

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE CONSTRUCTION OF THE
SPECIAL PURPOSE VEHICLE STORAGE FACILITY AT
VANDENBERG AIR FORCE BASE, CALIFORNIA**

Report No. 95-287

August 4, 1995

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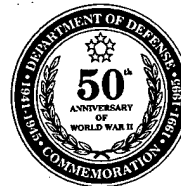
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Acronyms

BRAC	Base Realignment and Closure
COBRA	Cost of Base Realignment Actions
MILCON	Military Construction



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



August 4, 1995

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for the Construction of the Special Purpose Vehicle Storage Facility at Vandenberg Air Force Base, California (Report No. 95-287)

We are providing this report for information and use. This report is one in a series of reports about FY 1996 Defense base realignment and closure military construction costs. Management comments on a draft of this report were considered in preparing the final report.

As a result of management comments, we deleted draft Recommendation 2.a. Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. If you have any questions on this audit, please contact Mr. Terry L. McKinney, Audit Program Director, at (703) 604-9288 (DSN 664-9288) or Mr. Bruce A. Burton, Audit Project Manager, at (703) 604-9282 (DSN 664-9282). Appendix F lists the distribution of this report. 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. 95-287
(Project No. 5CG-5017.34)

August 4, 1995

Defense Base Realignment and Closure Budget Data for the Construction of the Special Purpose Vehicle Storage Facility at Vandenberg Air Force Base, California

Executive Summary

Introduction. 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 the 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 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. This report is one in a series of reports about FY 1996 Defense base realignment and closure military construction costs.

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 for the construction of a special purpose vehicle storage facility, valued at \$1.7 million, at Vandenberg Air Force Base, California. This audit also assessed the adequacy of the management control program as it applied to the audit objective.

Audit Results. The Air Force did not accurately determine the Defense base realignment and closure military construction requirements and costs for the construction of the special purpose vehicle storage facility at Vandenberg Air Force Base. As a result, the project had overstated requirements, the costs of which could not be validated at the time of the audit. See Part I for a discussion of the finding. See Appendix D for a summary of potential benefits of the audit.

The results of the review of the management control program will be discussed in a summary report on Defense base realignment and closure military construction budget data.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) suspend the FY 1996 Defense base realignment and closure budget for the special purpose vehicle storage facility project, if the issues are not resolved by the time funds become available. In addition, we recommend that the Air Force revise and resubmit the DD Form 1391, "FY 1996 Military Construction Project Data," to exclude invalid Defense base realignment and closure military construction requirements.

Management Comments. The Under Secretary of Defense (Comptroller) concurred with the findings and recommendations. The special purpose vehicle storage facility has been rescheduled to FY 1997, and all prior year funds associated with it have been reprogrammed to other valid BRAC requirements. The Air Force concurred with our recommendations to reevaluate the requirements for 8-inch walls and to revise and resubmit DD Form 1391. The Air Force nonconcurred with our recommendation to conduct a survey for a less costly alternative to the planned site and provided an acceptable justification for not conducting a survey. A summary of management comments is in Part I, and the complete text of management comments is in Part III of the report.

Audit Response. We accepted Air Force comments as responsive and deleted from the report the draft recommendation to conduct a survey for a less costly alternative to the planned site. We renumbered the other recommendations accordingly.

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Part I - Audit Results

Audit Results

Audit Background

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 1996 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.

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 projects were valid BRAC requirements and whether the decision for MILCON was supported with required documentation. The audit also assessed the adequacy of the Vandenberg Air Force Base, California, management control program as it applied to the overall audit objective.

This report provides the result of BRAC MILCON project XUMU933008, "Special Purpose Vehicle Storage Facility," valued at \$1.7 million, at Vandenberg Air Force Base. 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 will be discussed in a summary report on BRAC MILCON budget data. Therefore, this report does not discuss our review of management controls at Vandenberg Air Force Base.

Special Purpose Vehicle Storage Facility

The Air Force did not accurately determine the BRAC MILCON requirements and costs for the construction of a special purpose vehicle storage facility at Vandenberg Air Force Base. The condition occurred because the Air Force included work that was outside the authorized scope, was not a valid BRAC MILCON requirement, or was not adequately documented. As a result, the project, valued at \$1.7 million, had overstated requirements, the costs of which could not be validated at the time of the audit.

