DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR FORT JACKSON,
SOUTH CAROLINA

Report No. 95-212

June 2, 1995

Department of Defense

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Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BRAC</td>
<td>Base Realignment and Closure</td>
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<tr>
<td>HFPA</td>
<td>Health Facility Planning Agency</td>
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<tr>
<td>MACH</td>
<td>Moncrief Army Community Hospital</td>
</tr>
<tr>
<td>MILCON</td>
<td>Military Construction</td>
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</table>
June 2, 1995

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)  
ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)  
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data for  
Fort Jackson, South Carolina (Report No. 95-212)

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

DoD Directive 7650.3 requires that all recommendations and potential monetary  
benefits be resolved promptly. The Under Secretary of Defense (Comptroller)  
generally concurred with the recommendation and deferred taking action until the Army  
comments formally on the audit. Because the Assistant Secretary of Defense (Health Affairs) did not comment on the draft report, we request that the Assistant Secretary comment on Recommendation 2. by August 2, 1995.

The courtesies extended to the audit staff are appreciated. If you have any  
questions on the audit, please contact Mr. Michael A. Joseph, Audit Program Director,  
or Mr. Michael F. Yourey, Audit Project Manager, at (804) 766-2703. Copies of the  
final report will be distributed to the activities listed in Appendix F. The audit team  
members are listed on the inside back cover.

David Steensma
Deputy Assistant Inspector General  
for Auditing
Office of the Inspector General, DoD

June 2, 1995

Report No. 95-212
(Project No. 5CG-5017.10)

Defense Base Realignment and Closure Budget Data for
Fort Jackson, South Carolina

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 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 amount exceeds the original project cost estimate provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the difference. One reason for the difference is the rigid time constraint imposed on the Military Departments for developing cost estimates for base realignment and closure military construction. 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 about military construction costs for FY 1996 Defense base realignment and closure.

Audit Objectives. The overall audit objective was to determine the accuracy of military construction budget data for Defense base realignment and closure. This report provides the results of the audit of two FY 1996 projects, valued at $15.8 million, for the Unaccompanied Officers Personnel Housing and Moncrief Army Community Hospital Primary Care Center at Fort Jackson, South Carolina. A subsequent summary report will address the adequacy of the management control program for the base realignment and closure military construction budget data.

Audit Results. The Unaccompanied Officers Personnel Housing project, valued at $10.4 million, was adequately supported and was justified based on valid base realignment and closure requirements.

The Army plans to construct a Primary Care Center at Fort Jackson that is not a valid base realignment and closure requirement. By canceling the Primary Care Center project, DoD could put $5.4 million of Base Closure Account, $2.6 million of Other Procurement, and $2.1 million of Operations and Maintenance appropriations to better use. See Part I for a discussion of the finding and Appendix D for a summary of potential benefits of the audit.

Summary of Recommendations. We recommend that the Primary Care Center project be canceled.
Management Comments. The Under Secretary of Defense (Comptroller) generally concurred with the recommendation but deferred action pending receipt of Army comments. The Assistant Secretary of Defense (Health Affairs) did not respond to a draft of this report. See Part I for a summary of management comments and Part III for the complete text of management comments.

Audit Response. We consider the Under Secretary of Defense (Comptroller) comments responsive. After the Assistant Secretary of Defense (Health Affairs) provides comments to the recommendation to cancel the Primary Care Center project, we request that the Comptroller provide additional comments to the recommendation to reprogram funds. We request that the Assistant Secretary of Defense (Health Affairs) provide comments on the recommendation to cancel the Primary Care Center project by August 2, 1995.
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**Part III - Management Comments**
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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. It addresses the Unaccompanied Officers Personnel Housing and Moncrief Army Community Hospital (MACH) Primary Care Center projects at Fort Jackson, South Carolina. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C.

Fort Jackson, a Training and Doctrine Command installation, is the Army's largest initial entry training center. Fort Jackson's primary mission is to provide basic combat training and advanced individual training for entry level soldiers. As a result of BRAC 1991 and 1993 initiatives, the Soldiers Support Institute, Fort Benjamin Harrison, Indiana, and the Chaplain School, Fort Monmouth, New Jersey, were realigned to Fort Jackson. The Soldier Support Institute comprises the Finance, Adjutant General, and Recruiting and Retention schools, and the Noncommissioned Officers Academy.

