

# Audit



# Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE  
BUDGET DATA FOR THE NAVAL SHIPYARD,  
PHILADELPHIA, PENNSYLVANIA**

Report No. 96-108

May 6, 1996

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**Department of Defense**

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### **Acronyms**

BRAC  
MILCON

Base Realignment and Closure  
Military Construction



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

May 6, 1996

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)  
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL  
MANAGEMENT AND COMPTROLLER)**

**SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for  
the Naval Shipyard, Philadelphia, Pennsylvania (Report No. 96-108)**

We are providing this audit report for information and use. This report is one in a series of reports about FY 1997 Defense base realignment and closure military construction costs. It discusses a FY 1996 project submitted too late to be included in our audit of FY 1996 budget data. Management comments on this report were considered in preparing the final report.

Management comments on a draft of this report conformed to the requirements of DoD Directive 7650.3. Because the Navy submitted its comments late, we did not have time to evaluate the revised documentation submitted with the comments prior to the issuance of this report. We will perform an audit of the revised DD Form 1391, "FY 1996 Military Construction Project Data," for the Naval Shipyard, Philadelphia, Pennsylvania, in the near future. We do not require any further comments to this report.

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. Deborah L. Culp, Audit Project Manager, at (703) 604-9335 (DSN 664-9335). See Appendix F for the report distribution. The audit team members are listed inside the back cover.

*David K. Steensma*

David K. Steensma  
Deputy Assistant Inspector General  
for Auditing

## Office of the Inspector General, DoD

Report No. 96-108

(Project No. 6CG-5001.33)

May 6, 1996

### Defense Base Realignment and Closure Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania

#### Executive Summary

**Introduction.** This report is one in a series of reports about FY 1997 Defense base realignment and closure military construction costs. It discusses a FY 1996 project submitted too late to be included in our audit of FY 1996 budget data. 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 include 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 \$13 million, for the utility reconfiguration of the Naval Shipyard, Philadelphia, Pennsylvania.

**Audit Results.** The Navy did not support the cost estimate for the utility reconfiguration project at the Naval Shipyard, Philadelphia. As a result, we could not validate the \$13 million funding request for project P-597S, "Utility Reconfigurations (Phase II)."

See Part I for a discussion of the audit results. See Appendix D for a summary of invalid or partially valid requirements for the project we reviewed.

**Summary of Recommendations.** We recommend that the Under Secretary of Defense (Comptroller) place funds for project P-597S, "Utility Reconfigurations (Phase II)," on administrative withhold until the Navy adequately supports requirements and cost estimates.

We also recommend that the Navy submit a revised DD Form 1391, "FY 1996 Military Construction Project Data," that is based on the revised FY 1996 budget estimate for the Naval Shipyard, Philadelphia. The Navy should revise the FY 1996 budget estimate for project P-597S to reflect the final utility reconfiguration plan at the Naval Shipyard, Philadelphia.

**Management Comments.** The Under Secretary of Defense (Comptroller) concurred with the recommendation and will place funds associated with the Naval Shipyard, Philadelphia, Pennsylvania, project on administrative withhold until the Navy submits a revised DD Form 1391 that accurately reflects requirements and costs for the project.

The Navy concurred with the recommendation to submit a revised DD Form 1391 for project P-597S and included the DD Form 1391 along with its comments. The Navy stated that the FY 1996 budget estimate for project P-597S did not change. A summary of management comments is in Part I, and the complete text of management comments is in Part III.

**Audit Response.** The Navy comments and a revised DD form 1391 were received too late to be fully evaluated before issuance of the final report, but will be considered comments to the final report unless additional comments are received by June 6, 1996. An audit of the revised DD Form 1391 will be performed in the near future.

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## **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. It discusses a project that was added to the FY 1996 budget too late to be included in previous audit coverage. 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.

The utility reconfiguration at the Naval Shipyard, Philadelphia, Pennsylvania, is to be accomplished in phases. Inspector General, DoD, Report No. 93-094, "Quick-Reaction Report on Base Closure and Realignment Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania," April 29, 1993, covers project P-591S, "Utility Reconfigurations (Phase I)." The report states that the estimated cost of \$11.8 million for the project contained \$5.2 million of overstated and unsupported requirements and the remainder of the cost was questionable. The report recommended that the Navy revise and resubmit estimates for the utility reconfiguration at the shipyard. Project P-597S, "Utility Reconfigurations (Phase II)," was submitted as a FY 1996 BRAC project too late to be included in our audit of FY 1996 budget data. We, therefore, reviewed the DD Form 1391, "FY 1996 Military Construction Project Data," for project P-597S as part of the audit of FY 1997 BRAC budget data.

