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OAIG-AUD (ATTN: APTS Audit Suggestions)
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Arlington, Virginia 22202-2884

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Acronyms

BRAC Base Realignment and Closure
COBRA Cost of Base Realignment Actions
MILCON Military Construction
April 13, 1995

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


We are providing this report for information and use. This report is one in a series of reports about FY 1995 Defense base realignment and closure military construction costs. Comments on the draft of this report were considered in preparing the final report.

Comments on the draft report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Ms. Kimberley Caprio, Audit Program Director, at (703) 604-9248 (DSN 664-9248) or Ms. Carolyn Milbourne, Audit Project Manager, at (703) 604-9241 (DSN 664-9241). The distribution of this report is listed in Appendix E. The audit team members are listed inside the back cover.

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

Report No. 95-172
(Project No. 5CG-5017.19)

April 13, 1995

Defense Base Realignment and Closure Budget Data
for Griffiss Air Force Base, New York

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. If the requested budget amounts exceed the original project cost estimates provided to the Commission on Defense Base Closure and Realignment, 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 about FY 1995 base realignment and closure military construction costs.

The 1993 Commission on Defense Base Closure and Realignment stated that the Northeast Air Defense Sector would remain at Griffiss Air Force Base, New York, and a minimum essential airfield would be maintained for mobility, training, and contingency requirements for the 10th Mountain Infantry Division. To support the Northeast Air Defense Sector, a building was to be constructed to house the command and administrative functions. To support the 10th Mountain Infantry Division, existing buildings were to be renovated. During the audit, the Secretary of Defense recommended that the FY 1995 Commission on Defense Base Closure and Realignment redirect the activities related to the 10th Mountain Infantry Division.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the audit results of the Defense base realignment and closure projects at Griffiss Air Force Base, New York. We also reviewed internal controls applicable to the audit objectives.

Audit Results. The Air Force identified a cost of $2 million on the DD Form 1391 to construct a building to house the Northeast Air Defense Sector instead of considering a lower cost alternative (Finding A). The Air Force included a non-base realignment and closure requirement for a stand-alone heating system for project JREZ949512 (Finding B). As a result, project JREZ959501 could be reduced by $1.3 million and project JREZ949512 could be reduced by $1 million. The Air Force had not corrected previously identified material internal control weaknesses for base closure and realignment military construction (Appendix A).

Recommendations in this report, if implemented, will allow DoD to put to better use approximately $2.3 million of the FY 1995 Defense base realignment and closure funds. Appendix C summarizes the potential benefits of the audit.
Summary of Recommendations. We recommend that the Air Force prepare new DD Forms 1391 and withhold awarding contracts for project JREZ959501 for the Northeast Air Defense Sector and for project JREZ949512 for the 10th Mountain Infantry Division. We recommend that the Under Secretary of Defense (Comptroller) reduce the funding for base realignment and closure of Griffiss Air Force Base, New York, by $2.3 million.

Management Comments. The Air Force agreed to withhold awarding a contract to construct a new building for project JREZ959501 pending action by the 1995 Defense Base Closure and Realignment Commission. The Air Force has placed the entire project JREZ949512 "on hold" pending action by the 1995 Defense Base Closure and Realignment Commission. The Under Secretary of Defense (Comptroller) agreed to reduce the funding for base realignment and closure at Griffiss Air Force Base, New York, by $2.3 million if funds were appropriated for projects JREZ959501 and JREZ949512 in FY 1996. A summary of management comments is at the end of the findings in Part I. The complete text of management comments is in Part III.
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Part I - Audit Results
Audit 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 associated with base realignment and closure (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 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 1993 Commission recommended closing 130 bases and realigning 45 bases, resulting in an estimated net savings of $3.8 billion during FYs 1994 through 1999, after a one-time cost of $7.4 billion. Griffiss AFB, New York, was recommended for realignment. The Northeast Air Defense Sector was to remain at Griffiss AFB, and a minimum essential airfield was to be maintained for mobility, training, and contingency requirements for the 10th Mountain Infantry Division. During the audit, the Secretary of Defense recommended that the FY 1995 Commission redirect the activities related to the 10th Mountain Infantry Division from Griffiss AFB.

