

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA
FOR NAVAL AIR TECHNICAL TRAINING CENTER,
NAVAL AIR STATION PENSACOLA, FLORIDA**

Report No. 94-121

June 7, 1994

Department of Defense

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Acronyms

BRAC	Base Realignment and Closure
COBRA	Cost of Base Realignment Actions
MILCON	Military Construction
NAS	Naval Air Station
NATTC	Naval Air Technical Training Center
OASD(HA)	Office of the Assistant Secretary of Defense (Health Affairs)



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

June 7, 1994

**MEMORANDUM FOR COMPTROLLER OF THE DEPARTMENT OF DEFENSE
ASSISTANT SECRETARY OF DEFENSE (HEALTH
AFFAIRS)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT)**

**SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for
Naval Air Technical Training Center, Naval Air Station Pensacola, Florida
(Report No. 94-121)**

We are providing this audit report for your review and comments. This report is one in a series of reports about FYs 1994 and 1995 base realignment and closure military construction costs. The report addresses the realignment of the Naval Air Technical Training Center from Naval Air Station Memphis, Tennessee, to Naval Air Station Pensacola, Florida. Comments on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all recommendations and monetary benefits be resolved promptly. The Navy comments on a draft of the report were only partially responsive. As a result of management comments, we deleted one recommendation, renumbered the remaining recommendations accordingly, and redirected two recommendations to the Comptroller of the Department of Defense. Therefore, we request that the Navy and the Comptroller of the Department of Defense provide additional comments on the unresolved recommendations and monetary benefits by August 5, 1994.

The courtesies and cooperation extended to the audit staff are appreciated. If you have any questions on this report, please contact Mr. Wayne K. Million, Audit Program Director, at (703) 692-2991 (DSN 222-2991) or Mr. Nicholas E. Como, Audit Project Manager, at (703) 692-2996 (DSN 222-2996). Appendix E lists the distribution of the report. The audit team members are listed inside the back cover.

David K. Steemsma

**David K. Steemsma
Deputy Assistant Inspector General
for Auditing**

Office of the Inspector General, DoD

Report No. 94-121
(Project No. 4CG-5008.05)

June 7, 1994

DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR NAVAL AIR TECHNICAL TRAINING CENTER, NAVAL AIR STATION PENSACOLA, FLORIDA

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 DoD requested for each military construction project associated with 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 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 concerning FYs 1994 and 1995 base realignment and closure military construction costs.

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 19 projects, valued at \$288.9 million, for the realignment of the Naval Air Technical Training Center from Naval Air Station Memphis, Tennessee, to Naval Air Station Pensacola, Florida. The audit also evaluated the implementation of the DoD Internal Management Control Program and assessed the adequacy of applicable internal controls.

Audit Results. The Navy properly planned, programmed, and documented 16 of the 19 FY 1995 base realignment and closure military construction projects, totaling \$278 million, for relocating the Naval Air Technical Training Center from Naval Air Station Memphis to Naval Air Station Pensacola. However, the Navy overestimated space requirements for the medical and dental building and the administrative office and warehouse space. Appendix B lists the 19 projects and our audit results.

- o The Navy did not prepare a required economic analysis to evaluate alternatives to new construction or consider expanding the use of existing medical and dental facilities. Accordingly, the Navy overstated the \$4.4 million military construction estimate by \$2.1 million (Finding A).

- o The Navy did not compute administrative office and warehouse facilities requirements based on established criteria. Accordingly, the \$6.5 million military construction estimate for administrative office and warehouse space supporting the Naval Air Technical Training Center was overstated by \$1.2 million (Finding B).

Internal Controls. Navy internal controls and the implementation of the DoD Internal Management Control Program were not effective because they did not prevent or identify material internal control weaknesses in planning and programming requirements for all base realignment and closure military construction projects. However, during the audit, the Commander, Naval Facilities Engineering Command, issued guidance establishing a requirement at all Naval Facilities Engineering Command field activities to validate Defense base realignment and closure military construction requirements and improve the budget estimating process. This policy, when fully implemented, should enhance controls over base realignment and closure project estimates and correct the material internal control weaknesses. See Part I for the internal controls reviewed and the findings in Part II for details on the internal control weaknesses identified.

Potential Benefits of Audit. Implementation of the recommendations will allow the Navy to put to better use up to \$3.3 million of base realignment and closure military construction funds. Strengthening Navy internal controls will ensure the accuracy of budget estimates for military construction projects resulting from base realignments and closures and could result in additional monetary benefits. However, we could not quantify the additional amount. Appendix C summarizes the potential benefits resulting from the audit.

Summary of Recommendations. We recommend that the Navy conduct economic analyses to determine the most cost-effective alternatives, base space requirements on established criteria, and adjust corresponding funds for the base realignment and closure military construction projects.

Management Comments. The Assistant Secretary of Defense (Health Affairs) agreed to conduct an economic analysis for project P-654T, "Medical and Dental Clinic," to identify alternatives to new construction before accepting any further submissions for medical and dental facilities at the Naval Air Station Pensacola. However, the Navy indicated that project P-654T is required to meet operational needs of the Naval Air Technical Training Center. The Navy nonconcurred with the recommendation to revise and resubmit the DD Form 1391, "FY 1994 Military Construction Project Data," and to reduce funding for project P-656T, "Consolidated Training School," stating that the project had been carefully thought out and had been approved by the Bureau of Medicine and Surgery and the Navy Comptroller. The Navy concurred with the recommendation to revise and resubmit the DD Form 1391 and to reduce funding for project P-672T, "Naval Air Maintenance Training Group and Marine Facility." A summary of management comments is in Part II, and the complete text of management comments is in Part IV of this report.