### 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 applied to the overall audit objective.

This report provides the results of the audit of project P-597S, "Utility Reconfigurations (Phase II)," valued at \$13 million, resulting from the closure of the Naval Shipyard, Philadelphia. 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 BRAC MILCON budget data.



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## **Utility Reconfiguration (Phase II)**

The Navy did not support the cost estimate on the DD Form 1391 for project P-597S, "Utility Reconfigurations (Phase II)," for reconfiguring the utilities at the Naval Shipyard, Philadelphia, because the Navy has not finalized its plans. In addition, the architect and engineering studies designed to evaluate the various options were not complete at the time the DD Form 1391 was prepared. As a result, we could not validate the cost estimate of \$13 million for project P-597S for the utility reconfiguration (Phase II).

### **Proposed Project for Utility Reconfiguration**

As a result of decisions made under the 1995 Commission on Defense Base Closure and Realignment, the Navy must reconfigure all utility systems at the Naval Shipyard, Philadelphia. The shipyard is to be closed, but the active status of some functions that are currently located within the confines of the shipyard is to continue. The main functions that will remain active are the propeller facility, the Naval Inactive Ships Maintenance Facility, and the Naval Ship System Engineering Station. For the functions to remain active, the utility systems must be separated into one system that serves the retained property and another system that serves the excessed property. On September 7, 1994, the Naval Shipyard, Philadelphia, prepared a DD Form 1391 for the reconfiguration and capping-off of the shipyard's utility systems, project P-597S, valued at \$13 million. The DD Form 1391 was submitted for the FY 1996 BRAC budget.

### **Utility Cost Estimate**

The Navy did not support its cost estimate for the utility reconfiguration at the Naval Shipyard, Philadelphia. The Navy has not determined the final utility reconfiguration for the shipyard. Until these decisions are made, the Navy can not accurately estimate the costs associated with the project.

### **Utility Requirements**

The Navy has not received the final report from an architect and engineering firm that the Navy contracted with to evaluate alternative methods of accomplishing the separation of the utility systems at the shipyard. The final report from the architect and engineering firm was due March 22, 1996.

## Utility Reconfiguration (Phase II)

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Following receipt of the report, the Navy must decide on a course of action to reconfigure the utilities and award a further contract to prepare the plans and specifications needed to accomplish the reconfiguration.

### Project Funding

Because the scope of project P-597S has not been definitized and project costs cannot be accurately estimated, we could not validate the cost estimate of \$13 million. Funds requested by the Navy should be suspended until the project is definitized and the Navy prepares a revised DD Form 1391 to reflect the estimated cost to accomplish the utility reconfiguration at the Naval Shipyard, Philadelphia.

### Recommendations and Management Comments

1. We recommend that the Under Secretary of Defense (Comptroller) place funds for project P-597S, "Utility Reconfigurations (Phase II)," on administrative withhold until the Navy submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," to accurately reflect requirements and costs.

**Under Secretary of Defense (Comptroller) Comments.** The Comptroller concurred with the recommendations and will place funds associated with the shipyard project on administrative withhold until the Navy submits a revised DD Form 1391.

2. We recommend that the Commander, Naval Facilities Engineering Command, Alexandria, Virginia:

a. Submit a revised DD Form 1391, "FY 1996 Military Construction Project Data," that reflects the final utility reconfiguration plan for the Naval Shipyard, Philadelphia, Pennsylvania, and

b. Revise the FY 1996 budget estimates for project P-597S, "Utility Reconfigurations (Phase II)," based on the DD Form 1391.

**Navy Comments.** The Navy did not provide comments on a draft of this report in time for us to consider them in detail in preparing the final report. The Navy concurred with the recommendation to submit a revised DD Form 1391 for project P-597S and included the revised DD Form 1391 with its comments. The Navy stated that the budget estimates for project P-597S remain the same as before; therefore, the recommended budget revision is not needed.