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 Forms 1391, "FY 1995 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 requests 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.

**Audit Objectives**

**Overall 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 projects were valid BRAC requirements, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. The audit also evaluated the adequacy of management's implementation of the DoD Internal Management Control Program and assessed the adequacy of applicable internal controls.

**Specific Report Objectives.** This audit determined the validity of two BRAC MILCON realignment projects at Griffiss Air Force Base, New York (Griffiss AFB). Specifically, we reviewed project JREZ959501, to construct a building for the Northeast Air Defense Sector, and project JREZ949512, to renovate Griffiss AFB to support the 10th Mountain Infantry Division, Fort Drum, New York, including the procurement of a stand-alone heating system. See Appendix A for a discussion of the scope, methodology, and internal management control program; Appendix B for a summary of prior coverage related to the audit objectives; and Appendix C for other matters of interest.
Finding A. Adequacy of Justification for Base Realignment and Closure Project JREZ959501

The Air Force identified a cost of $2 million on the DD Form 1391 to construct a building to house the Northeast Air Defense Sector. The Air Force did not consider a previously identified lower cost alternative to renovate an existing building. The lower cost alternative of renovating an existing building will reduce the cost of project JREZ959501 by $1.3 million.

Background

Supporting Requirements for BRAC Costs. Air Force Regulation 86-1, "Programming Civil Engineer and Appropriated Fund Resource," September 26, 1986, describes the detailed documentation needed to support MILCON project requirements and the estimated MILCON costs. The regulation requires major commands to prepare detailed cost estimates on DD Form 1391, "Military Construction Project Data," in sufficient detail to permit cost validation. Further, the regulation requires that, as a part of supporting documentation, the host installation prepare a detailed data sheet listing existing facilities and space requirements for the proposed projects.

In April 1993, the Deputy Assistant Secretary of the Air Force (Installations) and the Chairman of the Air Force Base Closure Executive Group issued instructions for preparing FY 1993 BRAC MILCON estimates. According to the Air Force instructions, major commands are responsible for:

- preparing cost estimates for BRAC actions,
- validating all costs and verifying that costs directly result from BRAC actions,
- validating projects by site survey work, and
- validating that project estimates can be supported so that someone totally unfamiliar with the area can reconstruct each step of the cost derivation.
Program Realignment at Griffiss. The 1993 Commission on Defense Base Closure and Realignment stated that the Northeast Air Defense Sector will remain at Griffiss AFB and will be transferred to the Air National Guard. As part of the realignment of Griffiss AFB, the Air Force identified a cost of $2 million on the DD Form 1391 to construct a building to house the command and administrative functions of the Northeast Air Defense Sector. Personnel performing these functions are presently located in buildings 102 and 131.

Alternative to New Building Construction

Renovation Alternative. Air National Guard and Air Combat Command personnel identified a lower cost alternative for project JREZ959501. Specifically, in October 1993, the Air Combat Command completed a site survey that recommended renovating building 102, a building that the Northeast Air Defense Sector currently occupies. According to the site survey, the renovation of building 102 would cost $700,000. The alternative of renovating building 102 would result in a potential cost avoidance of $1.3 million.

Site Survey. The Air Force did not adequately consider the renovation of building 102 before deciding to construct a new facility. Building 102, if renovated, could accommodate the personnel currently in buildings 102 and 131. The April 1993 Air Force instruction for preparing BRAC cost estimates states that major commands should survey the site to determine whether proposed costs are valid. Cost validation should include support for all calculations, assumptions, observations, options considered, and other relevant justifications used to develop the requirements and estimates for projects.

For project JREZ959501, the cost validation was not adequate. We requested documentation to support the decision to construct at a higher cost alternative. Air Force personnel were not able to provide adequate support or valid justification for their decision to construct a new facility instead of renovating building 102.