Audit Response. As a result of management comments, we deleted the recommendation for the Bureau of Medicine and Surgery to conduct an economic analysis because the Assistant Secretary of Defense (Health Affairs) economic analysis will satisfy the intent of our recommendation. The Navy comments are only partially responsive. We do not agree with the Navy's refusal to withhold funds for project P-654T and to reduce funding for project P-656T. Therefore, we redirected the recommendations to withhold and reduce funding to the Comptroller of the Department of Defense. Accordingly, we request the Navy and the Comptroller of the Department of Defense to provide comments on the final report by August 5, 1994.

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

Part I - Introduction

Background

Initial Recommendations of the 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. Using cost estimates provided by the Military Departments, the Commission recommended 59 base realignments and 86 base closures. On October 24, 1988, Congress passed, and the President signed, Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," which enacted the Commission's recommendations. Public Law 100-526 also establishes the DoD Base Closure Account to fund any necessary facility renovation or military construction (MILCON) projects for base realignments and closures (BRAC).

Subsequent Commission Requirements and Recommendations. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. Public Law 101-510 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. The law also stipulated that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

The 1991 Commission recommended that 34 bases be closed and 48 bases be realigned, resulting in an estimated net savings of \$2.3 billion during FYs 1992 through 1997, after a one-time cost of \$4.1 billion. The 1993 Commission recommended that 130 bases be closed and 45 bases be realigned, resulting in an estimated net savings of \$3.8 billion during FYs 1994 through 1999, after a one-time cost of \$7.4 billion.

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 DD Form 1391, "FY 1994 Military Construction Project Data," for individual MILCON projects 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.

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. 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. Also, Public Law 102-190

prescribes that the Inspector General, DoD, must evaluate significant increases in MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Objectives

The overall audit objective was to determine the accuracy of Defense BRAC MILCON budget data. The specific objectives were to determine whether the proposed projects were valid BRAC requirements, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the analysis considered existing facilities. The audit also evaluated the implementation of the DoD Internal Management Control Program and assessed the adequacy of applicable internal controls. This report provides the results of the audit of 19 projects, valued at \$288.9 million, to support the realignment of the Naval Air Technical Training Center (NATTC) from Naval Air Station (NAS) Memphis, Tennessee, to NAS Pensacola, Florida.

Scope and Methodology

Limitations to Overall Audit Scope. COBRA develops cost estimates as a BRAC package for a particular realigning or closing base and does not develop estimates by individual BRAC MILCON project. Therefore, we were unable to determine the amount of cost increases for each individual MILCON project resulting from a BRAC.

Overall Audit Selection Process. We compared the total COBRA cost estimates for each BRAC package with the Military Departments' and the Defense Logistics Agency's FYs 1994 through 1999 BRAC MILCON \$2.6 billion budget submission. We selected BRAC packages for which:

- o the package had an increase of more than 10 percent from the total COBRA cost estimates to the current total package budget estimates or

- o the submitted FYs 1994 and 1995 budget estimates were more than \$21 million.

Specific Audit Limitations for This Audit. We examined the FY 1995 BRAC MILCON budget request and related documentation regarding the transfer of NATTC from NAS Memphis to NAS Pensacola. We reviewed supporting documentation for 19 projects estimated to cost \$288.9 million.

Audit Standards, Potential Benefits, and Locations. This economy and efficiency audit was made from January through March 1994 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 internal controls considered necessary. The audit did not rely on computer-

Introduction

processed data or statistical sampling procedures. See Appendix C for the potential benefits resulting from the audit. Appendix D lists the organizations visited or contacted during the audit.

Internal Controls

Internal Controls Reviewed. The audit evaluated Navy internal controls for validating BRAC MILCON requirements supporting the NATTC realignment projects. Specifically, we reviewed Navy procedures for planning, programming, budgeting, and documenting BRAC MILCON requirements for the realignment project.

Internal Control Weaknesses Identified. The audit identified material internal control weaknesses as defined by DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987. Navy internal controls and the implementation of the DoD Internal Management Control Program were not effective because they did not prevent or identify material internal control weaknesses in the accuracy of the BRAC requirement for three MILCON projects in support of the realignment of NATTC. We also examined the portion of the DoD Internal Management Control Program applicable to validating the accuracy of BRAC MILCON budget requirements. The program failed to prevent or detect the internal control weaknesses because BRAC funding was not an assessable unit. See Part II for a discussion of the three MILCON projects.

Command Efforts to Improve Internal Controls. In December 1993, the Commander, Naval Facilities Engineering Command, issued guidance establishing a requirement at all Naval Facilities Engineering Command field activities to validate BRAC MILCON requirements and improve the budget estimating process. Naval Facilities Engineering Command field activities' full implementation of this policy should enhance controls over BRAC project estimates because the policy provides for applying the existing criteria to validate regular MILCON project requirements. Implementation of the DoD Internal Management Control Program will also be strengthened by including the validation of BRAC MILCON project requirements as an assessable unit. Because of the Commander, Naval Facilities Engineering Command, efforts, we made no recommendations concerning internal controls. If Defense and Navy management implement all of the report recommendations, \$3.3 million could be put to better use. See Appendix C for the summary of potential benefits resulting from the audit.

Prior Audits and Other Reviews

Since 1991, 41 audit reports have addressed DoD BRAC issues. Appendix A lists selected prior Inspector General, DoD, and Naval Audit Service reports.

Part II - Findings and Recommendations

Finding A. Analysis of Requirement for Medical and Dental Clinics

To support the realignment of NATTC, the Naval Healthcare Support Office, Jacksonville, Florida, did not prepare a required economic analysis to evaluate alternatives to new construction or consider expanding the use of existing medical and dental facilities at NAS Pensacola. The Naval Healthcare Support Office officials did not prepare the required economic analysis because they believed no feasible alternative satisfied the requirement. As a result, the Navy overstated the \$4.4 million proposed medical and dental clinics (project P-654T) by \$2.1 million.