Fort Jackson has two primary facilities for providing health care. MACH, constructed in 1972, provides complete health care to active-duty personnel and their dependents, and provides care on a space available basis to retirees and their dependents. The McWethy Troop Medical Clinic, built in 1986, is adjacent to the hospital and provides one-stop medical care primarily to the basic and advanced training population.

Audit 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 MILCON projects were valid BRAC requirements,

- decision for MILCON was supported with required documentation including an economic analysis, and

- analysis considered existing facilities.

The management control program will be discussed in a summary report on BRAC MILCON budget data.
This report provides the result of the audit of two BRAC MILCON projects, valued at $15.8 million, for the Unaccompanied Officers Personnel Housing ($10.4 million) and the MACH Primary Care Center ($5.4 million) for Fort Jackson. The Unaccompanied Officers Personnel Housing project was adequately supported and was justified based on valid BRAC requirements. 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.
Primary Care Center Construction Requirements

The Army planned to construct a Primary Care Center at Fort Jackson that was not a valid BRAC requirement. The condition occurred because the Army justified the project based on overstated estimates of base realignment and closure increases of active-duty personnel. In addition, the Army did not ensure that the project was adequately reviewed. By canceling the Primary Care Center, DoD could use an estimated $5.4 million of Base Closure Account funds, $2.6 million of Other Procurement, and $2.1 million of Operations and Maintenance appropriations for other valid requirements.

Planned Primary Care Center

The Army planned a $5.4 million addition and alteration (project 38310) to the existing MACH. The MILCON project includes construction of 30,000 square feet of additional outpatient space and alteration of 5,000 square feet of existing outpatient space. For purposes of this report, the MILCON project is referred to as the Primary Care Center.

Estimates of BRAC Increases in Active-Duty Personnel. The Army justified the Primary Care Center project based on overstated estimates of BRAC increases of active-duty personnel. According to the Office of the Assistant Chief of Staff for Installation Management, Department of the Army, the Army Stationing and Installation Plan provides the best estimate of installation personnel authorizations. Using the May 1994 Army Stationing and Installation Plan, MACH officials estimated a BRAC increase of about 3,300 active-duty personnel from FY 1994 through FY 1997. However, if FY 1993 instead of FY 1994 is used as the base year, the projected active-duty population will decrease by 100. FY 1993 was representative of the population served by MACH before the BRAC initiatives and should have been used as the basis for determining the BRAC impact on the active-duty population. Additionally, in FY 1993 the Army had not started implementing BRAC 1991 and 1993 initiatives. Active-duty population as reflected in the Army Stationing and Installation Plan data base is shown in the table.

<table>
<thead>
<tr>
<th>FY 91</th>
<th>FY 92</th>
<th>FY 93</th>
<th>FY 94</th>
<th>FY 95</th>
<th>FY 96</th>
<th>FY 97</th>
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</thead>
<tbody>
<tr>
<td>16,200</td>
<td>16,000</td>
<td>15,500</td>
<td>12,100</td>
<td>14,000</td>
<td>13,700</td>
<td>15,400</td>
</tr>
</tbody>
</table>

Because the active-duty population is not expected to increase, no valid BRAC requirement exists and BRAC funds should not be used for the Primary Care Center. Outpatient space deficiencies, if any, should be addressed through the traditional MILCON process.