Justification for New Building Construction

The justification for a new building is not valid. The DD Form 1391 stated that the construction of a new building is justified because the currently used buildings (102 and 131) are on the flightline and are not within the retained property area. The retained property area is real estate that will be retained
by the Air Force as part of the realignment. We agree that building 131 is on
the flightline and outside the areas to be retained; therefore, the justification
provided in the DD Form 1391 is valid for building 131.

However, a tour of the currently used buildings at Griffiss AFB showed that
building 102 is not on the flightline, and is on the inside edge of the retained
property area. The following figure demonstrates the location of the buildings
at Griffiss AFB. The flightline is located above Apron 3 and the retained
property area is the shaded section of the figure. Building 102 is located at the
left upper corner of the shaded section in the figure.

Location of buildings 102 and 131

We determined that building 102 could be retained by the Air Force because the
finalization of DoD retained property boundaries at Griffiss AFB has not
occurred. Therefore, renovation of building 102 should have been considered
instead of new construction.
Finding A. Adequacy of Justification for Base Realignment and Closure Project
JREZ959501

The Air Force was unable to justify why the lower cost alternative of renovating building 102 was not considered. We determined that the lower cost alternative of renovating building 102 is more appropriate. Selection of the lower cost alternative should result in a potential cost avoidance of $1.3 million, which is the difference between new construction projected to cost $2 million and renovations projected to cost $700,000.

Status of Planned Construction

The planned Northeast Air Defense Sector building is at 100 percent design. The Air Force should not award a contract for $2 million to construct a new building because the renovation of building 102 is a reasonable alternative that would reduce costs by $1.3 million.

We are aware that further closure or realignment of organizations and missions at Griffiss AFB is being considered in the 1995 Defense base realignment and closure process. We are making the recommendations for corrective action because the new recommendations have not yet been approved by the 1995 Commission on Defense Base Closure and Realignment and could be reversed during the approval process. The recommendations for corrective action comply with the memorandum dated February 22, 1995, from the Assistant Secretary of Defense (Economic Security) on special construction controls for installations, which appear on the Secretary of Defense's list of recommendations for realignment or closure.

Recommendations, Management Comments, and Audit Response

A.1. We recommend the Deputy Assistant Secretary of the Air Force (Installations) direct the Air National Guard to:


b. Withhold awarding a contract to construct a new building for project JREZ959501.
A.2. We recommend that the Under Secretary of Defense (Comptroller):

a. Reduce the Defense base realignment and closure funding currently allocated for the realignment of Griffiss Air Force Base, New York, by at least $1.3 million for project JREZ959501.

b. Make future adjustments to the FY's 1995 and 1996 fund allocations, as appropriate, based on the submission of a revised DD Form 1391, "FY's 1995 and 1996 Military Construction Project Data."


Under Secretary of Defense (Comptroller) Comments. The Under Secretary of Defense (Comptroller) agreed to reduce the appropriated funding for project JREZ959501 by $1.3 million in FY 1996, revise the DD Form 1391, and reprogram the savings to support other base realignment and closure requirements.

Audit Response. The actions proposed by the Air Force and the Under Secretary of Defense (Comptroller) meet the intent of our recommendations, and no additional comments are required.
Finding B. Adequacy of Justification for Base Realignment and Closure Project JREZ949512

The Air Force included a non-BRAC requirement for a stand-alone heating system in the DD Form 1391 for project JREZ949512. The Air Force included the requirement because the Air Force did not follow instructions that BRAC requirements be the direct result of BRAC actions and project cost estimates be adequately supported. Therefore, the $3.2-million-cost of project JREZ949512 could be reduced by $1 million for the stand-alone heating system.

Program Realignment at Griffiss AFB

The "Defense Base Closure and Realignment Commission 1993 Report to the President" requires that a minimum essential airfield be maintained at Griffiss AFB for the mobility, training, and contingency requirement for the 10th Mountain Infantry Division (10th Infantry). According to Air Force personnel, Griffiss AFB had been providing the same services to the 10th Infantry since 1985. The Air National Guard will maintain and operate facilities necessary to support the 10th Infantry at Griffiss AFB.