Background

The Naval Bureau of Medicine and Surgery authorized the Naval Healthcare Support Office to determine the amount of space required for the medical and dental clinics at NAS Pensacola.

To accommodate active-duty students, military staff, and their dependents that NATTC will realign to NAS Pensacola, project P-654T, "Medical and Dental Clinic," was developed. The Naval Healthcare Support Office prepared DD Form 1391, "FY 1995 Military Construction Project Data," November 3, 1993, for a single 30,000-square-foot building to collocate the medical and dental clinics at a cost of \$4.4 million. The proposed 30,000-square-foot building consisted of 16,774 square feet for the medical clinic and 13,226 square feet for the dental clinic and would be located on the proposed NATTC site.

The Naval Healthcare Support Office then forwarded the estimate to the Office of the Assistant Secretary of Defense (Health Affairs) (OASD(HA)) for review and approval. The OASD(HA) is currently evaluating this requirement for the medical and dental building and estimates that a final economic analysis will be complete by June 1994.

Preparing a Required Economic Analysis

DoD Instruction 6015.17, "Planning and Acquisition of Military Health Facilities," March 17, 1983, requires that the Military Departments, as a minimum, prepare and submit an economic analysis to the OASD(HA) when the proposed project involves a new or replacement health facility or when significant additions to, or deletions from, the existing health care delivery capability are planned. Interim guidance for the Defense Medical Military Construction Program, June 5, 1987, further requires that the Defense Medical Facilities Office, OASD(HA), fund and oversee the economic analysis process.

Finding A. Analysis of Requirement for Medical and Dental Clinics

Evaluating Alternatives to New Construction

Preliminary Naval Analysis. The Strategic Planning Department, Naval Hospital Pensacola, conducted preliminary analysis of alternatives to accommodate increased medical treatment for NAS Pensacola. The alternatives consisted of:

- o constructing a new collocated medical and dental clinic on the proposed NATTC site,

- o constructing a new medical clinic on the proposed NATTC site and modifying the existing medical clinic into a dental clinic, and

- o constructing a new dental clinic on the proposed NATTC site and modifying the existing dental clinic into a medical clinic.

Expanding Existing Medical and Dental Facilities. The existing medical and dental clinics, in buildings 3600A and 3600B, at NAS Pensacola are located only about a mile from the proposed NATTC site. The Naval Healthcare Support Office did not consider the alternative of expanding or modifying buildings 3600A and 3600B at NAS Pensacola and did not prepare an economic analysis to provide a basis for a decision because they believed no feasible alternative satisfied the requirement. Therefore, the officials at OASD(HA) were not provided information that allowed them to consider any alternative to new construction. OASD(HA) and the Naval Bureau of Medicine and Surgery confirmed that the existing medical and dental facilities can be expanded without affecting the health care needs of active-duty patients projected to be assigned to NAS Pensacola.

If the existing medical and dental facilities were expanded, we calculated that construction costs could be reduced by \$2.1 million. Expanding the existing medical and dental facilities at NAS Pensacola would also reduce duplication of laboratory, radiology, and pharmacy infrastructure. Table 1 demonstrates that costs can be avoided by expanding the existing medical and dental facilities.

	<u>Existing Square Feet</u>	<u>Proposed Square Feet</u>	<u>Cost of Construction</u>	<u>Cost to Expand Existing Facility</u>	<u>Costs Avoided Due to Expansion</u>
Medical Clinic	39,440	45,926	\$2,240,335	\$ 866,270	\$1,374,065
Dental Clinic	16,425	24,485	1,761,703	1,076,494	685,209
Total					<u>\$2,059,274</u>

Estimating Requirements for the Medical Facility. The existing medical clinic at NAS Pensacola occupies 39,440 square feet. Based on the Navy FY 1999 projection, which includes the NATTC relocation, we calculated that the medical clinic at NAS Pensacola will have a total patient workload of 14,726 patients.

Finding A. Analysis of Requirement for Medical and Dental Clinics

To accommodate the total patient workload, the medical clinic would require 45,926 square feet. Because the existing medical clinic at NAS Pensacola contains 39,440 square feet, an additional 6,486 square feet would be required to accommodate the increased patient workload. The additional space requirement can be satisfied by expanding the existing clinic by 6,486 square feet at a cost of \$866,270. Expanding the existing clinic would result in avoided costs of \$1.4 million over the original estimate to build a new facility.

Estimating Requirements for the Dental Facility. The Medical Space Planning Criteria section of the DoD Military Handbook 1190, "Medical and Dental Treatment Facilities," states that 24 dental procedures a year are performed for each active-duty member. The criteria also state that the number of dentists required is based on the number of monthly procedures performed. However, the DoD Military Handbook does not establish guidelines for the number of dental procedures for active-duty student personnel.

In FY 1993, NAS Memphis dental clinic performed 152,364 dental procedures. We determined that 77,736 dental procedures involved active-duty patients, 422 dental procedures involved Naval Reserve patients, and the remaining 74,206 dental procedures treated NATTC students. For FY 1993, we determined that each NATTC student received an average of 16 dental procedures per year.

Considering the Navy FY 1999 projection, which includes the NATTC relocation, we estimated that NAS Pensacola will have a total patient population of 13,720 for the dental clinic. According to the criterion of 24 dental procedures per year, per patient, we calculated that NAS Pensacola would perform 27,440 dental procedures per month. To perform 27,440 dental procedures per month, the dental clinic would require 27 dentists, 67 dental technicians, and 7 administrative personnel. DoD Military Handbook 1190 requires a total of 24,485 square feet to accommodate the required dental personnel. The existing dental clinic occupies 16,425 square feet. NAS Pensacola can expand the additional 8,060 square feet at the existing dental clinic at a cost of \$1,076,494, which would result in avoided costs of \$685,209 over the original estimate to build a new facility.

