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REPORT TO THE CONGRESS

098153

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

UNITED STATES
GENERAL ACCOUNTING OFFICE

JUN 11 1976

LIBRARY SYSTEM

Improvements Needed To Prevent Unnecessary Construction Of Reserve Forces Facilities

Department of Defense

In this review, GAO points out that Reserve Forces facilities could be obtained faster and cheaper by making greater use of existing facilities and by constructing more joint use facilities.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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To the President of the Senate and the
Speaker of the House of Representatives

This report summarizes the results of our evaluation of controls by the Department of Defense to insure that facilities for its Reserve Forces are acquired at the lowest possible cost to the Government. It discusses specific instances where cheaper alternatives could have been used instead of completing or planning construction projects and suggests ways to prevent this condition.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of Defense; and the Secretaries of the Army, Navy, and Air Force.

Elmer B. Staats
Comptroller General
of the United States

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ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

IMPROVEMENTS NEEDED TO PREVENT UNNECESSARY CONSTRUCTION OF RESERVE FORCES FACILITIES
Department of Defense

D I G E S T

In fiscal year 1972 the Department of Defense informed the Congress of the Department's plans to reduce the unfunded Reserve Forces construction projects (construction backlog) to a manageable level over a 10-year period. The Congress has made over $727 million available in fiscal years 1972 through 1976 for this objective. In June 1975 the Department estimated the cost of the remaining construction backlog at over $1.6 billion.

GAO identified 50 Reserve Forces construction projects estimated to cost about $23.2 million for which less costly alternatives were available. As of June 1975 the Reserve Forces had started or completed 15 of the construction projects estimated to cost about $10.3 million. GAO discussed the remaining 35 projects with officials responsible for programing them. After these discussions the Reserve Forces canceled 5 planned construction projects estimated to cost about $2.6 million but retained in its construction programs the remaining 30 projects estimated to cost about $10.3 million. According to the Department's comments (see app. II), three additional projects were canceled because of conditions that developed after GAO's review. Because the Reserve Forces construction backlog appears to include many unnecessary projects, GAO recommends that the Secretary of Defense:

--Review all proposed projects in the Reserve Forces construction programs to determine whether the projects are the most cost-effective means of satisfying facility deficiencies for which they are planned.

--Cancel or adjust any projects which are not the most cost-effective means of satisfying specified facility deficiencies. (See p. 25.)

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GAO also is making a number of other recommendations to improve specific aspects of the Department's process to approve and fund construction projects for Reserve Forces facilities. (See p. 25.)

The Department disagreed with the need to implement GAO's recommendations and presented information in its comments disputing GAO's findings on each of the 50 projects. Briefly, the Department indicated that the alternatives were being proposed for projects either fully justified by economic and/or operational considerations, canceled during normal review procedures, or not included in construction programs. (See p. 27.)

GAO evaluated the Department's comments and found it to contain inconsistent and sometimes even inaccurate information. (See pp. 27 to 37.) For example:

--The Department said existing facilities at Oakland Army Base were found to be a non-cost effective alternative to constructing the San Pablo Reserve Center. However, a cost analysis prepared by the Army Reserves showed the use of existing facilities at the base to be cheaper than constructing the new center. (See p. 28.)

GAO's recommendations cover a series of actions that is needed to validate the construction backlog and strengthen the Department's process for reviewing and approving requests to construct Reserve Forces facilites. Such improvements should substantially decrease the possibility of unnecessary construction in the future. The Congress should therefore require the Department to implement GAO's recommendations if it does not agree to do so. (See p. 25.)

The Department's process for approving and funding Reserve Forces construction projects normally starts with a Reserve Forces unit proposing the most cost-effective means for acquiring a facility. When a construction

project is proposed for congressional authorization and funding, it is reviewed at various command levels and by the Reserve Forces Facilities Board of the State 1/ in which the facility is to be constructed. State boards were established in 1952, and since then they have been responsible for making suggestions and furnishing pertinent information to the Office of the Assistant Secretary of Defense (Installations and Logistics) about the acquisition of Reserve Forces facilities. However, they have not been fully effective in discharging these responsibilities. For years, many State boards have failed to comply with prescribed procedures for determining whether a Reserve Forces unit has programed the most cost-effective acquisition method. (See pp. 20 and 21.)

The Department recognizes that State boards have performed poorly in the past. Shortly before GAO started its review, the Department made procedural changes which, if fully implemented, should considerably improve State boards' performance. However, the Department did not include controls that would insure that State boards comply with the prescribed procedures in reviewing proposed construction projects. (See p. 23.)

The Department acknowledged that certain weaknesses still exist in State boards' reviews, but stated there were no instances where joint construction or utilization potential had been deliberately avoided or where unwarranted projects had been approved or constructed. However, this report specifically identified 15 completed or inprocess construction projects for which there were cheaper, viable alternatives. When construction was started, these projects were estimated to cost over $10 million. GAO attributes the failure to identify or select alternatives to weaknesses in State boards' reviews. (See p. 20.)

1/The Department established such a board for each of the 50 States, Puerto Rico, and the District of Columbia.