Project JREZ949512 Items as BRAC Requirements

Project JREZ949512 lists the renovations needed at Griffiss AFB to support the 10th Infantry. Renovation costs include a $1 million stand-alone heating system for buildings 782, 783, 784, 785, and 786.

The Air Force did not include support for the DD Form 1391 to demonstrate how the stand-alone heating system is a result of BRAC requirements. Therefore, we believe that these items should be funded under normal MILCON funds, and should not be funded with BRAC MILCON funds.

Support for the Stand-Alone Heating System. The DD Form 1391 for project JREZ949512 states that, because of the sporadic and intermittent requirements of the 10th Infantry, the buildings used by the 10th Infantry that are currently on the central steam plant need to be removed from the central steam plant for more economical operation through the construction of a stand-alone system. The Air Force, however, provided insufficient support to show that stand-alone heating is the result of BRAC actions; therefore, BRAC MILCON funds should not be used.
Finding B. Adequacy of Justification for Base Realignment and Closure Project JREZ949512

Public Law. According to Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, BRAC MILCON funds are to be used only for facility renovation to accommodate the realignment. BRAC MILCON funds should be used only if the central heating plant ceased to exist. The central heating plant will still be operational after the realignment.

Realignment Plans. The Griffiss Local Development Corporation plans on taking over the central steam plant once the realignment occurs and plans on selling back steam heat to facilities that would utilize the central steam plant. Because the buildings remaining as part of the realignment will be able to continue using the central steam plant, the stand-alone heating system is not a BRAC requirement. Therefore, the DD Form 1391 for project JREZ949512 should be reduced by $1 million.

Status of Planned Construction

The 10th Infantry project, including the construction of the stand-alone heating system, is at 100-percent design. The Air Force should not award a contract that includes the stand-alone heating system because the system is not the result of BRAC actions.

We are aware that further closure or realignment of organizations and missions at Griffiss AFB is being considered in the 1995 Defense base realignment and closure process. We are making recommendations for corrective action because the new recommendations have not yet been approved by the 1995 Commission on Defense Base Closure and Realignment and could be reversed during the approval process. The recommendations for corrective action comply with the memorandum dated February 22, 1995, from the Assistant Secretary of Defense (Economic Security) on special construction controls for installations, which appear on the Secretary of Defense's list of recommendations for realignment or closure.

Recommendations, Management Comments, and Audit Response

B.1. We recommend the Deputy Assistant Secretary of the Air Force (Installations) direct the Air National Guard to:


b. Withhold awarding a contract for project JREZ949512 that includes a stand-alone heating system.
Finding B. Adequacy of Justification for Base Realignment and Closure Project

B.2. We recommend that the Under Secretary of Defense (Comptroller):

   a. Reduce the funding currently allocated for the realignment of Griffiss Air Force Base, New York, by at least $1 million for project JREZ949512 for the 10th Mountain Infantry Division.

   b. Make future adjustments to the FYs 1995 and 1996 fund allocations, as appropriate, based on the submission of a revised DD Form 1391, "FYs 1995 and 1996 Military Construction Project Data."

Air Force Comments. The Air Force agreed to withhold awarding a contract for project JREZ949512. The entire project will be deleted if the 1995 Defense Base Closure and Realignment Commission accepts the Air Force recommendation to relocate the 10th Mountain Infantry Division support function to Ft. Drum, New York.

Under Secretary of Defense (Comptroller) Comments. The Under Secretary of Defense (Comptroller) agreed to reduce the appropriated funding for project JREZ949512 by $1 million in FY 1996, revise the DD Form 1391, and reprogram the savings to support other base realignment and closure requirements.

Audit Response. The actions proposed by the Air Force and the Under Secretary of Defense (Comptroller) meet the intent of our recommendations, and no additional comments are required.
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Part II - Additional Information
Appendix A. Scope, Methodology, and Internal Management Control Program

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 BRAC MILCON project.