Personnel in the Office of the Assistant Secretary of Defense (Health Affairs) determined the total providers needed for the proposed Primary Care Center; however, they did not validate providers needed to support the BRAC requirement. In June 1994, the Office of Health Services Analysis and Measurement, in the Office of the Assistant Secretary of Defense (Health Affairs), determined that 14 providers were needed to deliver health care for the proposed Primary Care Center. However, only 1 medical provider was needed to accommodate the expected BRAC related increase of 1,438 Army active-duty personnel as projected by the Defense Medical Information System. Of the remaining 13 medical providers, 10 were expected to move from existing outpatient space at MACH into the proposed Primary Care Center, and the other 3 medical providers were needed to overcome preexisting medical staffing shortfalls. At an exit conference in April 1995, personnel in the Office of the Assistant Secretary of Defense (Health Affairs), stated that Defense Medical Information System, not the Army Stationing and Installation Plan, should have been used for determining the beneficiary population. Because neither the Army Stationing and Installation Plan nor the Defense Medical Information System data bases supported the planned BRAC project, we did not attempt to reconcile the variances between the two data bases.

Project Review

The Army management did not ensure that the project was adequately reviewed. The Army Health Facility Planning Agency (HFPA), Falls Church, Virginia, did not adequately review project requirements. In addition, Fort Jackson officials did not perform a complete economic analysis of the BRAC MILCON project.

Health Facility Planning Agency Review. The HFPA did not adequately review the Primary Care Center project requirements. Army Regulation 415-15, "Army Military Construction Program Development and Execution," August 30, 1994, requires HFPA to review, coordinate, and prioritize all construction of health care facilities, including BRAC projects. Specifically, HFPA did not verify the net impact that BRAC 1991 and 1993
initiatives would have on Fort Jackson active-duty population and outpatient work load. Had a thorough review been performed, HFPA could have identified that the project was not a valid BRAC requirement.

Economic Analysis. Fort Jackson officials did not perform a complete economic analysis. The economic analysis did not fully consider renovating existing space, and did not include all investment and start-up costs.

Requirements for Economic Analysis. DoD Instruction 7040.4, "Military Construction Authorization and Appropriation," March 5, 1979, requires installations to use economic analyses as an aid in establishing construction priorities and in determining optimum allocation of resources. The economic analysis should be based on trade-off studies identifying costs and benefits of each alternative. DoD Instruction 7041.3, "Economic Analysis and Program Evaluation for Resource Management," October 18, 1972, identifies methods and procedures for conducting the economic analysis. The instruction states that investment costs such as building and equipment, and recurring costs such as personnel, operating, overhead, and other costs should be included.

Renovation Versus New Construction. Fort Jackson personnel did not adequately consider renovating existing space as an alternative to new construction. MACH officials stated that renovating existing hospital space was not an option because mobilization requirements prevented them from converting space from inpatient to outpatient. However, documentation was not provided that supported their position. We did not evaluate this alternative, because as stated previously, the deficiencies if any, are not BRAC requirements.

Investment and Start-Up Costs. The economic analysis did not include $4.7 million in investment and start-up costs that were included in the DD Form 1391, "Military Construction Project Data" proposal package. The cost comparison in the economic analysis excluded $2.6 million in Other Procurement funds for such items as medical information systems, furniture, and equipment; and $2.1 million in Operations and Maintenance funds covering initial start-up costs such as inventory and training.

Systemic Management Controls. Inadequate project validation and incomplete economic analysis performed by Army personnel for the Primary Care Center are systemic weaknesses not unique to the project. Other Office of Inspector General, DoD, reports on BRAC MILCON projects have identified similar weaknesses. We are not making recommendations to address management control weaknesses in this report because they are systemic in nature and will be addressed in a summary Inspector General, DoD, report on the Defense BRAC budget data.
Recommendations, Management Comments, and Audit Responses

1. We recommend that the Under Secretary of Defense (Comptroller) delete $5.4 million of Base Closure Account, $2.6 million of Other Procurement, and $2.1 million of Operations and Maintenance funds for the Primary Care Center (project 38310), and reprogram the funds for other valid requirements.

Under Secretary of Defense (Comptroller) Comments. The Comptroller generally concurred with the recommendation but deferred taking action, pending submission of Army comments. The Comptroller stated that if the issues are not resolved by October 1, 1995, construction funds associated with the Primary Care Center project will be placed on administrative withhold. Also, any audit savings will be reprogrammed to other base realignment and closure requirements as appropriate.

