procurement-related documents greater than \$25,000. This website contains all Federal government solicitations and contract awards data. Further, the Federal Acquisition Regulation (FAR) requires posting all contract actions over \$25,000 on this website, along with information specific to Recovery Act projects.
- The Federal Procurement Data System is the Federal government’s central source of procurement information. Contracting officers enter applicable solicitation information and the Treasury Account Symbol, in this system for all Recovery Act contract actions. Including the Treasury Account Symbol enables the Procurement Data System to impart transparency by generating and posting a report containing all Recovery Act contracting actions.

AUDIT RESULTS 2 – TRANSPARENCY

Condition. Contracting personnel did not always report information regarding Recovery Act funded projects transparently to the public. Specifically, personnel did not:

- Post the rationale in the synopsis on the Federal Business Opportunities (Fed Biz Ops) website for six of six (100 percent) sole-sourced projects, as required.
- Disclose the products and/or services funded by the Recovery Act for 5 (20 percent) of 25 projects.
- Include in the pre-solicitation notice a clear description of the work to be accomplished in the synopsis for 2 (8 percent) of 25 projects.
- Post the contract award notice for 1 (7 percent) of 15 Recovery Act projects, as required.

Cause. This condition occurred because contracting officials did not provide adequate oversight in reviewing procedures for transparency required in the Recovery Act. In addition, contracting officials did not clearly understand the detailed instructions regarding requirement for providing the rationale in the contract synopsis for sole source contract awards.

Impact. As a result, the Wing did not comply with the Recovery Act and Federal Acquisition Regulation (FAR) requirements of transparently disclosing to the public Recovery Act projects.

Recommendations. The 15th Mission Support Group Commander should direct the 15th Contracting Squadron Commander to:

- **Recommendation B.1.** Post the rationale in the synopsis on the Federal Business Opportunities website as required for the six projects identified during audit.
- **Recommendation B.2.** For the five projects, identified by audit, disclose in the contract that the products and/or services are funded by the Recovery Act as required by the FAR 4.1501.
- **Recommendation B.3.** Include in the pre-solicitation notice synopsis a clear description of the work to be accomplished for the two projects.
- **Recommendation B.4.** Post the contract award notice as required for the one Recovery Act project.
- **Recommendation B.5.** Provide adequate oversight in established procedures to report Recovery Act information transparently to the public.
- **Recommendation B.6.** Make sure contracting personnel thoroughly review the current Recovery Act requirements specifically in regards to transparency.

Management Comments. The 15th Airlift Wing Vice Commander did not concur with the audit result and recommendations and stated,

- **Recommendation B.1.** “Nonconcur. Same as A.1. In our Fed Biz Ops pre-solicitation/award notice it stated that these six 8(a) projects were sole source fiscal year 2008 Straddle Bid projects and completed in accordance with Small Business guidelines. They were shelf ready executable actions that could be awarded quickly under ARRA guidance; not sure what additional rationale is required. Estimated Completion Date: 30 January 2010.” (OPEN)
- **Recommendation B.2.** “Nonconcur. Fed Biz Ops disclosures where all complete in accordance with our research. Copies provided in ARRA project track log folder. Estimated Completion Date: 30 January 2010.” (OPEN)
- **Recommendation B.3.** “Nonconcur. Initial guidance provided 13 March 2009 did not require description, only project title, 21 April 2009 guidance only required project number to be included with project title. Final guidance wanted description of the

work. Most ARRA action was already completed by 19 August 2009. The few projects completed after 19 Aug did include requirements. Estimated Completion Date: 30 January 2010.” (OPEN)