Overall Audit Selection Process. We reviewed the FY 1996 BRAC MILCON $1.4 billion budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least $1 million for each group.

Scope of Audit. We reviewed two construction and renovation projects, valued at $5.2 million, required for the realignment of organizations and missions at Griffiss AFB.

Audit Standards and Locations. This economy and efficiency audit was made from January through February 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 controls considered necessary. The audit did not rely on computer-processed data or statistical sampling procedures. Appendix D lists the organizations visited or contacted during the audit.
Internal Management Control Program

DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987, requires DoD organizations to have internal management control procedures in place and to periodically evaluate the adequacy of those internal controls.

Internal Controls Reviewed. The audit reviewed internal controls over validating BRAC MILCON budget requirements. Specifically, we reviewed Air Force procedures for planning, programming, budgeting, and documenting BRAC MILCON requirements applicable to projects JREZ949512 and JREZ959501.

Adequacy of Internal Controls. Internal controls over MILCON budget estimates and the adequacy of management's implementation of the DoD Internal Management Control Program are discussed in Inspector General, DoD, Report No. 94-107, "Griffiss Air Force Base, New York, Defense Base Realignment and Closure Budget Data for Military Construction At Other Sites," May 19, 1994. The report stated that the Air Force internal controls were not adequate in the areas of planning, programming, budgeting, and documenting the BRAC MILCON requirements related to the realignment projects. As a result of having identified a significant overstatement of requirements during our audit, we believe that the internal control weaknesses have not been corrected, and still exist.
Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous Inspector General, DoD, audit reports have addressed DoD BRAC issues. Selected reports are identified here.

<table>
<thead>
<tr>
<th>Report No.</th>
<th>Report Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<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 Ell 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>
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## Appendix C. 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>A.1., B.1.</td>
<td>Internal Control. Requires revised and resubmitted BRAC MILCON estimates to reflect the most cost-effective alternative and requires withholding contract awards.</td>
<td>Undeterminable.*</td>
</tr>
<tr>
<td>A.2.</td>
<td>Economy and Efficiency. Reduces the FY 1993 BRAC MILCON authorizations for overstated requirements.</td>
<td>At least $1.3 million of FY 1995 BRAC MILCON funds put to better use.</td>
</tr>
<tr>
<td>B.2.</td>
<td>Economy and Efficiency. Reduces the FY 1993 BRAC MILCON authorizations for overstated requirements.</td>
<td>At least $1 million of FY 1995 BRAC MILCON funds put to better use.</td>
</tr>
</tbody>
</table>

*Exact amount of additional benefits to be realized will be determined by future budget decisions and budget requests.*
Appendix D. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology, Washington, DC
Under Secretary of Defense (Comptroller), Washington, DC
Assistant Secretary of Defense (Economic Security), Washington, DC
  Deputy Assistant Secretary of Defense (Economic Reinvestment and Base
  Realignment and Closure), Washington, DC
Assistant Secretary of Defense (Force Management and Personnel), Washington, DC

Department of the Army

Forces Command, Fort McPherson, GA
  10th Mountain Infantry Division, Fort Drum, NY

Department of the Navy

Naval Facilities Engineering Command, Alexandria, VA
  Atlantic Division, Norfolk, VA

Department of the Air Force

Deputy Assistant Secretary of the Air Force (Installations), Washington, DC
Office of the Civil Engineer, Director of Plans and Programs, Washington, DC
Deputy Chief of Staff Plans and Operations, Washington, DC
  Air Force Operations Support Center, Base Transition Division, Washington, DC
Air Combat Command, Langley Air Force Base, VA
  416th Civil Engineer Squadron, Griffiss Air Force Base, NY
  Northeast Air Defense Sector, Griffiss Air Force Base, NY
Director, Air National Guard, Washington, DC
  Air National Guard Readiness Center, Andrews Air Force Base, MD
Air Force Base Conversion Agency, Rosslyn, VA
Appendix E. Report Distribution