Accuracy of BRAC MILCON Requirements

The purpose of the project, as stated on the DD Form 1391, "FY 1996 Military Construction Project Data," is to provide storage for the special purpose vehicles to remove them from the corrosive salt air. Construction of the new facility should be limited to providing the essential features necessary to adequately store and protect the special purpose vehicles. However, according to the architect and engineering firm's Project Definition Report, dated April 5, 1995, the planned facility will include features not essential to the storage of the vehicles.

The requirement for a new facility is merely to protect the vehicles from the salt air, not to provide capabilities for washing the vehicles or performing maintenance on them. However, the new facility is planned to include a wash rack, which will also be used to store one of the vehicles. A wash rack, however, is outside the authorized scope and not a valid BRAC MILCON requirement. Likewise, plans to include a tool room and equipment room also are not valid BRAC MILCON requirements and should be excluded from the project. In addition, the architect and engineering firm's Project Definition Report specifies that the building will have an interior clear height of 22 feet to allow a person to walk on top of the 14-foot-high vehicle. The excessive height is not needed to adequately store and protect the vehicles.

The DD Form 1391 is solely for the construction of a facility to store the special purpose vehicles, and does not include a requirement for a wash rack or special purpose rooms. As a result of the lack of adequate supporting documentation justifying those requirements, we were unable to validate the requirements and costs.

Special Purpose Vehicle Storage Facility

Project Costs

The architect and engineering firm's cost estimate, dated May 8, 1995, totaling \$1.7 million, included more than \$540,000 of site work and utilities. The DD Form 1391 estimated the site work to cost approximately \$222,000. The \$540,000 estimate included \$355,000 for adding asphalt pavement and for removing existing asphalt pavement on the planned site. The Air Force stated that the high cost of the site work is because of the sandy soil composition found throughout Vandenberg Air Force Base. Therefore, any site selected within the perimeter would require extensive build up in order to keep the vehicles from sinking. Also, the perimeter walls of the facility are planned to be constructed of 8-inch concrete masonry units, estimated by the architect and engineers to cost more than \$300,000. The Air Force should evaluate whether a less expensive wall can satisfy the requirement for storing the vehicles and should modify the DD Form 1391 accordingly.

Conclusion

The Air Force did not accurately determine the requirements for constructing a special purpose vehicle storage facility. The Air Force included invalid BRAC MILCON requirements, thereby overstating the costs for the project. The Air Force should revise and resubmit the DD Form 1391, excluding invalid or unauthorized BRAC MILCON requirements and considering the most cost-effective site location and perimeter wall materials for the facility. The revised DD Form 1391 should be adequately supported. Funding for the project should be suspended until accurate requirements are submitted on the revised DD Form 1391.

Recommendations, Management Comments, and Audit Response

Deleted and Renumbered Recommendations. As a result of management comments, we deleted draft Recommendation 2.a. and renumbered the remaining recommendations accordingly.

1. We recommend that the Under Secretary of Defense (Comptroller) suspend the Air Force FY 1996 Defense base realignment and closure budget for project XUMU933008, "Special Purpose Vehicle Storage Facility," in the amount of \$1.7 million, if the issues in this report are not resolved by the time funds become available.

Special Purpose Vehicle Storage Facility

Management Comments. The Under Secretary of Defense (Comptroller) concurred with our recommendation. The special purpose vehicle storage facility has been rescheduled to FY 1997, and all prior year funds associated with it have been reprogrammed to other valid BRAC requirements. The complete text of the comments of the Under Secretary of Defense (Comptroller) is in Part III.

2. We recommend that the Commander, Air Force Space Command:

a. Reevaluate the requirements for 8-inch concrete masonry perimeter walls, to determine whether a less costly alternative is feasible.

b. Revise and resubmit DD Form 1391, "FY 1996 Military Construction Project Data," with adequate supporting documentation for project XUMU933008, "Special Purpose Vehicle Storage Facility," that excludes invalid requirements and incorporates the results of Recommendation 2.a.

