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Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE REALIGNMENT OF
UNDERGRADUATE PILOT TRAINING FROM
REESE AIR FORCE BASE, TEXAS, TO
VANCE AIR FORCE BASE, OKLAHOMA**

Report No. 97-161

June 13, 1997

Department of Defense

ARI00-01-0217

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Acronyms

AFB
BRAC
MILCON

Air Force Base
Base Realignment and Closure
Military Construction



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



Report No. 97-161

June 13, 1997

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

SUBJECT: Audit of Defense Base Realignment and Closure Budget Data for the Realignment of Undergraduate Pilot Training From Reese Air Force Base, Texas, to Vance Air Force Base, Oklahoma (Project No. 7CG-5002.16)

Introduction

We are providing this audit report for your review. The audit was required by Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991. Enclosure 1 provides details on the history of the Defense base realignment and closure (BRAC) process and on our auditing and reporting requirements.

This report is one in a series about FY 1998 BRAC military construction (MILCON) costs. The report provides the results of the audit of project XTLF983303, "Add to Child Development Center," valued at \$330,000, at Vance Air Force Base (AFB), Oklahoma.

Audit Results

The Air Force properly planned, programmed, documented, and supported the \$330,000 FY 1998 BRAC MILCON requirement for project XTLF983303 for improvements to the child development center at Vance AFB, Oklahoma, in accordance with DoD and Air Force criteria and public law.

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 XTLF983303, "Add to Child Development Center," valued at \$330,000, 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. The management control program will be discussed in a summary report on FYs 1997 and 1998 BRAC MILCON budget data.

Scope and Methodology

Scope of This Audit. We examined the FY 1998 BRAC MILCON budget request and supporting documentation for project XTLF983303 for the addition to the child development center at Vance AFB, Oklahoma. See Enclosure 1 for the overall scope of the audit of BRAC MILCON costs.

Audit Period, Standards, and Locations. This economy and efficiency audit was conducted from February through April 1997 in accordance with the auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. We did not use computer-processed data or statistical sampling procedures to conduct this audit. We visited or contacted individuals and organizations within DoD. Further details are available upon request.

Prior Audits and Other Reviews

Three summary reports have been issued for the audits of BRAC budget data for FYs 1992 through 1996. Those reports list individual projects. Since April 1996, numerous additional audit reports have been issued that address DoD BRAC budget data for FYs 1997 and 1998. Details on those reports are available upon request.

Project Background

Project Justification. The BRAC MILCON project XTLF983303, valued at \$330,000, was simultaneously funded with FY 1996 Operation and Maintenance funded projects XTLF 96-1047R, valued at \$220,000, and XTLF 96-1047C, valued at \$297,000. The Air Force planned to increase the existing child development facility located at Vance AFB from 4,750 square feet to 7,236 square feet. The BRAC MILCON project would simultaneously increase the facility by an additional 1,500 square feet to 8,736 square feet.

Discussion

BRAC MILCON Requirements Determination. The Air Force properly justified requirements for the addition to the child development center Vance AFB, Oklahoma, as a result of the Reese AFB, Texas, closure. The realignment of undergraduate pilot training from Reese AFB to Vance AFB requires an additional 140 square meters (1,506 square feet) in the child development center to accommodate 14 children of parents relocating to Vance AFB. Based on criteria in Air Force Handbook 32-1084, "Facility Requirements," July 1995, the child development center could be expanded from the existing 4,750 square feet to 17,355 square feet to accommodate its estimated total requirement. The Air Force, however, elected to be conservative in its estimate of the space required per child.

BRAC MILCON Cost Requirements. Using DD Form 1391, "FY 1998 Military Construction Project Data," the Air Force properly estimated the costs for project XTLF983303 at \$330,000. Also, the Air Force prepared adequate justification, including an economic analysis, for the FY 1998 BRAC MILCON project XTLF983303, "Add to Child Development Center," at Vance AFB, Texas. Therefore, this report contains no recommendations.

Management Comments

We provided a draft of this report to you on May 16, 1997. Because the report contains no recommendations, written comments were not required, and none were received. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Wayne K. Million, Audit Program Director, at (703) 604-9312 (DSN 664-9312) or Mr. Michael A. DiRenzo, Audit Project Manager, at (703) 604-9314 (DSN 664-9314). Enclosure 2 lists the distribution of this report. The audit team members are listed inside the back cover.



David K. Steensma
Deputy Assistant Inspector General
for Auditing

Enclosures

Background of Defense Base Realignment and Closure

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 1998 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 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.

Background of Defense Base Realignment and Closure

Overall Audit Selection Process. We reviewed the FY 1998 BRAC MILCON \$354.3 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations, unless the projects were subsequently modified by the Military Departments. We grouped the remaining BRAC MILCON projects by location and selected all projects in the budget. We also reviewed those FY 1997 BRAC MILCON projects that were not included in the previous FY 1997 budget submission, but were added as part of the FY 1998 BRAC MILCON budget package.

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Audit Team Members

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

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