Office of the Secretary of Defense
Under Secretary of Defense for Acquisition and Technology
Under Secretary of Defense (Comptroller)
Under Secretary of Defense for Personnel and Readiness
Assistant Secretary of Defense (Economic Security)
  Deputy Assistant Secretary of Defense (Economic Reinvestment and Base Realignment and Closure)
Assistant Secretary of Defense (Force Management and Personnel)
Assistant Secretary of Defense (Reserve Affairs)
Deputy Under Secretary of Defense (Acquisition Reform)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army
Auditor General, Department of the Army

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

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

Defense Organizations
Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, Central Imagery Office
Inspector General, National Security Agency
Director, Defense Logistics Studies Information Exchange
Appendix E. Report Distribution

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
General Accounting Office

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

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

Honorable Alfonse D'Amato, U.S. Senate
Honorable D. Patrick Moynihan, U.S. Senate
Honorable Sherwood Boehlert, U.S. House of Representatives
Honorable John M. McHugh, U.S. House of Representatives
Part III - Management Comments
MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: Audit of Defense Base Realignment and Closure Budget Data for Griffiss Air Force Base, New York (Project No. SCG-5017.19)

This responds to your March 10, 1995, memorandum requesting our comments on the subject report.

The audit recommends funding be reduced by $2.3 million for two projects associated with the closure and realignment of Griffiss AFB, New York, on the basis that the projected cost is overstated and include items that do not qualify for BRAC.

We agree with the audit recommendations. The funding for the two projects is included in the FY 1996 budget request. If funds for the projects are appropriated in FY 1996, we will reduce the funding allocation, revise the DD 1391 forms, and reprogram the savings to support other base realignment and closure requirements.

RONALD A. DAVIESON
DEPUTY COMPTROLLER
(PROGRAM/BUDGET)
Department of the Air Force Comments

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

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

SUBJECT: Draft Audit Report of Defense Base Realignment and Closure Budget Data
for Griffiss Air Force Base, New York (Project No. 5CG-5017.19)

This is in reply to your memorandum to the Assistant Secretary of the Air Force
(Financial Management and Comptroller) requesting Air Force Comments on the draft
report.

The first DoD (IG) recommendation is on BRAC MILCON at Griffiss AFB, NY
concerning project JREZ 959501 for construction to house the Northeast Air Defense
Sector (ANG)

DoD (IG) COMMENTS: A.1 We recommend the Deputy Assistant Secretary of the
Air Force (Installations) direct the Air National Guard to:

Project Data," to renovate Building 102 for project JREZ 959501.

   b. Withhold awarding a contract to construct a new building for project JREZ
959501.

AIR FORCE COMMENTS: Concur. The project for a new building at a programmed
amount of $1.9 Million in FY 1996 has already been placed on hold, pending action by the
1995 Base Closure Commission. Design of Building 102 renovation will be authorized in
August 1995 if the commission accepts our recommendations.

The Second DoD (IG) recommendation calls for deleting the stand-alone heating
system for project JREZ 949512, 10th Mountain Complex (ANG)

DoD (IG) COMMENTS: B.1 We recommend the Deputy Assistant Secretary of the
Air Force (Installations) direct the Air National Guard to:
a. Prepare a new DD Form 1391 "FY 1995 and 1996 Military Construction Project Data": to exclude the stand-alone heating system for project JREZ 949512.

b. Withhold awarding a contract for project JREZ 949512 that includes a stand-alone heating system.

AIR FORCE COMMENTS: Concur. The Air Force has placed the entire MILCON project "on hold" pending action by the Base Closure Commission. If the commission accepts our recommendation, to relocate the function to Ft. Drum, NY, the entire project will be deleted.

Our Point of Contact for this report is Mr. Lester R. Schauer, HQ USAF/CEC, DSN 227-6559.

[Signature]

JAY D. BLUME, JR., Major General, USAF
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