

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE CLOSURE OF NAVAL
TRAINING CENTER ORLANDO, FLORIDA, AND
REALIGNMENT OF MAINTENANCE AND STORAGE
FACILITIES TO TAFT U.S. ARMY RESERVE CENTER,
ORLANDO, FLORIDA**

Report No. 96-147

June 6, 1996

19991202 157

DTIC QUALITY INSPECTED 4

Department of Defense

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

A0I00-02-0575

Additional Copies

To obtain additional copies of this audit report, contact the Secondary Reports Distribution Unit of the Analysis, Planning, and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or FAX (703) 604-8932.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Planning and Coordination Branch of the Analysis, Planning, and Technical Support Directorate at (703) 604-8939 (DSN 664-8939) or FAX (703) 604-8932. Ideas and requests can also be mailed to:

OAIG-AUD (ATTN: APTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, Virginia 22202-2884

Defense Hotline

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to Hotline@DODIG.OSD.MIL; or by writing the Defense Hotline, The Pentagon, Washington, D.C. 20301-1900. The identity of each writer and caller is fully protected.

Acronyms

BRAC
MILCON
RSC

Base Realignment and Closure
Military Construction
Regional Support Command



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



June 6, 1996

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for
the Closure of Naval Training Center Orlando, Florida, and Realignment
of Maintenance and Storage Facilities to Taft U.S. Army Reserve Center,
Orlando, Florida (Report No. 96-147)

We are providing this audit report for review and comment. This report is one
in a series of reports about FY 1997 Defense base realignment and closure military
construction costs. Comments from the Under Secretary of Defense (Comptroller)
were considered in preparing the final report.

DoD Directive 7650.3 requires that all audit recommendations and potential
monetary benefits be resolved promptly. The Navy did not provide comments on the
draft of this report. Therefore, we request that the Navy provide comments on the
finding and final report Recommendation 2. by July 5, 1996.

We appreciate the courtesies extended to the audit staff. Questions on the
audit should be directed to Mr. Joseph P. Doyle, Audit Program Director, at
(703) 604-9348 (DSN 664-9348) or Ms. Linda A. Pierce, Audit Project Manager, at
(703) 604-8852 (DSN 664-8852). See Appendix F for the report distribution. The
audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 96-147
(Project No. 6CG-5001.37)

June 6, 1996

**Defense Base Realignment and Closure Budget Data for the
Closure of Naval Training Center Orlando, Florida, and
Realignment of Maintenance and Storage Facilities to
Taft U. S. Army Reserve Center, Orlando, Florida**

Executive Summary

Introduction. This report is one in a series about FY 1997 Defense base realignment and closure military construction costs. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Office of the Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. Our audits in response to that requirement address all projects valued at more than \$1 million.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the results of the audit of one project, valued at \$2.7 million, for the closure of Naval Training Center Orlando, Florida, and realignment of the maintenance and storage facilities to the Taft U. S. Army Reserve Center, Orlando, Florida.

Audit Results. The Navy could not support the requirements or cost estimates for constructing maintenance and storage facilities on Naval Training Center Orlando property adjacent to Taft U. S. Army Reserve Center for project P-001T, "Facility Modifications." As a result, costs of \$2,683,000 for the project could not be verified. See Part I for a discussion of the audit results. See Appendix D for a summary of invalid and partially valid requirements for the project we reviewed.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) place project P-001T, "Facility Modifications," on administrative withhold until management submits a revised DD Form 1391, "FY 1997 Military Construction Project Data." We recommend that the Commander, Naval Training Center Orlando, prepare an economic analysis and submit a revised DD Form 1391 that reflects valid BRAC requirements, final site selection, and realistic cost estimates.

Management Comments. The Under Secretary of Defense (Comptroller) concurred with the recommendation and will place funds for project P-001T on administrative withhold if the issue is not resolved by the start of the fiscal year. The Navy did not comment on the draft of this report. We request that the Navy provide comments on the final report by July 5, 1996. See Part I for a summary of management comments, and see Part III for the complete text of management comments.

Table of Contents

Executive Summary	i
Part I - Audit Results	
Audit Background	2
Audit Objectives	2
Facility Modifications	3
Part II - Additional Information	
Appendix A. Scope and Methodology	8
Appendix B. Summary of Prior Audits and Other Reviews	9
Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs	12
Appendix D. Projects Identified as Invalid or Partially Valid	14
Appendix E. Organizations Visited or Contacted	15
Appendix F. Report Distribution	16
Part III - Management Comments	
Under Secretary of Defense (Comptroller) Comments	20

Part I - Audit Results

Audit Background

The Office of the Inspector General, DoD, is performing various audits of the Defense base realignment and closure (BRAC) process. This report is one in a series of reports about FY 1997 BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C. See Appendix D for a summary of invalid and partially valid requirements for the project we reviewed.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed project was a valid BRAC requirement, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. Another objective was to assess the adequacy of the management control program as it related to the overall audit objective.