Adequately Documenting Project Estimates

The Naval Healthcare Support Office computed the budget estimate for the initial DD Form 1391 for the collocated medical and dental facility on incomplete and inadequate documentation. The budget request was based on a Naval Healthcare Support Office estimate that was not supported. DoD Military Handbook 1190 requires that OASD(HA) review project documentation to ensure that the projects forwarded are necessary and fully supported for programming. Accordingly, the internal controls were not adequate to verify that all necessary alternatives were considered when justifying the requirement for project P-654T.

Recommendations, Management Comments, and Audit Response

Deleted, Renumbered, and Redirected Recommendations. As a result of the OASD(HA) comments, we deleted draft Recommendation A.1. and renumbered the remaining recommendations accordingly. In addition, we redirected Recommendation A.1. to the Comptroller of the Department of Defense.

1. We recommend that the Comptroller of the Department of Defense withhold funding for project P-654T, "Medical and Dental Clinic," until the OASD(HA) determines the most cost-effective alternative.

Management Comments. The Navy nonconcurred with the recommendation that alternatives should be considered and evaluated and contended that the students' quality of life, health, and morale and the efficiency of training will be jeopardized by students walking about a mile from the campus site to the medical and dental clinic. The Navy also said that we did not consider the students' time required to check in and check out and time lost for students to walk to and from the existing medical and dental facility from the proposed campus. The Navy assumed that only 75 percent of the students will be able to return to class, resulting in a loss of 19.3 man-years each year. According to these data, the Navy recommended that the proposed project remain intact to support the campus concept.

Officials from the OASD(HA) stated that their office is performing an economic analysis to determine the most cost-effective alternative for project P-654T, "Medical and Dental Clinic." Also, no expenditure of design and construction funds should occur until all health care and facility planning alternatives are studied and verified.

Audit Response. The Navy comments were not responsive to the recommendation to withhold funding for project P-654T until officials from OASD(HA) determine the most cost-effective alternative. We believe that expanding the existing medical and dental clinic will not have a negative impact on students' quality of life, health, and morale, and efficiency of training. The medical and dental clinic presently located in NAS Memphis is more than a mile away from most NATTC schools and the bachelor enlisted quarters. The quality of life, health, and morale, and training mission at NAS Memphis has not been documented as being jeopardized by having the students walk to and from the existing medical and dental clinic at NAS Memphis. The Navy assumption that 25 percent of the students will not return to class is not directly related to a 1-mile walk to clinics at NAS Pensacola versus a similar walk to clinics at NAS Memphis. Therefore, we believe that the time lost for students to walk to and from the existing medical and dental clinics at NAS Pensacola was not a factor in the decision for building the new clinics because the distance is similar at both locations. We also continue to believe that the funding on project P-654T should be withheld until the officials from OASD(HA) complete their economic analysis. We request the Comptroller of the Department of Defense to provide comments on the final report.

Finding A. Analysis of Requirement for Medical and Dental Clinics

2. We recommend that the Assistant Secretary of Defense (Health Affairs) reject approval of project P-654T, "Medical and Dental Clinic," and require an economic analysis of alternatives before accepting any subsequent project submissions for medical and dental facilities at NAS Pensacola.

Management Comments. The officials at OASD(HA) concurred and stated that they will perform an economic analysis in concert with the Bureau of Medicine and Surgery to determine the most effective alternative before accepting any subsequent project submissions for medical and dental facilities at NAS Pensacola. The estimated completion date for the economic analysis is June 1994.

Finding B. Administrative and Warehouse Space

The NATTC and the Naval Air Maintenance Training Group used excessive existing administrative office and warehouse space as a basis to support requirements for the realignment of NATTC to NAS Pensacola. The NATTC and the Naval Air Maintenance Training Group did not compute administrative office and warehouse facility requirements based on established criteria. As a result, NATTC overstated the \$6.5 million estimated administrative and warehouse space by \$1.2 million.

Background

Naval Facilities Engineering Command Publication P-80, "Facility Planning Criteria For Navy and Marine Corps Shore Installations," (Publication P-80) provides the maximum space allowable for administrative office and warehouse space. The maximum space allowable for administrative office space depends on the administrative personnel rank, grade level, and position. Publication P-80 requires that space for functions such as shop space and specialized storage be developed according to the specific function to be housed in the facility.

The NATTC, the Naval Air Maintenance Training Group, and the Southern Division, Naval Facilities Engineering Command, developed the support for the administrative and warehouse space. As of December 31, 1993, the Southern Division estimated that the administrative and warehouse space requirements would total 132,240 square feet at a cost of \$6.5 million.

Requirements Determination - Administrative Facilities

The NATTC estimated administrative office space requirements for project P-656T, "Consolidated Training School," at 41,240 square feet. The requirement included 31,288 square feet for administrative office space and 9,952 square feet for instructor work space. We determined that the NATTC did not adequately support the 31,288-square-foot requirement for administrative office space. The NATTC and the Naval Air Maintenance Training Group did not base their administrative office and warehouse facility requirement computations on established criteria contained in Publication P-80.

The current activity manpower document for NATTC authorized 143 administrative positions. We compared the rank and grade level of each authorized administrative position with the corresponding space allowable for each position. For administrative space, we determined that NATTC is authorized 16,163 square feet. Therefore, project P-656T for administrative

Finding B. Administrative and Warehouse Space

space is overstated by 15,125 square feet and \$1,134,375. NATTC properly estimated the requirement of 9,952 square feet for instructor work space.