- **Recommendation B.4.** “Nonconcur. Our research indicated all awards were posted as required see ARRA project log folder. Estimated Completion Date: 30 January 2010.” (OPEN)
- **Recommendation B.5.** “Concur. Contractors were notified of their registration and reporting requirements however; we did not validate whether they were following guidelines until after EOFY. Notification letters for registering and reporting were sent to each contractor on 6 October 2009 for registering and 21 October 2009 for reporting. All are in compliance as of this report. Estimated Completion Date: 30 January 2010.” (OPEN)
- **Recommendation B.6.** “Nonconcur. Personnel followed guidance as they were issued and once final guidance was issued did not go back to previous projects as they were already awarded under required guidance at time of issuance. Most of those projects were near requirement completion. Mission completion for EOFY did not allow the time and effort required to go backward for any added value. Estimated Completion Date: 30 January 2010.” (OPEN)

Evaluation of Management Comments. Management comments to recommendations B.1, B.2, B.3, B.4, B.5, and B.6 do not address the issues raised in Tab B of this report.

Management did not concur with:

- Recommendation B.1 and makes the assumption the rationale “that these six 8(a) projects were sole source fiscal year 2008 Straddle Bid projects and completed in accordance with Small Business guidelines” is sufficient rationale however Federal Acquisition Regulation 5.705(b) as well as the associated table in the 21 April 2009 memo from the Office of the Secretary of Defense (OSD), item 3, requires posting the rationale in the description synopsis on the Federal Business Opportunities website, which was not accomplished for the six projects identified during audit.
- Recommendation B.2 and makes the assumption that the completion of the project track log folder qualifies as acceptable audit support which is not comprehensible to disclosing in the contract the fact the products and/or services were funded by the Recovery Act for the five projects identified during audit.
- Recommendation B.3 requiring a clear description for the work requested to be included in the pre-solicitation notice synopsis, for the two projects identified by

audit, this requirement is located in the FAR Subpart 5.704(c) which references to FAR 5.207(a) (16) and was reiterated in the 21 April 2009 OSD Memo, items 1.d. and 2.

- Recommendation B.4, and again as stated above in the evaluation of management comment nonconcurring with Recommendation B. 2, the project track log folder does not qualify as audit evidence when the auditor was not able to locate the contract award notice for the Recovery Act funded project FA5215-06-D-0008-5019, Repair Pavement O'Malley, Apollo to Overpass, on the Federal Business Opportunities website.

- Recommendation B.6 and management's comment to B.5 as stated is not responsive to the recommendation. Both recommendations address transparency and in this regard are addressing the facts that a new set of guidelines and requirements that go beyond the usual practices and procedures are associated with the American Recovery and Reinvest Act of 2009. These new requirements will very likely require modification or augmentation of many current systems and established processes to (a) enable citing where the money is going, (b) monitoring recipients and sub recipients (as applicable), and (c) prevent fraud, waste, and abuse of the funds provided.

BACKGROUND

To implement controls over Recovery Act funding and reinforce the goals of the Act, the government established Federal Acquisition Regulation (FAR) clauses specifically related to contract actions. Contracting officials are required to insert applicable clauses in all contracts funded by the Recovery Act. These clauses include:

- FAR 52.203-15, Whistleblower Protection Under the American Recovery and Reinvestment Act of 2009.
- FAR 52.204-11, Recovery Act Reporting Requirements.
- FAR 52.215-2, Audit and Records – Negotiation.
- FAR 52.225-21, Required Use of American Iron, Steel, and manufactured Goods – Buy American Act – Construction Materials.
- FAR 52.225-22, Notice of Required Use of American Iron, Steel, and Other Manufactured Goods – Buy American Act – Construction Material.
- FAR 52.244-6, Subcontracts for Commercial Items and Commercial Components.
- FAR 52.222-6, Davis-Bacon Act.
- FAR 52.212-4, Contract Terms and Conditions – Commercial Items.
- FAR 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items.

AUDIT RESULTS 3 – FEDERAL ACQUISITION REGULATION

Condition. Contracting personnel did not include all applicable FAR clauses in Recovery Act funded contracts. Specifically, 25 of 25³ solicitations and contracts were missing at least one required FAR clause. (Table 3)

³ There are 27 total American Recovery and Reinvestment Act (ARRA) projects at Hickam Air Force Base, including Headquarters Pacific Air Forces (HQ PACAF). However, the Department of Defense Inspector General personnel performed the audit of the HQ PACAF Building 1102 project, with an estimated cost of \$31 million. The remaining project, Wake Island, with an estimated cost of \$1.5 million, was removed from the ARRA projects list so is not included in this audit result. Therefore, only 25 projects were evaluated in this audit result.