Audit Response. We consider the Comptroller's comments to be responsive to the recommendation. After the Comptroller's receipt of Office of the Assistant Secretary of Defense (Health Affairs) comments to Recommendation 2., we request that the Comptroller provide additional comments as to the disposition of funds that may be reprogrammed to other base realignment and closure requirements. The Comptroller's additional comments should be based on our resolution of the issues with the Office of the Assistant Secretary of Defense (Health Affairs) rather than the Army because Recommendation 2. was addressed to the Assistant Secretary.

2. We recommend that the Assistant Secretary of Defense (Health Affairs) cancel the Primary Care Center (project 38310).

Assistant Secretary of Defense (Health Affairs) Comments and Audit Response. The Office of the Assistant Secretary of Defense (Health Affairs) did not respond to a draft of this report. Therefore, we request the Assistant Secretary provide comments in response to the final report.
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Part II - Additional Information
Appendix A. Scope and Methodology

Audit Scope. We examined the FY 1996 BRAC MILCON budget request and related documentation for two construction projects at Fort Jackson. The construction projects resulted from the realignment of the Soldier Support Institute, Fort Benjamin Harrison, and the Chaplain School, Fort Monmouth, to Fort Jackson. The construction projects are listed in the table below and were estimated to cost a total of $15.8 million.

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>38289</td>
<td>Unaccompanied Officers Personnel Housing</td>
<td>$10,400,000</td>
</tr>
<tr>
<td>38310</td>
<td>Primary Care Center</td>
<td>5,400,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$15,800,000</strong></td>
</tr>
</tbody>
</table>

* Does not include Other Procurement Army and Operations and Maintenance Army funds

To evaluate the BRAC projects at Fort Jackson, we visited the Department of the Army BRAC office and U.S. Army Corps of Engineers, Savannah, Georgia. We also visited the Health Services Analysis and Measurement Directorate, and the Defense Medical Facilities Office within the Office of the Assistant Secretary of Defense (Health Affairs). We reviewed architectural drawings and floor plans, facility planning documents, historical and projected active-duty population data, cost data, minutes of meetings, and supporting information used to justify the projects. We reviewed documentation dating from November 1990 to January 1995.

Related Audit Coverage. The Army Audit Agency conducted an audit of the hospital BRAC MILCON project number 38310 and issued a report in August 1992. We decided to audit this project because of a major change in scope since issuance of the Army Audit Agency report. The project was originally estimated to cost $10.2 million to construct, and would have provided about 35,000 additional square feet and renovated about 7,000 square feet of outpatient space. The current project is estimated to cost $5.4 million to construct, and will provide about 30,000 additional square feet and renovate about 5,000 square feet of outpatient space.

Audit Standards and Locations. This economy and efficiency audit was made from January through March 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 internal controls as were considered necessary. The audit did not rely on statistical sampling.
procedures. We used computer-processed data to determine the active-duty population; however, because of time constraints we did not assess the accuracy of the data base. See Appendix D for potential benefits resulting from the audit. Organizations visited or contacted during the audit are listed in Appendix E.
Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists selected Inspector General, DoD, and Army Audit Agency BRAC reports.