Requirements Determination - Warehouse Facilities

The Naval Air Maintenance Training Group established a requirement for project P-672T, "Naval Air Maintenance Training Group and Marine Facility," a 91,000-square-foot facility at NAS Pensacola. Table 2 shows the breakout of the space requirement.

<u>Facility Requirements</u>	<u>Proposed Space</u> (square feet)
Administrative Office Space	30,000
Maintenance Shop	26,000
Training Group Storage	15,000
General Storage Space	<u>20,000</u>
Total	<u>91,000</u>

We reviewed the current Naval Air Maintenance Training Group facilities at NAS Memphis and determined that its requirements for administrative office space, maintenance shop space, and training group storage space were justified. However, the requirement for 20,000 square feet for general storage space was not justified. Only 7,109 of the 20,000 square feet requested for storage was actually used for storage at NAS Memphis. The remaining 12,891 square feet was used to accommodate Marine physical training equipment. The Director of Engineering, NAS Pensacola, concluded that the Marine physical exercise requirements could be absorbed into the proposed project for a new gymnasium at NAS Pensacola. The portion of project P-672T for general storage space can be reduced by 12,891 square feet and \$65,405.

Recommendations, Management Comments, and Audit Response

Renumbered and Redirected Recommendations. As a result of management comments, we divided, renumbered, and partially redirected draft Recommendation B.2. As a result, it became Recommendations B.2. and B.3. We redirected recommendation B.3. to the Comptroller of the Department of Defense.

1. We recommend that the Deputy Chief of Naval Operations (Logistics), Shore Activities Division, revise and resubmit DD Form 1391, "FY 1995 Military Construction Project Data," for projects P-656T, "Consolidated Training School," and P-672T, "Naval Air Maintenance Training Group and Marine Facility," for space requirements based on Naval Facilities Engineering Command Publication P-80 criteria and actual use.

Management Comments. The Navy partially concurred with Recommendation B.1. The Navy nonconcurred with revising and resubmitting DD Form 1391 for project P-656T and stated that our interpretation of Publication P-80 only allowed for strict administrative space requirements. The Navy stated that Military Handbook 1190, "Facility Planning and Design Guide," would allow for administrative space of 23,164 square feet and special purpose space of 19,000 square feet. The Navy concurred with revising and resubmitting the DD Form 1391 for project P-672T.

Audit Response. The Navy contended that we did not use the current square foot criteria contained in Military Handbook 1190 for project P-656T. We used the current Publication P-80 criteria (change 1, September 1985) to compute administrative space requirements. We used Publication P-80 because Military Handbook 1190 stipulates that, when information is not available on the rank, position, and number of administrative personnel, the space requirement should not exceed 165 square feet per person. However, specific information on the rank, position, and number of administrative personnel was available.

The NATTC Activity Manpower Document dated November 24, 1993, contains the exact rank, position, and number of NATTC administrative personnel. Publication P-80 provides specific criteria for allowable square feet for each position. To accept the Navy position that Military Handbook 1190 should be used instead of Publication P-80 would allow each of the 48 NATTC administrative positions 165 square feet of work space for project P-656T. This computation would not account for differences of NATTC administrative personnel by rank or position.

Finding B. Administrative and Warehouse Space

Table 3 shows that the space allowance we used was 7,001 square feet less than the Navy Military Handbook 1190 allowance of 23,164 square feet.

<u>Personnel</u>	<u>Number of Personnel</u>	<u>Space Allowed</u> (square feet)
Commanding Officer	1	400
Executive Officer	1	300
Department Heads	4	150
GS-9, GS-11, or GS-12 (or Military Equivalent)	89	90-110
GS-3 and GS-4 Clerks	<u>48</u>	<u>60</u>
Subtotal	<u>143</u>	<u>12,930</u>
Other Administrative Space		3,233
Subtotal		<u>16,163</u>
Navy Computed Space		<u>23,164</u>
Navy Overstated Space		<u>7,001</u>

The Navy also stated that we did not account for special purpose storage, library, shop, and bunkroom space allowed by Military Handbook 1190 for project P-656T. However, Military Handbook 1190 defines special purpose space as ". . . those areas needed in administrative facilities in addition to the basic functional requirements of an office." It does not specifically allow space for bunkrooms and shops. The Navy did not provide adequate support for 19,000 square feet of special purpose storage, library, shop, and bunkroom space. Therefore, we request the Navy to consider the space requirements specified in Publication P-80 and provide additional comments on the final report.

2. We recommend that the Comptroller of the Department of Defense reduce the total funding allocated for project P-656T, "Consolidated Training School," by \$1,134,375.

Management Comments. The Navy nonconcurred with reducing the total funding for project P-656T by \$1,134,375 for the reasons stated in the management comments for Recommendation B.1.

Audit Response. We believe that the Navy overestimated the square feet required for project P-656T for the reasons stated in the response to Recommendation B.1. Recommendation B.2., which requires a reduction for funding for project P-656T, is still valid. Accordingly, we have redirected the recommendation and request comments on the final report from the Comptroller of the Department of Defense.

Finding B. Administrative and Warehouse Space

3. We recommend that the Comptroller of the Navy reduce the funding for project P-672T, "Naval Air Marine Training Group and Marine Facility," by \$65,405.

Management Comments. The Navy concurred with reducing total funding for project P-672T by \$65,405.