**Audit Comments.** The Navy comments and DD Form 1391 were received too late for us to fully evaluate the scope and costs associated with the revised DD Form 1391 prior to the issuance of the final report. We do not require any further comments to this report. We will audit the revised DD Form 1391 in the near future.

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## **Part II - Additional Information**

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## Appendix A. Scope and Methodology

**Scope of This Audit.** We examined the FY 1996 BRAC MILCON budget request for utility reconfiguration requirements for one realignment project regarding the closure of the Naval Shipyard, Philadelphia. Project P-597S, "Utility Reconfigurations (Phase II)," is estimated to cost \$13 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 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.

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## 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>
96-104	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

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## **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**

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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 Shipyard, Philadelphia	P-597S				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 Shipyard, Philadelphia	P-597S	\$13,000		\$13,000
<b>Total</b>		\$13,000		\$13,000

**Total Invalid and Partially Valid Projects \$13,000**

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## **Appendix E. Organizations Visited or Contacted**

### **Office of the Secretary of Defense**

Under Secretary of Defense (Comptroller), Washington, DC

### **Department of the Navy**

Chief of Naval Operations, Washington, DC

Deputy Chief of Naval Operations (Logistics), Washington, DC

Naval Facilities Engineering Command, Alexandria, VA

Northern Division, Naval Facilities Engineering Command, Lester, PA

Naval Surface Warfare Center, Carderock-Philadelphia, PA

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## **Appendix F. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense for Acquisition and Technology  
  Director, Defense Logistics Studies Information Exchange  
Under Secretary of Defense (Comptroller)  
  Deputy Chief Financial Officer  
  Deputy Comptroller (Program/Budget)  
Assistant Secretary of Defense (Economic Security)  
  Deputy Assistant Secretary of Defense (Installations)  
Assistant to the Secretary of Defense (Public Affairs)

### **Department of the Army**

Auditor General, Department of the Army

### **Department of the Navy**

Assistant Secretary of the Navy (Financial Management and Comptroller)  
Deputy Chief of Naval Operations (Logistics)  
Commander, Naval Facilities Engineering Command  
  Commander, Northern Division, Naval Facilities Engineering Command  
Commander, Naval Surface Warfare Center, Carderock-Philadelphia  
Auditor General, Department of the Navy

### **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

## **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

Honorable Richard J. Santorum, U.S. Senate  
Honorable Arlen Specter, U.S. Senate  
Honorable Thomas M. Foglietta, U.S. House of Representatives

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## **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



APR 2 - 1996

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: DoD IG Quick-Reaction Report on Defense Base Realignment and Closure Budget  
Data for the Naval Shipyard, Philadelphia, Pennsylvania (Project No. 6CG-5001.33)

This responds to your March 26, 1996, memorandum requesting our comments on the  
subject report.

The audit recommends that the USD(Comptroller) withhold funds for project P-597S, "Utilities  
Reconfiguration" at Naval Shipyard, Philadelphia until the Navy submits a revised DD 1391 form  
accurately reflecting requirements and costs for the project.

We generally agree with the audit and recommendations and will placed the funds  
associated with this project on administrative withhold until the Navy submits a revised DD 1391  
form. Further, any savings resulting from the audit will be reprogrammed to other valid BRAC  
requirements as appropriate.

  
B. R. Pasuer

Director for Construction



# Department of the Navy Comments



DEPARTMENT OF THE NAVY  
THE ASSISTANT SECRETARY OF THE NAVY  
(INSTALLATIONS AND ENVIRONMENT)  
1000 NAVY PENTAGON  
WASHINGTON, D.C. 20350-1000

APR 22 1996

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE ASSISTANT INSPECTOR  
GENERAL FOR AUDITING

SUBJECT: DODIG Quick Reaction Report on Defense Base Realignment  
and Closure Budget Data Naval Shipyard, Philadelphia,  
Pennsylvania (PROJECT 6CG-5001.33) - ACTION MEMORANDUM

The Department of the Navy response to the subject draft  
Quick-Reaction Report forwarded by Attachment 1, concerning base  
closure and realignment budget data for Naval Shipyard,  
Philadelphia, Pennsylvania, is provided at Attachment 2.