Inspector General, DoD

<table>
<thead>
<tr>
<th>Report No.</th>
<th>Report Title</th>
<th>Date</th>
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<tbody>
<tr>
<td>95-205</td>
<td>Defense Base Realignment and Closure Budget Data for the Relocation of Marine Corps Manpower Center at Marine Corps Combat Development Command, Quantico, Virginia</td>
<td>May 26, 1995</td>
</tr>
<tr>
<td>95-198</td>
<td>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</td>
<td>May 19, 1995</td>
</tr>
<tr>
<td>95-196</td>
<td>Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Alameda, California, and Realignment to Puget Sound Naval Shipyard, Washington</td>
<td>May 17, 1995</td>
</tr>
<tr>
<td>95-191</td>
<td>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</td>
<td>May 15, 1995</td>
</tr>
<tr>
<td>95-172</td>
<td>Defense Base Realignment and Closure Budget Data for Griffiss Air Force Base, New York</td>
<td>April 13, 1995</td>
</tr>
<tr>
<td>95-154</td>
<td>Construction Budget Data for Realignment of Naval Training Centers Orlando, Florida, and San Diego, California</td>
<td>March 21, 1995</td>
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<tr>
<td>95-150</td>
<td>Defense BRAC Budget Data for Closing Naval Station Charleston, South Carolina, and Realigning Projects at Various Sites</td>
<td>March 15, 1995</td>
</tr>
<tr>
<td>95-051</td>
<td>Defense Base Realignment and Closure Budget Data for Closing Mare Island Naval Shipyard, California, and Realigning Projects to Various Sites</td>
<td>December 9, 1994</td>
</tr>
<tr>
<td>95-041</td>
<td>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</td>
<td>November 25, 1994</td>
</tr>
<tr>
<td>95-039</td>
<td>Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, Realigning to Naval Air Station Fallon, Nevada</td>
<td>November 25, 1994</td>
</tr>
<tr>
<td>95-037</td>
<td>Realignment of the Fleet and Mine Warfare Training Center from Naval Station Charleston, South Carolina, to Naval Station Ingleside, Texas</td>
<td>November 23, 1994</td>
</tr>
<tr>
<td>95-029</td>
<td>Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning Projects to Various Sites</td>
<td>November 15, 1994</td>
</tr>
<tr>
<td>95-010</td>
<td>Defense Base Realignment and Closure Budget Data for Marine Corps Air Station Tustin, California, and Realignment to Marine Corps Air Station Camp Pendleton, California</td>
<td>October 17, 1994</td>
</tr>
<tr>
<td>94-146</td>
<td>Defense Base Realignment and Closure Budget Data for Closing Naval Air Station Cecil Field, Florida, and Realigning Projects to Various Sites</td>
<td>June 21, 1994</td>
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<tr>
<td>94-141</td>
<td>Defense Base Realignment and Closure Budget Data for Naval Air Stations Dallas, Texas, and Memphis, Tennessee, Realigning to Carswell Air Reserve Base, Texas</td>
<td>June 17, 1994</td>
</tr>
<tr>
<td>94-126</td>
<td>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</td>
<td>June 10, 1994</td>
</tr>
<tr>
<td>94-125</td>
<td>Defense Base Realignment and Closure Budget Data for the Naval Medical Center Portsmouth, Virginia</td>
<td>June 8, 1994</td>
</tr>
<tr>
<td>94-121</td>
<td>Defense Base Realignment and Closure Budget Data for Naval Air Technical Training Center, Naval Air Station Pensacola, Florida</td>
<td>June 7, 1994</td>
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<tr>
<td>94-107</td>
<td>Griffiss Air Force Base, New York, Defense Base Realignment and Closure Budget Data for Military MILCON at Other Sites</td>
<td>May 19, 1994</td>
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<tr>
<td>94-105</td>
<td>Defense Base Realignment and Closure Budget Data for a Tactical Support Center at Naval Air Station Whidbey Island, Washington</td>
<td>May 18, 1994</td>
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Summary of Prior Audit Reports and Other Reviews

**Inspector General, DoD (cont'd)**

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<tr>
<td>94-104</td>
<td>Defense Base Realignment and Closure Budget Data for the Defense Contract Management District-West</td>
<td>May 18, 1994</td>
</tr>
<tr>
<td>94-103</td>
<td>Air Force Reserve 301st Fighter Wing Covered Aircraft Washrack Project, Carswell Air Reserve Base, Texas</td>
<td>May 18, 1994</td>
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**Army Audit Agency**

<table>
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<tr>
<th>Report No.</th>
<th>Report Title</th>
<th>Date</th>
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<tbody>
<tr>
<td>SR 92-702</td>
<td>Defense Base Realignment and Closure Construction Requirements</td>
<td>August 12, 1992</td>
</tr>
</tbody>
</table>
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. Current estimated costs and net savings for the previous three BRAC actions and actions recommended in the 1995 Commission decisions are summarized in the following table.

<table>
<thead>
<tr>
<th>BRAC Costs and Savings (Billions of FY 1996 Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAC Actions</td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>1988</td>
</tr>
<tr>
<td>1991</td>
</tr>
<tr>
<td>1993</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
<tr>
<td>1995</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

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 (COBRA) computer model. The COBRA 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, "Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The COBRA 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 COBRA 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.