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Part III - Additional Information

Appendix A. Summary of Prior Audits and Other Reviews

Inspector General, DoD

94-109	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois	May 19, 1994
94-108	Defense Base Realignment and Closure Budget Data for the 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
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 A. Summary of Prior Audits and Other Reviews

Naval Audit Service

023-S-94	Military Construction Projects Budgeted and Programmed for Bases Identified for Closure or Realignment	January 14, 1994
028-C-93	Implementation of the 1993 Base Closure and Realignment Process	March 15, 1993

Appendix B. BRAC Projects for the Naval Air Technical Training Center, Naval Air Station Pensacola, Florida

<u>Project</u>	<u>Project Name</u>	<u>Estimated Project Costs (millions)</u>	<u>Excess Costs Per Audit Results (millions)</u>
P-654T	Medical and Dental Clinic	\$ 4.42	\$2.10*
P-656T	Consolidated Training School	72.90	1.13*
P-657T	Aviation Electrician's Mat School	10.10	
P-659T	JOBS/DOT/PR/AME School	12.05	
P-660T	Air Traffic Control School	11.60	
P-662T	Shore Aircraft Fire and Rescue Training Facilities	8.25	
P-663T	Carrier Fire Training Facility	2.25	
P-664T	Marine Expeditionary Airfield	.90	
P-665T	Fire Mat Training Mock-up	1.70	
P-666T	Mechanical Equipment and Maintenance Department	1.30	
P-671T	Mess Specialist "A" School	3.80	
P-672T	Naval Air Marine Training Group and Marine Facility	3.10	.07*
P-673T	NATTC BEQ	94.03	
P-674T	Mess Specialist "A" School BEQ	6.30	
P-675T	NATTC Galley	10.30	
P-676T	NATTC Morale, Welfare, and Recreation Facility	10.90	
P-677T	Site Development and Utilities	24.50	
P-683T	Site Demolition	10.05	
P-684T	Chief of Naval Technical Training Administration Facility	.43	
Total		<u>\$288.88</u>	<u>\$3.30</u>

AME Aviation Structure Mechanical Equipment
 BEQ Bachelor Enlisted Quarters
 DOT Director of Training
 JOBS Job Oriented Basic Skills
 PR Aircrew Survival Equipment

*Projects include excessive existing administrative office and warehouse space to support requirements for the realignment of NATTC to NAS Pensacola. See Finding B.

Appendix C. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount and/or Type of Benefit
A.1.	Economy and Efficiency. Withholds FY 1995 BRAC MILCON budget for project P-654T, "Medical and Dental Clinic."	FY 1995 Base Closure Account funds of up to \$2.1 million put to better use.
A.2.	Economy and Efficiency. Conduct economic analysis to reflect the most cost-effective alternative.	Undeterminable.*
B.1.	Economy and Efficiency. Revise and resubmit BRAC MILCON estimates considering established criteria.	Undeterminable.*
B.2.	Economy and Efficiency. Reduces FY 1995 BRAC MILCON budget for project P-656T, "Consolidated Training School."	FY 1995 Base Closure Account funds of \$1.1 million put to better use.
B.3.	Economy and Efficiency. Reduces FY 1995 BRAC MILCON budget for project P-672T, "Naval Air Marine Training Group and Marine Facility."	FY 1995 Base Closure Account funds of \$65,405 put to better use.

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

Appendix D. Organizations Visited or Contacted

Office of the Secretary of Defense

Comptroller of the Department of Defense, Washington, DC
Office of the Assistant Secretary of Defense (Health Affairs), Washington, DC

Department of the Navy

Naval Air Atlantic, Norfolk, VA
Naval Air Station Memphis, TN
Naval Air Station Pensacola, FL
Comptroller of the Navy, Washington, DC
Chief of Naval Education and Training, Pensacola, FL
Chief of Naval Aviation and Training, Pensacola, FL
Marine Aviation Training Support Group, Pensacola, FL
Chief of Naval Technical Training, Memphis, TN
Naval Air Technical Training Center, Memphis, TN
Naval Facilities Engineering Command, Alexandria, VA
Southern Division, Charleston, SC
Bureau of Medicine and Surgery, Washington, DC
Naval Healthcare Support Office, Jacksonville, FL
Bureau of Naval Personnel, Washington, DC
Naval Audit Service, Arlington, VA

Non-Government Organizations

Center for Naval Analyses, Alexandria, VA
LS3P Architects, Limited, Charleston, SC

Appendix E. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Under Secretary of Defense for Personnel and Readiness
Comptroller of the Department of Defense
Assistant Secretary of Defense (Economic Security)
 Deputy Assistant Secretary of Defense (Economic Reinvestment and Base
 Realignment and Closure)
Assistant Secretary of Defense (Health Affairs)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)
Assistant Secretary of the Navy (Installations and Environment)
Comptroller of the Navy
Deputy Chief of Naval Operations (Logistics)
 Chief of Naval Education and Training
Commander, Naval Air Atlantic
 Commander, Naval Air Station Memphis
 Commander, Naval Air Station Pensacola
Commander, Naval Facilities Engineering Command
 Commander, Naval Facilities Engineering Command - Southern Division
Chief, Naval Bureau of Medicine and Surgery
 Chief, Naval Healthcare Support Office
Chief, Naval Bureau of Personnel
Commander, Marine Aviation Training Support Group
Auditor General, Naval Audit Service

Department of the Air Force

Auditor General, Air Force Audit Agency

Appendix E. Report Distribution

Defense Organizations

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

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 Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Operations
House Subcommittee on Legislation and National Security, Committee on
Government Operations

Senator Bob Graham, U.S. Senate
Senator Connie Mack, U.S. Senate
Congressman Earl Hutto, U.S. House of Representatives

Part IV - Management Comments

Assistant Secretary of Defense (Health Affairs) Comments



HEALTH AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

MAY 2 1994

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Response to Quick-Reaction Report on the Audit of
Defense Base Closure and Realignment Budget Data on
NAS Pensacola -- No. 4CG-5008.05

Thank you for the opportunity to review the audit findings and recommendations on the subject project. Clarification of several points are offered.