A handwritten signature in cursive script, appearing to read "R. Pirie", with a checkmark at the end.

ROBERT B. PIRIE, JR.

Attachments:

1. DODIG memo of 26 Mar 96
2. DON Response to DODIG Quick Reaction Report of 26 Mar 96

Copy to:

ASN(FMB)  
ASN(FMO-31)  
NAVINGEN (02)  
COMNAVFAC (00G2)

\* Attachment 1 omitted. Copies will be provided upon request.

## Department of the Navy Comments

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### DEPARTMENT OF THE NAVY RESPONSE

TO

DODIG QUICK REACTION REPORT OF 26 MARCH 1996  
ON  
DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR THE NAVAL  
SHIPYARD, PHILADELPHIA, PENNSYLVANIA  
(PROJECT 6CG-5001.33)

#### Recommendation 1:

We recommend that the Under Secretary of Defense (Comptroller) place funds for project P-597S, "Utility Reconfigurations (Phase II)," on administrative withhold until the Navy submits a revised DD Form 1391, "FY 1996 Military Construction Project Data," to accurately reflect requirements and costs.

#### Department of the Navy Response:

Partially concur. Attached DD Form 1391 (Attachment (A)) accurately reflects requirements and costs. The Plans and Specifications for the revised project P-597S scope will be completed in June 1996 with a construction contract award planned for August 1996.

#### Recommendation 2a:

We recommend that the Commander, Naval Facilities Engineering Command, Alexandria, Virginia:

a. Submit a revised DD Form 1391, "FY 1996 Military Construction Project Data," that reflects the final utility reconfiguration plan for the Naval Shipyard, Philadelphia, Pennsylvania, and ...

#### Department of the Navy Response:

Concur. The scope of Project P-597S Utilities Reconfiguration (Phase II) has now been revised to include the modifications to the utilities' systems to comply with the portions of BRAC IV Implementation Plan that can be obtained within the Project P-597S amount of \$13 million. The revised DD Form 1391 along with additional supporting cost data prepared by the A/E firm is provided at Attachment (A).

#### Recommendation 2b:

b. Revise the FY 1996 budget estimates for project P-597S, "Utility Reconfigurations (Phase II)," based on the DD Form 1391.

#### Department of the Navy Response:

Partially concur. Based on the attached DD Form 1391 and the A/E firm's supporting cost data, the FY 1996 budget estimate for project P-597S remains \$13 million.

APR - 9 1996

(DATE)