Management Comments. The Air Force concurred with the recommendations to reevaluate perimeter wall requirements and revise the DD Form 1391. The Air Force nonconcurred with draft Recommendation 2.a. to conduct a survey of possible site locations to determine whether a less costly alternative is available for the planned site. The Air Force stated that conditions at the planned site are representative of the entire Vandenberg Air Force Base. The sandy soil composition found throughout Vandenberg Air Force Base, combined with the vehicle weights, necessitate extensive build up to keep vehicles from sinking. The complete text of the Air Force comments is in Part III.

Audit Response. Although the Air Force nonconcurred with draft Recommendation 2.a., we accept the Air Force explanation of the sandy soil composition in support of the extensive build up to accommodate the weight of special purpose vehicles. As a result, we deleted draft Recommendation 2.a. No further comments are required.

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Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We examined the FY 1996 BRAC MILCON budget request of \$1.7 million for a special purpose vehicle storage facility at Vandenberg Air Force Base.

Audit Period, Standards, and Locations. This economy and efficiency audit was made in May 1995 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary. The audit did not rely on computer-processed data or statistical sampling procedures. See Appendix D for the potential benefits resulting from the audit. 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 selected DoD BRAC reports issued by the Inspector General, DoD.

Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
95-278	Defense Base Realignment and Closure Budget Data, Fort Huachuca, Arizona, Family Practice Clinic	July 14, 1995
95-276	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment to Naval Air Station Whidbey Island, Washington	July 7, 1995
95-272	Defense Information School at Fort George G. Meade Base Realignment and Closure Military Construction Project	June 30, 1995
95-258	Defense Base Realignment and Closure Budget Data for the Naval Hospital Lemoore, California	June 28, 1995
95-257	Defense Base Realignment and Closure Budget Data for the Realignment of the National Airborne Operations Center Forward Operating Base From Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio	June 27, 1995
95-250	Defense Base Realignment and Closure Military Construction Budget Data for Randolph Air Force Base, San Antonio, Texas	June 23, 1995
95-249	Defense Base Realignment and Closure Military Construction Budget Data for Goodfellow Air Force Base, San Angelo, Texas	June 23, 1995

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>
95-248	Defense Base Realignment and Closure Military Construction Budget Data for Sheppard Air Force Base, Wichita Falls, Texas	June 23, 1995
95-247	Defense Base Realignment and Closure Military Construction Budget Data for the Naval Aviation Depot North Island, California	June 23, 1995
95-226	Defense Base Realignment and Closure Budget Data for the Realignment of Rickenbacker Air National Guard Base, Ohio	June 8, 1995
95-223	Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California, and Realignment to Naval Air Station Miramar, California	June 8, 1995
95-222	Defense Base Realignment and Closure Budget Data for the Proposed Construction of the Automotive Vehicle Maintenance Facility, Guam	June 7, 1995
95-221	Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center San Diego, California	June 6, 1995
95-213	Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois	June 2, 1995
95-212	Defense Base Realignment and Closure Budget Data for Fort Jackson, South Carolina	June 2, 1995
95-208	Defense Base Realignment and Closure Budget Data Realignment of Construction Battalion Unit 416 From Naval Air Station Alameda, California, to Naval Air Station Fallon, Nevada	May 31, 1995

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>
95-205	Defense Base Realignment and Closure Budget Data for the Relocation of Marine Corps Manpower Center at Marine Corps Combat Development Command, Quantico, Virginia	May 26, 1995
95-203	Defense Base Realignment and Closure Military Construction Budget Data for the Army Reserve Center, Sacramento, California	May 25, 1995
95-198	Defense Base Realignment and Closure Budget Data for the Closure of the Underway Replenishment Training Facility, Treasure Island, California, and Realignment to the Expeditionary Warfare Training Group Atlantic, Norfolk, Virginia	May 19, 1995
95-196	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Alameda, California, and Realignment to Puget Sound Naval Shipyard, Washington	May 17, 1995
95-191	Defense Base Realignment and Closure Budget Data for the Closure of Naval Reserve Readiness Center San Francisco, California, and Realignment to Naval and Marine Corps Reserve Center Alameda, California	May 15, 1995
95-172	Defense Base Realignment and Closure Budget Data for Griffiss Air Force Base, New York	April 13, 1995
95-154	Audit of Construction Budget Data for Realigning Naval Training Centers Orlando and San Diego to Various Locations	March 21, 1995
95-150	Defense Base Realignment and Closure Budget Data for Closing Naval Station Charleston, South Carolina, and Realigning Projects at Various Sites	March 15, 1995