Since 1986, the responsibility for Programming, Planning, and Designing Fixed Medical Treatment Facilities has been centralized within Health Affairs. Initially, the Defense Medical Facilities Office was responsible for performing economic analyses (EAs) on all proposed medical military construction projects. In FY 92, this responsibility, as related to patient care facilities, was transferred to the Health Care Planning Division, Economic Analysis and Management Support (EAMS). Comprehensive EAs are performed three to four years out from the program year to ensure use of the most current data for planning estimates. Said analyses are accomplished in concert with the appropriate Military Department. The Military Departments have historically deferred to this analysis as the more accurate basis for design and construction costs, rather than the gross estimates in the 1391's submitted much earlier.


Integral to all EAs is the identification of projected health care requirements and examination of cost-benefits of multiple delivery alternatives. These analysis are performed before design begins and again while under design; a process called revalidation. Analysis recommendations upon approval are provided to the Defense Medical Facilities Office for facility planning. Improvements made to planning military medical construction projects have been noted in the draft DoD Directive 6015.16 and DoD Instruction 6015.17 which are currently in coordination.

Reference your audit recommendations, we concur that an economic analysis should be performed on the proposed Base Realignment and Closure projects at NAS Pensacola. EAMS staff, in concert with the Bureau of Medicine and Surgery (BUMED), have been studying various options for several months. We non-concur that BUMED initiate an independent analysis in addition to that which is already underway. It is anticipated that the analysis will be completed in June 1994.

Assistant Secretary of Defense (Health Affairs) Comments

We concur that no expenditure of design and construction dollars should occur until all health care and facility planning alternatives are studied and verified. However, we non-concur with any premature reprogramming of construction dollars by the Navy Comptroller for the projects at NAS Pensacola until such time as our analysis is complete. In determining the final facility solutions(s), it is imperative that design and construction costs, operation/maintenance costs, the specific health care needs of the population to be served, and health care delivery efficiencies be considered.

We appreciate the opportunity to comment on your audit and advise you of our planning efforts. A copy of the economic analysis findings and recommendations on the proposed medical and dental clinics at NAS Pensacola will be forwarded upon completion. Questions may be directed to LTC Gail M. Maestas, Director, Health Care Planning Division, EAMS, (703) 756-2081/82.


Harold M. Koenig, RADM, MC, USN
Deputy Assistant Secretary of Defense
(Health Services Operations)

Department of the Navy Comments



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT)
WASHINGTON, DC 20380-1100

16 MAY 1994

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE ASSISTANT INSPECTOR
GENERAL FOR AUDITING

Subj: DODIG DRAFT QUICK-REACTION REPORT ON THE AUDIT OF DEFENSE
BASE CLOSURE AND REALIGNMENT BUDGET DATA FOR NAVAL AIR
TECHNICAL TRAINING CENTER, NAVAL AIR STATION PENSACOLA,
FLORIDA (PROJECT NO. 4CG-5008.05)

Ref: (a) DODIG memo of 12 April 1994

Encl: (1) DON Response to Draft Quick-Reaction Audit Report

I am responding to the draft quick-reaction audit report forwarded by reference (a), concerning base closure and realignment budget data for the Naval Air Technical Training Center, Naval Air Station Pensacola, Florida.

The Department of the Navy response is provided at enclosure (1). We concur with the draft audit recommendation to reduce funding for project P-672T. We do not concur with draft audit recommendations concerning adjustments to projects P-654T, Medical and Dental Clinic, and P-656T for administrative and warehouse space. We are satisfied that the most cost effective alternative has been identified and that P-654T and P-656T are required to meet operational needs of the Naval Air Technical Training Center at Naval Air Station, Pensacola, Florida.

Deborah P. Christie

DEBORAH P. CHRISTIE

Subj: DODIG DRAFT QUICK-REACTION REPORT ON THE AUDIT OF DEFENSE
BASE CLOSURE AND REALIGNMENT BUDGET DATA FOR NAVAL AIR
TECHNICAL TRAINING CENTER, NAVAL AIR STATION PENSACOLA,
FLORIDA (PROJECT NO. 4CG-5008.05)

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NAVCOMPT (NCB-231)
COMNAVFACENGCOM (Code 30)
OPNAV (N444B)

Department of the Navy Comments

Final Report Reference

DEPARTMENT OF THE NAVY RESPONSE

TO

DODIG DRAFT QUICK-REACTION REPORT OF APRIL 12, 1994

ON

THE AUDIT OF DEFENSE BASE CLOSURE AND REALIGNMENT
BUDGET DATA FOR NAVAL AIR TECHNICAL TRAINING CENTER,
NAVAL AIR STATION PENSACOLA, FLORIDA
(PROJECT NO. 4CG-5008.05)

Finding A:

To support the realignment of NATTC, the Naval Healthcare Support Office, Jacksonville, Florida, did not prepare a required economic analysis to evaluate alternatives to new construction or consider expanding the use of existing medical and dental facilities at NAS Pensacola. The Naval Healthcare Support Office officials did not prepare the required economic analysis because they believed it was not feasible to satisfy the requirement. As a result, the Navy overstated the \$4.4 million proposed medical and dental clinics (project P-654T) by \$2.1 million.

Recommendation A-1:

We recommend that the Naval Healthcare Support Office, Naval Bureau of Medicine and Surgery, conduct a thorough economic analysis to determine the most cost-effective alternative for project P-654T, "Medical and Dental Clinic," based on verified and documented requirements.

Recommendation A-2:

We recommend that the Comptroller of the Navy withhold funding for project P-654, "Medical and Dental Clinic," until the Navy determines the most cost-effective alternative.