David Drazd, Base Closure Team Leader  
By Direction CO NORTHNAVFACENGC.COM

1. COMPONENT <b>NAVY</b>		FY 1996 MILITARY CONSTRUCTION PROJECT DATA		2. DATE 9 APRIL 1996	
3. INSTALLATION AND LOCATION NORFOLK NAVAL SHIPYARD DETACHMENT PHILADELPHIA, PENNSYLVANIA			4. PROJECT TITLE UTILITIES RECONFIGURATION - PHASE II		
5. PROGRAM ELEMENT	6. CATEGORY CODE 812-30	7. PROJECT NUMBER P-597S	8. PROJECT COST (\$000) 13,000		
9. COST ESTIMATES					
ITEM	UM	QUANTITY	UNIT COST	COST (\$000)	
SUPPORTING FACILITIES	-	-	-	11,644	
Compressed Air System	BLDG	23	252.17	( 6)	
Electric Utility System	LF	25,056	186.32	(4,688)	
Non-Potable Water System	CAPS	62	1766.73	(110)	
Sanitary Sewer System	BLDG	5	110017.78	(550)	
Potable Water System	LF	16,925	185.33	(3,137)	
Steam System	BLDG	14	89216.85	(1,249)	
Telecommunications System	LF	48,921	38.91	(1,904)	
SUBTOTAL	-	-	-	11,644	
CONTINGENCY (5%)				582	
TOTAL CONTRACT COST				12,226	
SIQH (6%)				734	
TOTAL REQUEST				12,960	
TOTAL REQUEST (ROUNDED)				13,000	
EQUIPMENT FROM OTHER APPROPRIATIONS			(NON-ADD)	( 0)	
10. DESCRIPTION OF PROPOSED CONSTRUCTION: This project is the second phase of the utilities reconfiguration of the retained areas at the former Naval Base Philadelphia. P-591S, the first phase of the utilities reconfiguration, separates the telephone and communication systems cabling from the electrical power distribution system cabling in the retained areas in order to comply with code. The separation is accomplished with an underground distribution system consisting of conduit and manholes. This project, P-597S, reconfigures and separates the utility systems (i.e. steam, potable and non-potable water, electrical, compressed air, and sanitary sewer) in order to provide complete and functioning systems in the retained areas in order to comply with the 1991 BRAC Commission and subsequent law. This project also includes, within scope and funding limitations, the following BRAC 1995 modifications: electrical system, fire protection, and steam modifications to support the BRAC 1995 relocation of the Naval Surface Warfare Center Annapolis facilities to the former Naval Base Philadelphia. The remainder of the separation and reconfiguration for BRAC 1995 realignment will be under a separate BRAC 1995 project.					
11. REQUIREMENT N/A <b>PROJECT:</b> Provides separation and reconfiguration of all utility systems to support post-closure retained facilities <b>REQUIREMENT:</b> Utility separations and reconfiguration are required to support remaining functions per the 1991 BRAC II law, as well as the 1995 BRAC IV recommendations. Reconfiguration is necessary to maintain reliable and redundant utility services to the remaining Activities. <b>CURRENT SITUATION:</b> The existing utility systems are configured and sized to meet present day requirements of the entire, active Naval Base Downsizing and realignment of the Base requires a corresponding downsizing and reconfiguration of the utility systems to meet post-closure objectives. Separation of all utilities at or along the demarcation line between retained and excessed areas must be undertaken to maintain the integrity of both the retained and excessed utilities. The activities allowed to remain by BRAC II include the Naval Surface Warfare Center (NSWC) Carderock Division, Philadelphia Site (formerly NAVSSES), Naval Inactive Ships Maintenance Facility (NISMF), and the Norfolk					

Cost certified "Ready for Design" for the FY96 BRACON Program. ADCA SEP 96.

DD FORM 1391 DEC 76

PAGE NO 1

Attachment (A)

Department of the Navy Comments

1. COMPONENT NAVY	FY 19 <u>96</u> MILITARY CONSTRUCTION PROJECT DATA	2. DATE 9 APRIL 1996
3. INSTALLATION AND LOCATION NORFOLK NAVAL SHIPYARD DETACHMENT PHILADELPHIA, PENNSYLVANIA		
4. PROJECT TITLE UTILITIES RECONFIGURATION - PHASE II	5. PROJECT NUMBER P-597S	
<p>Naval Shipyard Detachment Philadelphia (formerly the Philadelphia Naval Shipyard), Propeller Facility (i.e. shops and foundry). Although the BRAC IV recommendations order the emergent facilities excessed, several hundred buildings will be retained to support the activities allowed to remain. Also, Drydocks 4 and 5 will be kept certified and maintained ready for ship work by the Navy and/or commercial tenants. In addition, numerous retained buildings, waterfront structures, and other Navy assets will be leased by commercial tenants, altering the utility demands for the various buildings.</p> <p><b>IMPACT IF NOT PROVIDED</b> The existing utility systems are not properly sized for the realigned Base. Modifications are required to prevent tidal, storm, and freeze damage. Substantial operating and maintenance costs can be expected. Widespread utility system outages and interruptions can be expected from the added exposure of the utilities in the excessed area. The Navy would be at risk of receiving Notices of Violation (NOVs) caused by pollution dumped into the storm/sanitary sewer systems from commercial tenants. If this project is not accomplished, future Navy liability is likely from environmental contamination caused by commercial uses in the retained and excessed areas. Further, there would be large blacked-out areas at night and some areas would be without fire protection. The Navy would be forced to retain a significant portion of the land that would have been excessed to ensure that adequate utility systems are in place to meet mission requirements. Many utility easements and right-of-ways for the benefit of the Government will be required throughout the entire excessed area.</p> <p><b>ECONOMIC ANALYSIS SUMMARY.</b> Several economic analyses were performed for the available alternatives of each utility system as part of the Utilities Reconfiguration Study, dated April 1994. The economic analyses determined that reconfiguring the utilities as proposed in this project is the most cost-effective method to fulfill the post-realignment/closure mission requirements.</p>		
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