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 without significant changes in scope 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

<table>
<thead>
<tr>
<th>Recommendation Reference</th>
<th>Description of Benefit</th>
<th>Amount and/or Type of Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Economy and efficiency.</td>
<td>Funds put to better use. Monetary benefits are included in Recommendation 2.</td>
</tr>
<tr>
<td></td>
<td>Delete funding.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Economy and Efficiency.</td>
<td>Funds put to better use. A one-time benefit of $5.4 million in Base Closure Account Funds (97-X-0510).</td>
</tr>
<tr>
<td></td>
<td>Cancel the project.</td>
<td>Also, an additional $2.6 million in Other Procurement Defense (9760130) and $2.1 million in Operations and Maintenance Defense (9760130) funds.</td>
</tr>
</tbody>
</table>
Appendix E. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC
Assistant Secretary of Defense (Health Affairs), Washington, DC
Defense Medical Facilities Office, Falls Church, VA
Office of Health Services Analysis and Measurement Directorate,
Falls Church, VA

Department of the Army

Assistant Chief of Staff for Installation Management, Washington, DC
Army Medical Command, Fort Sam Houston, TX
Army Health Facility Planning Agency, Falls Church, VA
Hawley Army Community Hospital, Fort Benjamin Harrison, IN
Moncrief Army Community Hospital, Fort Jackson, SC
Training and Doctrine Command, Fort Monroe, VA
U.S. Army Training Center and Fort Jackson,
Fort Jackson, SC
U.S. Army Chaplain Center and School, Fort Monmouth, NJ
U.S. Soldier Support Institute, Fort Benjamin Harrison, IN

Defense Organization

Office of the Civilian Health and Medical Programs of the Uniformed Services,
Aurora, CO
Appendix F. Report Distribution

Office of the Secretary of Defense

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

Department of the Army

Assistant Secretary of the Army (Financial Management)
Assistant Chief of Staff of the Army for Installation Management
Office of the Surgeon General for the Army
Auditor General, Department of the Army

Department of the Navy

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

Department of the Air Force

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

Defense Organizations

Director, Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
  Inspector General, National Security Agency
Inspector General, Central Imagery Office

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Appendix F. Report Distribution

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
National Security and International Affairs Division, General Accounting Office
    Technical Information Center
    Defense and National Aeronautics and Space Administration Management Issues
    Military Operations and Capabilities Issues

Chairman and Ranking Minority Member of Each of the Following Congressional Committees and Subcommittees:

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

Honorable Ernest Hollings, U.S. Senate
Honorable Strom Thurmond, U.S. Senate
Honorable Floyd Spence, U.S. House of Representatives
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Part III - Management Comments
MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: Audit Report on Defense Base Realignment and Closure
Budget Data for the Fort Jackson, South Carolina
(Project No. SCG-5017.10)

This responds to your May 2, 1995, memorandum requesting our
comments on the subject report.

The audit recommends that the USD(Comptroller) delete
funding of $5.4 million for the construction of a Primary Care
Center, $2.6 million for other procurement items, and $7.1
million of Operations and Maintenance funds because the
requirements are not valid BRAC requirements.

The funding for the project at issue is included in the FY
1996 BRAC budget request. We generally agree with the audit and
recommendations; however, since the Army has yet to comment
formally on the audit and the amount of the savings has not been
resolved, it is premature to take action at this time. However,
if the issue is not resolved by the start of the fiscal year, we
will place funds associated with the project on administrative
withhold. Further, any savings resulting from the audit will
be reprogrammed to other BRAC requirements as appropriate.

[Signature]

E. R. Fasir
Director for Construction
Audit Team Members

This report was produced by the Logistics Support Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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INTERNET DOCUMENT INFORMATION FORM

A. Report Title: Defense Base Realignment and Closure Budget Data for Fort Jackson, South Carolina

B. DATE Report Downloaded From the Internet: 01/14/99

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

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: VM Preparation Date 01/14/99

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