Clause	No	Yes	N/A	TOTAL
FAR 52.203-15	9	16	0	25
FAR 52.204-11	5	20	0	25
FAR 52.215-2	4	21	0	25
FAR 52.225-21/22	10	15	0	25
FAR 52.225-23/24	0	0	25	25
FAR 52.244-6	19	6	0	25
FAR 52.222-6	5	20	0	25
FAR 52.212-4 & 52.212-5	15	10	0	25
FAR 52.213-4	1	0	24	25
FAR 52.214-26	0	0	25	25

Table 3. FAR Clauses in Contracts

Cause. This condition occurred because contracting officials did not provide adequate oversight to determine whether required clauses are in the project files or are incorporated in contracts.

Impact. Contractors may consider the ARRA clauses not applicable to the contract and object to compliance with the clauses.

Recommendation C.1. The 15th Wing Mission Support Group Commander should direct Contracting personnel to take action to correct missing applicable FAR clauses in project files and contracts especially when FAR 52.204-11 is missing. Contracting personnel must either modify the contract to include this clause or not fund the project using ARRA money.

Management Comments. The 15th Airlift Wing Vice Commander concurred with the audit result and recommendation and stated,

Recommendation C.1. “Concur. Our research indicated only 2 clauses; 52.203-15 Whistle Blower Protection and 52.225-21 Required Use of American Iron, Steel, and Other Manufactured Goods—Buy American Act—Construction Materials, 2 times each clauses were missed. This equates to 4 of 150 clause instances that were missed. These instances were validated in our contract files but not provided due to amount and time required to show validation. Estimated Completion Date: 30 January 2010.” (OPEN)

Evaluation of Management Comments. Although management concurred with the condition and cause, the comment is not responsive to the issue raised in Tab C of the report and proposes no alternative actions to correct the issue identified. The 15th Airlift Wing Contracting Squadron was given several opportunities to provide the missing clauses (a) during audit fieldwork, (b) during the preliminary Mission Support Group (MSG) out briefing, (c) at another meeting agreed to by the Vice Commander for MSG, and (d) during a final meeting with the auditors per request of the Contracting Squadron Commander who stated the information was already compiled and ready for review, however, during this meeting the clauses were not provided.

We have advised management officials that we must elevate the disagreements with this audit report for resolution within the time periods prescribed in AFI 65-301.

AUDIT SCOPE

Audit Coverage. To determine whether 15th Airlift Wing (15 AW) personnel properly managed Recovery Act facility sustainment, restoration, and modernization requirements, we reviewed documentation dated between November 2005 and August 2009. We obtained an understanding of the management control structure by reviewing regulatory guidance and discussing Recovery Act processes with the Comptroller, Civil Engineering and Contracting personnel. We conducted the audit from July through August 2009 and provided management a draft report on 22 October 2009.

- Justification. To determine whether officials properly justified projects for the Recovery Act, we examined Department of Defense Form 1391, *Military Construction Project Data*, and AF IMT 332, *Base Civil Engineer Work Request*, for all 26 projects. Additionally, we judgmentally selected 3 (12 percent) of 26⁴ projects to perform physical assessments regarding validity. We also reviewed the Wing's Integrated Project Listing or Scrub List and discussed project selection with Civil Engineering personnel and Contracting personnel.
- Recovery Act Goals. To determine whether personnel met Recovery Act goals, we compared original project estimates with contract award amounts to confirm personnel did not change the scope of projects and to determine estimate to actual cost variances. We also reviewed the contracts and solicitations to determine whether new or existing contracts were used, whether solicitations were competed, and whether firm fixed price contracts were awarded. Additionally, we reviewed award decision documentation to determine whether contracting officers properly evaluated offers. Finally, we met with quality assurance personnel and contracting officers to discuss plans for reviewing contractors required reporting.
- Transparency. To determine whether officials reported contract information providing transparency to the public, we reviewed information on the Federal Business Opportunities website for solicitations and contract awards postings for the Recovery Act projects. We also determined whether the posted contract actions complied with Recovery Act requirements. We reviewed information posted on the Federal Procurement Data System to determine whether contracting officials properly reported selected projects for Recovery Act visibility. In addition, we reviewed contract files to