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>
95-051	Defense Base Realignment and Closure Budget Data for Closing Mare Island Naval Shipyard, California, and Realigning Projects to Various Sites	December 9, 1994
95-041	Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California, and the Realignment to Naval Air Station Miramar, California	November 25, 1994
95-039	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, Realigning to Naval Air Station Fallon, Nevada	November 25, 1994
95-037	Realignment of the Fleet and Mine Warfare Training Center From Naval Station Charleston, South Carolina, to Naval Station Ingleside, Texas	November 23, 1994
95-029	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning Projects to Various Sites	November 15, 1994
95-010	Defense Base Realignment and Closure Budget Data for Marine Corps Air Station Tustin, California, and Realignment to Marine Corps Air Station Camp Pendleton, California	October 17, 1994
94-179	Defense Base Realignment and Closure Budget Data for McGuire Air Force Base, New Jersey; Barksdale Air Force Base, Louisiana; and Fairchild Air Force Base, Washington	August 31, 1994
94-146	Defense Base Realignment and Closure Budget Data for Closing Naval Air Station Cecil Field, Florida, and Realigning Projects to Various Sites	June 21, 1994

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>
94-141	Defense Base Realignment and Closure Budget Data for Naval Air Stations Dallas, Texas, and Memphis, Tennessee, Realigning to Carswell Air Reserve Base, Texas	June 17, 1994
94-127	Defense Base Realignment and Closure Budget Data for the Realignment of the Defense Personnel Support Center to the Naval Aviation Supply Office Compound in North Philadelphia, Pennsylvania	June 10, 1994
94-126	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Glenview, Illinois, and Realignment Projects at Fort McCoy, Wisconsin, and Carswell Air Reserve Base, Texas	June 10, 1994
94-125	Defense Base Realignment and Closure Budget Data for the Naval Medical Center Portsmouth, Virginia	June 8, 1994
94-121	Defense Base Realignment and Closure Budget Data for Naval Air Technical Training Center, Naval Air Station Pensacola, Florida	June 7, 1994
94-109	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Training Center Great Lakes, Illinois	May 19, 1994
94-108	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Station Treasure Island, California	May 19, 1994
94-107	Griffiss Air Force Base, New York, Defense Base Realignment and Closure Budget Data for Military Construction at Other Sites	May 19, 1994
94-105	Defense Base Realignment and Closure Budget Data for a Tactical Support Center at Naval Air Station Whidbey Island, Washington	May 18, 1994

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>
94-104	Defense Base Realignment and Closure Budget Data for the Defense Contract Management District-West	May 18, 1994
94-103	Air Force Reserve 301st Fighter Wing Covered Aircraft Washrack Project, Carswell Air Reserve Base, Texas	May 18, 1994
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 Closures and Scope of the Audit of FY 1996 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 DoD 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. The following table summarizes the current estimated costs and net savings for the previous three BRAC actions and the actions recommended in the 1995 Commission decisions:

BRAC Costs and Savings
(Billions of FY 1996 Dollars)

	BRAC Actions		Closure Costs	6-Year Net Savings	Recurring Annual Savings	Total Savings
	Realignments	Closures				
1988	86	59	\$ 2.2	\$0.3	\$0.7	\$ 6.8
1991	34	48	4.0	2.4	1.6	15.8
1993	130	45	6.9	.4	1.9	15.7
Subtotal	250	152	13.1	3.1	4.2	38.3
1995	113	33	3.8	4.0	1.8	18.4
Total	363	185	\$16.9	\$7.1	\$6.0	\$56.7

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 the 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.