This report provides the results of the audit of project P-001T, "Facility Modifications," valued at \$2.7 million, resulting from the closure of Naval Training Center Orlando, Florida, and realignment of maintenance and storage facilities to Taft U.S. Army Reserve Center, Orlando, Florida. See Appendix A for a discussion of the scope and methodology and Appendix B for a summary of prior coverage related to the audit objectives. The management control program objective will be discussed in a summary report on FY 1997 Defense base realignment and closure military construction budget data.

Facility Modifications

The Naval Training Center Orlando could not support the requirements or cost estimates for project P-001T, "Facility Modifications," for constructing maintenance and storage facilities at Taft U.S. Army Reserve Center. Requirements and cost estimates for the project were unsupported because the actual requirements and the final site of the project are unknown and the Army used cost factors that were not consistent with Army or Navy guidance to estimate construction costs. As a result, we cannot verify costs of \$2,683,000 for project P-001T.

Proposed Project for Facility Modifications

The Naval Training Center Orlando proposed the construction of maintenance and storage facilities, project P-001T, "Facility Modifications," to support the realignment of a tenant, the Taft U.S. Army Reserve Center. On October 31, 1995, Naval Training Center Orlando submitted DD Form 1391, "FY 1997 Military Construction Project Data," for a 1,137-square-meter maintenance facility and 1,369 square meters of storage facilities, valued at about \$2.7 million. Because the Navy was unfamiliar with the Army Reserve guidance, the Navy based the DD Form 1391 on data provided by the Army Reserve 81st Regional Support Command (RSC), Atlanta, Georgia (81st RSC).

Maintenance and Storage Facilities Requirements

Naval Training Center Orlando could not support requirements for the planned maintenance and storage facilities at Taft U.S. Army Reserve Center. The 81st RSC did not calculate actual space requirements and improperly included a new Reserve unit, unrelated to the BRAC project, in the requirement data provided to the Navy.

Actual Space Requirements. Officials of the 81st RSC limited the space requirements to 2,506 square meters, the size of the existing facilities. The 81st RSC officials calculated a requirement for six maintenance bays totaling 1,137 square meters, and subtracted the maintenance bay requirement from 2,506 square meters (the size of the existing facility) to determine the amount of storage space that could be built. Officials of the 81st RSC assumed that they were limited by the size of the existing facilities and, therefore, did not calculate the actual storage space requirement. BRAC guidance permits the construction of facilities based on current standards and documented mission requirements for existing units.

Facility Modifications

New Requirements. The maintenance bay requirement improperly included space for a new Army Reserve unit, the 196th Transportation Company. Because BRAC guidance limits project requirements to existing units, the Army should not have included the 196th Transportation Company in the requirements for maintenance and storage facilities.

Project Costs

The Naval Training Center Orlando also could not support the project cost estimates because the final site location was unknown, and the 81st RSC used cost factors that were not consistent with Army or Navy guidance to estimate construction costs.

Site Location. Officials of the 81st RSC had not determined the final site location for the maintenance and storage facilities. The estimate of \$2.7 million on the DD Form 1391 was based on the assumption that the maintenance and storage facilities would relocate 0.8 miles to Naval Training Center Orlando property adjacent to Taft U.S. Army Reserve Center. The City of Orlando and the U.S. Army Reserve had not agreed on that site for the maintenance and storage facilities. If the maintenance and storage facilities are not relocated to the Naval Training Center Orlando property adjacent to the Taft U.S. Army Reserve Center, the facilities would either remain at the current site or move to an alternate site. The latter may require purchasing land and additional construction costs. If the maintenance and storage facilities are not relocated, BRAC funds will not be required. The Naval Training Center Orlando should perform an economic analysis to determine the cost-effectiveness of each alternative for realigning the maintenance and storage facilities to enable them to make a determination of the most appropriate site.

Construction Costs. In addition to the issues of requirements and site location, costs on the DD Form 1391 were unsupported because cost factors used to estimate construction costs were not consistent with Army or Navy guidance. When estimating the construction cost of the project, the 81st RSC used Army Reserve guidance that included a cost per square meter that was significantly less than contained in either the Army or Navy guidance. The 81st RSC officials could not explain the difference and said that the project may be underbudgeted.