⁴The 15 AW had 27 Recovery Act projects. The Headquarters Pacific Air Forces building project audit was conducted by the Department of Defense Inspector General therefore is not included in this review. One of the remaining 26 projects, the Wake Island project, does not meet the intent of the Recovery Act and thus is only included in Tab A under Management Corrective Actions where 15 AW personnel took actions to cancel the project and remove it from the ARRA list. Therefore, throughout the remainder of the audit 25 Recovery Act projects were reviewed.

determine whether contracting officials reviewed contractor status in the Excluded Parties List System. In addition, we reviewed contractors' registration in the Central Contractor Registration and in the Online Representation and Certifications Application.

- Federal Acquisition Regulations. To determine whether officials included all required FAR clauses in Recovery Act contracts, we reviewed project files to include basic folders for task orders and delivery orders for 25 of 25 (100 percent) projects. We also discussed FAR clauses with contracting officials.

SAMPLING METHODOLOGY

- Sampling. To accomplish our audit objectives, we selected 100 percent of the 15 AW ARRA projects and reviewed 26 of 27⁵ facilities sustainment, restoration, and modernization projects. The Department of Defense Inspector General conducted the review on the one remaining Recovery Act project.
- Computer-Assisted Auditing Tools and Techniques. We obtained a Commanders' Resource Information System (CRIS) retrieval of Recovery Act projects and compared the data to cost data from actual Recovery Act contract/project files. Using the Microsoft Excel™ filters function, we identified only projects that had been awarded. We then used the formula function to determine percentage of variance between each cost estimate and award amount. We used the "Count-if" function to determine the number of projects with a cost variance plus or minus 10 percent, 50 percent, and 400 percent. Finally, we used the "Count-if" function to summarize the number of projects in each percentage category. This information was used to determine the cost variance between the cost estimates and actual award amounts for projects that were competed and sole sourced.

Data Reliability. Although we relied on computer-generated data from the Commander's Resource Integrated System, we did not evaluate the systems' general or application controls. However, we did establish the data's reliability by comparing CRIS reports to contracts and project in Electronic Document Access with physical evidence maintained in the Contracting contract/project files and available manual records. We determined the data was sufficiently reliable to support the audit conclusions.

Auditing Standards. We accomplished this audit in accordance with generally accepted government auditing standards and accordingly included tests of internal controls considered necessary. Specifically, we reviewed management oversight and documentation controls over Recovery Act project selection and contract award processes.

⁵ The 15 AW has 27 Recovery Act projects; however, Headquarters Pacific Air Forces' building project audit was conducted by the Department of Defense Inspector General personnel and therefore is not included in our review.

Discussion with Responsible Officials. We discussed/coordinated this report with the 15th Airlift Wing Commander, 15th Mission Support Group Commander, 15th Civil Engineering Squadron Commander, 15th Contracting Squadron Commander, and other interested officials. Management's formal comments were received on 10 November 2009 and are included in this report. Management was advised this audit was part of an Air Force-wide evaluation of American Recovery and Reinvestment Act of 2009 requirements (Project Number F2009-FD1000-0516). Therefore, selected data not contained in this report, as well as data contained herein, may be included in a related Air Force report of audit.

PRIOR AUDIT COVERAGE

A review of audit files and contact with base officials disclosed no Department of Defense, Office of the Inspector General, U.S. Government Accountability Office, or public accountant audit reports issued to 15th Airlift Wing within the past 5 years related to our specific objective.

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PROJECT NUMBER

We accomplished this audit under project number F2009-FD1000-0516.013.

FREEDOM OF INFORMATION ACT

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