Appendix C. Background of Defense Base Realignment and Closures and Scope of the Audit of FY 1996 Defense Base Realignment and Closure Military Construction Costs

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 (COBRA). COBRA 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 1996 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. COBRA 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 COBRA 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 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 1996 BRAC MILCON \$1.4 billion 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.

Appendix D. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount or Type of Benefit
1.	Economy and Efficiency. Suspends funding for BRAC MILCON budget.	FY 1996 Base Closure Account funds of \$1.7 million put to better use.*
2.a.	Economy and Efficiency. Reevaluates need for eight inch thick concrete perimeter walls.	Undeterminable.*
2.b.	Economy and Efficiency. Revises and resubmits BRAC MILCON estimate.	Undeterminable.*

*Exact amount of additional benefits to be realized will be determined by future budget decisions and budget requests.

Appendix E. Organizations Visited or Contacted

Department of the Air Force

Office of the Vice Chief of Staff, Realignment and Transition Office, Washington, DC
Commander, Air Education Training Center, Randolph Air Force Base, TX
Commander, 30th Space Wing, Vandenberg Air Force Base, CA

Appendix F. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Deputy Under Secretary of Defense (Acquisition Reform)
Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Under Secretary of Defense for Personnel and Readiness
Assistant Secretary of Defense (Economic Security)
Deputy Assistant Secretary of Defense (Installations)
Deputy Under Secretary of Defense (Logistics)
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)
Commander, Naval Facilities Engineering Command
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Deputy Assistant Secretary of the Air Force (Installations)
Auditor General, Department of the Air Force
Commander, Air Force Space Command
Commander, 30th Space Wing, Vandenberg Air Force Base
Commander, Air Education Training Center

Other Defense Organizations

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

Appendix F. Report Distribution

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 Committee on Armed Services
Senate Committee on Governmental Affairs
House 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 Barbara Boxer, U.S. Senate
Honorable Dianne Feinstein, U.S. Senate
Honorable Andrea Seastrand, U.S. House of Representatives

Part III - Management Comments

Office of the Under Secretary of Defense (Comptroller) Comments



COMPTROLLER
(Program/Budget)

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



JUN 29 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: Draft Audit Report on Defense Base Realignment and Closure Budget Data for the Construction of the Special Purpose Vehicle Storage Facility at Vandenberg Air Force Base, California (Project No. SCG-5017.34)

This responds to your June 14, 1995, memorandum requesting our comments on the subject report.

The audit recommends that the USD (Comptroller) suspend funding for project XUMU933008, "Special Purpose Storage Facility" until the requirements and costs associated with it have been fully determined and validated.

We generally agree with the audit and recommendations. Project XUMU933008 has been rescheduled to FY 1997 and all prior year funds associated with it reprogrammed to other valid BRAC requirements. The Air Force must submit by September 15, 1995, a revised DD 1391 form, based on revalidation of the requirements and costs of the project, for it to be considered for inclusion in the FY 1997 President's Budget. Further, any savings resulting from the audit will be reprogrammed to other BRAC requirements as appropriate.

B. R. Paseur
Director for Construction

Department of the Air Force Comments



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE



14 JUL 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

FROM: HQ UASF/RT
1670 Air Force Pentagon
Washington, DC 20330-1670

SUBJECT: Draft Audit Report, Defense Base Realignment and Closure Budget Data for
the Construction of Special Purpose Vehicle Storage Facility at Vandenberg
AFB (Project Number 5CG-5017-34)- INFORMATION MEMORANDUM

1. This is in reply to your subject memorandum to the Assistant Secretary of the Air Force (Financial Management and Comptroller) requesting Air Force comments on the report.
2. The first DoD (IG) recommendation is to suspend the Air Force FY 96 base realignment and closure budget for project XUMU 933008, Special Purpose Vehicle Storage Facility in the amount of \$1.7M, if the issues in this report are not resolved by the time funds become available.