Recommendation A-3:

We recommend that the Assistant Secretary of Defense (Health Affairs) reject approval of project P-654T, "Medical and Dental Clinic," and require an economic analysis of alternatives before accepting any subsequent project submissions for medical and dental facilities at NAS Pensacola.

DON Position:

Deleted

Recommendation A.2.
Renumbered
and
Redirected as
A.1., Page 9

Recommendation A.3.
Renumbered
as A.2.,
Page 10

DO NOT CONCUR with DODIG recommendations A-1 and A-2 of Finding A. The Assistant Secretary of Defense (Health Affairs) will respond to recommendation A-3 under separate correspondence.

The DODIG proposal to reject project P-654T, "Medical and Dental Clinic," will have a severe and negative impact on the planned training mission for the Naval Aviation Technical Training Command (NATTC). The entire concept of constructing a campus environment to support the relocation of the NATTC has been carefully thought out by Chief of Naval Education and Training (CNET). The inclusion of a campus clinic, P-654T, has been reviewed and approved by the Bureau of Medicine (BUMED) and supported by the Navy Comptroller.

The existing clinic is in excess of one mile from the center of the proposed campus. Almost all of the students will be E-1 and E-2 "A" school students and, as such, will be required to march to sick call in formation. A two-mile walk (one mile each way) in the cold, rain, or extreme heat of day for someone who is not feeling well is unsatisfactory. Both training efficiency and student time in the classroom will be greatly reduced.

The DODIG recommendation to reject project P-654T is based solely upon a flawed economic analysis. Supporting arguments are as follows:

The audit indicates a savings of \$2.1 million in building an addition to the existing Medical and Dental Facility vice constructing a new campus-sited Medical and Dental Facility. This assumption is incorrect. The audit's economic analysis failed to consider lost travel time to and from the existing medical facility as compared to travel time to and from the proposed "campus" clinic. Additionally, as discussed with the auditors, the audit erroneously assumed a sailor would lose the entire day for any single medical or dental visit and therefore did not calculate for lost time due to travel. Many visits will, in fact, be for routine prescription renewals, minor aches and pains, dental cleaning or fillings, routine tests, and administrative check-in/out. An economic analysis of lost time if P-654T is rejected is as follows:

Measured distance between the center of new barracks and the existing clinic is in excess of one mile (5,315 feet, to be exact). A round-trip is in excess of two miles. A very healthy fast-paced walk one-way takes 15 minutes. A walk to the proposed campus site for the Medical and Dental Clinic takes under 4 minutes, yielding a conservative difference of 22 minutes round trip.

By the DOD auditor's account, there are an estimated 129,600 visits per year for all 5,400 students. Check-in and check-out yields another 10,800 visits, totaling 140,400 visits per year.

Recommendation A.1. Deleted, Recommendation A.2. Renumbered and Redirected as A.1., Page 9

Department of the Navy Comments

140,400 visits/yr x 22/60 hrs/visit = 51,480 hrs of additional lost time per year.

Assuming only 75% of students can return same day:

51,480 x 0.75 = 38,610 actual lost time = 19.3 man-years

(NOTE: This does not account for "wait times" related to establishing formations at the barracks and clinic before the walk commences. This waiting period could easily double or triple the total travel time to and from the remote clinic. The assumption also considers that traffic is not a problem. Therefore, the estimate is extremely conservative.)

Based on the above information, recommend that we keep the interest of the sailor as a first priority and that project P-654T remain intact to support the campus concept.

Finding B:

The NATTC and the Naval Air Maintenance Training Group used excessive existing administrative office and warehouse space as a basis to support requirements for the realignment of NATTC to NAS Pensacola. The NATTC and the Naval Air Maintenance Training Group did not compute administrative office and warehouse facility requirements based on established criteria. As a result, NATTC overstated the \$6.5 million estimated administrative and warehouse space by \$1.2 million.

Recommendation B-1:

We recommend that the Deputy Chief of Naval Operations (Logistics), Shore Activities Division, revise and resubmit DD Form 1391, "Military Construction Project Data," for projects P-656T and P-672T for space requirements based on Naval Facilities Engineering Command publication P-80 criteria and actual utilization.

DON Position:

PARTIALLY CONCUR. The DODIG recommendation to reduce the scope of project P-656T erroneously assumes that the established guidelines in P-80 were not followed. The Navy did utilize the established P-80 guidelines and MIL-HDBK-1190 (Sept 87) in the planning and design of project P-656T. The DODIG analysis, however, is in error in that it did not account for approximately 19,000 square feet of special purpose areas (i.e., storage space, libraries, shops, duty bunkrooms, etc.) needed to support the military function and training mission. The DODIG analysis used the P-80 but only accounted for strict administrative space requirements. MIL-HDBK-1190 (Sept 87) contains later guidance

than the NAVFAC P-80 (Oct 82). Use of the MIL-HDBK-1190 guidance would yield a strict administrative requirement of 23,164 square feet versus the 16,163 square feet calculated by the DODIG. Adding the 19,000 square feet required for special purpose areas, as allowed by MIL-HDBK-1190, would yield a total requirement of 42,166 square feet. Recommend that the DODIG review and revise their estimates for space requirements to include special purpose areas.

Navy concurs with the audit recommendation to revise and resubmit the DD Form 1391 for project P-672T.

Recommendation B-2:

We recommend that the Comptroller of the Navy reduce the total funding allocated for project P-656T by \$1,134,375 and project P-672T by \$65,405.

DON Position:

DO NOT CONCUR with DODIG recommendation for the reduction of P-656T for the above reasons. CONCUR with the DODIG recommendation for the reduction of P-672T.

Recommendation B.2.
Revised and
Renumbered
as Recommendation B.3.,
Page 15

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