The following table shows that the estimated costs per square meter on the DD Form 1391 were less than they would have been using Army and Navy guidance.

1997 Estimated Construction Costs per Square Meter			
<u>Facility</u>	<u>DD Form 1391</u>	<u>Army Guidance</u>	<u>Navy Guidance</u>
Maintenance facility	\$861	\$1,138	\$1,101
Storage facilities	538	567	578

Conclusion

Until U.S. Army Reserve and City of Orlando officials resolve the site location issue and 81st RSC officials correctly determine the space requirements, we cannot verify the \$2.7 million cost estimate to relocate the maintenance and storage facilities.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Under Secretary of Defense (Comptroller) place project P-001T, "Facility Modifications," on administrative withhold until the Navy submits a revised DD Form 1391, "FY 1997 Military Construction Project Data," to accurately reflect requirements and costs.

Management Comments. The Under Secretary of Defense (Comptroller) concurred and will place funds for project P-001T on administrative withhold if the issue is not resolved by the start of the fiscal year.

2. We recommend that the Commander, Naval Training Center Orlando:

a. Prepare an economic analysis to determine the most economical site for the maintenance and storage facilities to support the Taft U.S. Army Reserve Center.

b. Submit a revised DD Form 1391, "FY 1997 Military Construction Project Data," that reflects valid Defense base realignment and closure requirements, final site selection, and realistic cost estimates.

Management Comments. The Navy did not comment on a draft of this report. We request that the Navy provide comments in its response to the final report.

This page was left out of original document

Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We examined the FY 1997 BRAC MILCON budget request, economic analysis, and supporting documentation for space requirements for one realignment project regarding the transfer of Naval Training Center Orlando. Project P-001T, "Facility Modifications," is estimated to cost \$2.7 million.

Audit Period, Standards, and Locations. This economy and efficiency audit was performed from February through March 1996 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. The audit did not rely on computer-processed data or statistical sampling procedures. Appendix E lists the organizations visited or contacted during the audit.

Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists the summary reports for the audits of BRAC budget data for FYs 1992 through 1996 and BRAC audit reports published since the summary reports.

Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-144	Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana	June 6, 1996
96-141	Defense Base Realignment and Closure Budget Data for the Closure of Bergstrom Air Reserve Base, Texas, and Realignment of the 10th Air Force Reserve Headquarters to Naval Station Fort Worth, Joint Reserve Base, Texas	June 4, 1996
96-137	Defense Base Realignment and Closure Budget Data for the Realignment of March Air Force Base, Riverside, California	May 31, 1996
96-136	Defense Base Realignment and Closure Budget Data for the Closure of Gentile Air Force Station, Dayton, Ohio, and Realignment of Defense Logistics Agency Components to Wright-Patterson Air Force Base, Ohio	May 31, 1996
96-135	Defense Base Realignment and Closure Budget Data for the Fleet Anti-Submarine Warfare Training Center Pacific, San Diego, California	May 30, 1996
96-131	Defense Base Realignment and Closure Budget Data for Realigning Elements of Headquarters, Department of the Navy, to the Washington Navy Yard	May 28, 1996

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-128	Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois	May 24, 1996
96-127	Defense Base Realignment and Closure Budget Data for the Closure of Roslyn Air National Guard Base and Realignments to Stewart Air National Guard Base, New York	May 23, 1996
96-126	Defense Base Realignment and Closure Budget Data for the Realignment of Rickenbacker Air National Guard Base, Ohio	May 21, 1996
96-122	Defense Base Realignment and Closure Budget Data for the Realignment of the Air Education and Training Command at Vandenburg Air Force Base, California	May 17, 1996
96-119	Defense Base Realignment and Closure Budget Data for the Construction of a Multiple Purpose Facility at Fort McCoy, Wisconsin	May 14, 1996
96-118	Defense Base Realignment and Closure Budget Data for the Medical and Dental Clinic Expansion Project at Naval Weapons Station Charleston, South Carolina	May 13, 1996
96-116	Defense Base Realignment and Closure Budget Data for the Relocation of Deployable Medical Systems to Hill Air Force Base, Ogden, Utah	May 10, 1996
96-112	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Cecil Field, Florida, and Realignment of the Aviation Physiology Training Unit to Naval Air Station Jacksonville, Florida	May 7, 1996

Appendix B. Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-108	Defense Base Realignment and Closure Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania	May 6, 1996
96-104	Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island	April 26, 1996
96-101	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment of P-3 Aircraft Squadrons to Naval Air Station Whidbey Island, Washington	April 26, 1996
96-093	Summary Report on the Audit of Defense Base Realignment and Closure Budget Data for FYs 1995 and 1996	April 3, 1996
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Military Department BRAC Cost-Estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1997 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON

Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1997 BRAC MILCON \$820.8 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group. We also reviewed those FY 1996 BRAC MILCON projects that were not included in the previous FY 1996 budget submission, but were added as part of the FY 1997 BRAC MILCON budget package.