AIR FORCE COMMENTS: Concur

The basic tenant of Base Realignment and Closure (BRAC) funding is to provide equivalent facilities in terms of scope and function to those made unavailable as a result of BRAC action. This does not include resolving current or preexisting deficiencies. Such items must be addressed with normal MILCON funds either as a separate project of conjunctively if economy of scale permits. It is debatable whether all elements of the project's scope results from valid BRAC requirements, but what is clear is that the project as currently envisioned could include work beyond authorized scope and there is not enough documentation supporting envisioned scope. The project requires a revalidation of requirement before proceeding to advertising. We were notified by AFCEE that this project was ready for advertising on 26 Jun 95; we have held advertising in abeyance pending final resolution of this report. Resolution of issues identified in the audit's second recommendation will rectify this recommendation.

3. The second DoD (IG) recommendation is in three parts and includes:

Department of the Air Force Comments

Final Report Reference

Deleted.

a. Conduct a survey of possible site locations for a special purpose vehicle storage facility at Vandenberg AFB to determine whether a less costly alternative to the planned site is available.

AIR FORCE COMMENTS: Non-concur

The report expressed concern regarding the high cost of site works, specifically asphalt work at 66% of the site work estimate, and questioned the cost effectiveness of the site. Costs are higher than normal Air Force Pricing Guide expectations, but the reason for the cost disparity is not site specific. The sandy soil composition found throughout Vandenberg AFB combined with vehicle weights ranging from 65,000 lbs (empty) to 180,000 (fully loaded) necessitate extensive build up in order to keep vehicles from sinking when in transit or temporarily relocated outside. The conditions at the sited location are representative of the entire Vandenberg AFB complex.

Revised
Page 4.

b. Reevaluate the requirement for 8-inch concrete masonry perimeter walls to determine whether a less costly alternative is feasible.

AIR FORCE COMMENTS: Concur

We will reexamine alternatives to the use of 8-inch concrete masonry units and will implement a less costly alteration if consistent with base architectural compatibility standards while providing the lowest life cycle maintenance cost.

Renumbered
as
Recommendation 2.a.

c. Revise and resubmit DD Form 1391, FY 96 Military Construction Project Data, for this project excluding invalid requirements and incorporates the results of the above recommendations.

AIR FORCE COMMENTS: Concur

Although we generally concur with this recommendation, there are some elements that should remain unchanged. The validated purpose of this facility is to provide storage for special purpose vehicles to remove them from corrosive salt air while the current design incorporates a periodic maintenance/inspection capability which includes a wash rack, a tool room, an equipment room, a bathroom, and 22 foot high ceilings. The facility that this proposal replaces possesses some of these capabilities. It is clear that what was envisioned differs from what was requested and validated. BRAC funds should be used for validated requirements only so this project requires a revised DD 1391, appropriately documented, including these elements:

Renumbered
as
Recommendation 2.b.

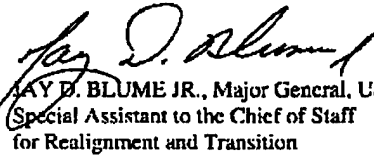
(1) A new wash rack was included in this project as this facility is sited over the top of the current wash rack. We will explore reconfiguration possibilities so the existing wash rack may be retained; however, resiting may not yield a cost effective solution as already discussed. If not feasible, then BRAC funds should be used for replacement.

Department of the Air Force Comments

(2) Tool and equipment rooms should not be supported through BRAC funding and will be pursued through conjunctive funding. Although these are replacement rooms from the existing facility, they exceed the scope for a storage facility as represented in the BRAC-approved DD 1391. A restroom should be supported as it is a building code requirement and none will be available in the immediate area during all times when the facility is expected to be occupied.

(3) Interior wall heights of 22 feet are excessive for a storage facility, conforming to known construction codes. This height exceeds BRAC-approved DD 1391 scope and will require conjunctive funding should the need be validated.

4. Our point of contact is Major Mark Bailey, DSN 227-8787.


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INTERNET DOCUMENT INFORMATION FORM

A . Report Title: Defense Base Realignment and Closure Budget Data for the Construction of the Special Purpose Vehicle Storage Facility at Vandenberg Air Force Base, California

B. DATE Report Downloaded From the Internet: 01/05/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #):
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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 01/05/99

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