Appendix D. Projects Identified as Invalid or Partially Valid

Table D-1. Causes of Invalid or Partially Valid Projects

<u>Project Location</u>	<u>Project Number</u>	<u>Causes of Invalid Projects</u>		<u>Causes of Partially Valid Projects</u>	
		<u>Overstated</u>	<u>Unsupported</u>	<u>Overstated</u>	<u>Unsupported</u>
Naval Training Center Orlando	P-001T				X

Table D-2. Recommended Changes in Project Estimates

<u>Project Location</u>	<u>Project Number</u>	<u>Amount of Estimate on DD Form 1391 (thousands)</u>	<u>Recommended Amount of Change</u>	
			<u>Invalid Projects (thousands)</u>	<u>Partially Valid Projects (thousands)</u>
Naval Training Center Orlando	P-001T	<u>\$2,683</u>		<u>\$2,683</u>
Total		\$2,683		\$2,683

Total Invalid and Partially Valid Projects

\$2,683

Appendix E. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC

Department of the Army

U.S. Army Forces Command, Atlanta, GA
U.S. Army Reserve Command, Atlanta, GA
81st Regional Support Command, Atlanta, GA
Taft U.S. Army Reserve Center Orlando, FL

Department of the Navy

Chief of Naval Operations, Washington, DC
Naval Facilities Engineering Command, Alexandria, VA
Southern Division, Charleston, SC
Naval Training Center Orlando, FL

Non-Federal Organizations

Community Redevelopment Agency, Orlando, FL

Appendix F. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Deputy Under Secretary of Defense (Industrial Affairs and Installations)
Principal Assistant Deputy Under Secretary of Defense (Industrial Affairs and Installations)
Assistant to the Secretary of Defense (Public Affairs)
Director, Defense Logistics Studies Information Exchange

Department of the Army

Commander, U.S. Army Forces Command
Commander, U.S. Army Reserve Command
Commander, 81st Regional Support Command
Commander, Taft U.S. Army Reserve Center
Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Commander, Naval Facilities Engineering Command
Commander, Southern Division
Commander, Naval Training Center Orlando
Auditor General, Department of the Navy
Dudley Knox Library, Naval Postgraduate School

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, National Security Agency
Inspector General, Defense Intelligence Agency

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
General Accounting Office

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Subcommittee on Military Construction, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Military Construction, Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

This page was left out of original document

Part III - Management Comments

Under Secretary of Defense (Comptroller) Comments



COMPTROLLER
(Program/Budget)

OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100



May 1, 1996

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: DoD Quick-Reaction Report on Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center, Orlando, Florida, and Realignment of Maintenance and Storage Facilities to Taft U.S. Army Reserve Center, Orlando, Florida (Project No. 6CG-5001.37)

This responds to your April 16, 1996, memorandum requesting our comments on the subject report.

The audit states that the requirements and costs for project P-001T, "Facility Modification," cannot be verified because the actual requirements and the final site of the project were unknown, and cost factors used to estimate construction costs were not consistent with Army or Navy guidance. Also, the Navy included space for a new Army Reserve Unit that is not associated with the closure of the base.

The OIG recommends that the USD(Comptroller) place the project at issue on administrative withhold until the Navy submits a revised DD 1391 form that accurately reflects requirements and costs.

The funding for the project at issue is included in the fiscal year 1997 BRAC budget request. We generally agree with the audit findings and recommendations and will place funds associated with the project on administrative withhold, if the issue is not resolved by the start of the fiscal year. Any savings resulting from the audit will be programmed to other BRAC requirements.


B. R. Paseur

Director for Construction



Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

Paul J. Granetto
Joseph P. Doyle
Linda A. Pierce
David L. Spargo
Amy L. Schultz
Robin A. Hysmith

INTERNET DOCUMENT INFORMATION FORM

A. Report Title: Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center Orlando, Florida, and Realignment of Maintenance and Storage Facilities to Taft U.S. Army Reserve Center, Orlando, Florida

B. DATE Report Downloaded From the Internet: 12/01/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #):
OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ Preparation Date 12/01/99

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.