CHAPTER 1

INTRODUCTION

Since 1970 the total-force policy has been a central part of the U.S. national security strategy. Under this policy, Reserve Forces within the Department of Defense (DOD) have been assigned a greater role in our Nation's defense. Reserve Forces are the first source of Active Forces augmentation during a crisis, and actually account for about 30 percent of the total defense manpower. DOD's Reserve Forces consist of six components: the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, the Army National Guard, and the Air National Guard.

The Reserve Forces in 1970 reported a $1.2 billion backlog in facility construction when given their increased responsibilities. The DOD says this substantial backlog was generated primarily in the preceding 5 years (from 1965 to 1969) when construction of Reserve Forces facilities was curtailed because of budget constraints and because of major force reorganizations being considered.

In January 1970 the Deputy Secretary of Defense approved a 10-year program to reduce the construction backlog to a manageable level. At the Secretary of Defense's direction the 1972 military construction appropriation requests for Reserve Forces included funds to start implementing the program. From fiscal years 1972 through 1976, the Congress appropriated $727 million for military construction. However, at the end of fiscal year 1976 the Reserve Forces were still estimating their construction backlog at $1.6 billion for three general categories of facilities.

--Aviation support structures which include maintenance buildings, operations and training buildings, aerial port buildings, and runway lighting.

--Reserve Centers or armories with related equipment maintenance shops which include such things as (1) securable equipment storage space, (2) an assembly hall, (3) food preparation area, (4) a rifle range, (5) classroom space, and (6) administrative office space.

--Field training facilities which include messhalls, latrines and showers, barracks, headquarters buildings, and maintenance shops.

Because of the large amount of money involved, we tested the system for approving and funding Reserve Forces construction projects to determine whether it contained appropriate

controls to insure that facilities were being obtained in the most economical manner possible.

DOD POLICIES ON RESERVE FORCES FACILITY ACQUISITION METHODS

Reserve Forces facility acquisitions are governed by guidelines contained in DOD Directive 1225.5 In discussing the types of facilities to be provided, this directive says:

> "Those facilities will be provided which will make the greatest contribution to readiness and which are essential for proper development, training, operation, support (including troop housing and messing) and maintenance of the Reserve components to meet approved readiness and mobilization requirements for (a) units in the Reserve structure and (b) individual reservists with specific mobilization assignments."

DOD has also instructed its Reserve Forces to use the most cost-effective method in acquiring facilities and in expanding, repairing, or replacing existing facilities. DOD Directive 1225.5 lists seven methods of facility acquisition to be considered by Reserve Forces. In sequence of their cost effectiveness, these seven methods are:

1. Utilization of existing facilities which are not being fully utilized, including facilities of the other Reserve components and the active Armed Forces.

2. Utilization of real property excess to the needs of any of the military departments or other Federal agencies by transfer, use agreement, or permit.

3. Lease or donation of privately or publicly owned space which can fulfill the need or be modified at reasonable costs to meet the requirement.

4. Construction of additions to existing facilities of the Reserve components or Active Forces or on property already controlled by them, with provisions for maximum joint or common use of existing space and facilities.

5. Purchase of existing real property suitable for the purpose without uneconomical remodeling or renovation.

6. Construction of a new facility by two or more Reserve

components as a joint venture. If such construction at a single location cannot be accomplished concurrently because of an unreconcilable disparity in priorities or for other cogent reasons, provisions will be made in the design and siting of the initial structure for future expansion.

7. Unilateral construction of a new facility by a single Reserve component only in those instances when all of the methods have been carefully reviewed and found impractical or uneconomical.

THE CONSTRUCTION PROJECT APPROVAL PROCESS

An orderly process exists to program and budget for deficiencies in Reserve Forces facilities. During the process, specific construction projects are justified and approved.

The process starts annually with each Reserve Forces unit applying its stated requirements for facilities against available assets to identify facility deficiencies. Such factors as mission changes, space criteria changes, building obsolescence, and a policy of replacing leased facilities with Government-owned facilities can create a deficiency. Any identified deficiencies are analyzed by the Reserve Forces unit to determine the best specific means of correction. If the acquisition of a new facility or the expansion, repair, or replacement of existing facilities is needed, then a project is proposed and it is assigned a desired priority. The Reserve Forces unit also designates the fiscal year in which authorization should be sought for the project.

The individual Reserve Forces unit then submits the proposed projects through appropriate channels to the particular military department handling its facilities programs. From the data provided by each Reserve Forces unit, the respective military departments develop tentative short-range (3-year) and midrange (5-year) programs. The short-range program includes those projects for which authorization will be requested in the upcoming budget (or annual) year and 2 succeeding years. In contrast, the midrange program includes projects for which authorization will be requested in the upcoming budget (or annual) year and 4 succeeding fiscal years plus any residual projects representing the remainder of the Reserve Forces' 10-year construction program.

Projects appearing in the short-range program are reviewed by State Reserve Forces Facilities Boards around March of each year to determine whether the proposed project represents the most cost-effective method of fulfilling the facility requirement. Such boards exist in each of the 50

States, Puerto Rico, and the District of Columbia, and its membership consists of an active duty officer from each of the military departments plus a representative from the State's National Guard. The boards' primary mission is to make recommendations to the Assistant Secretary of Defense (Installations and Logistics) as to whether the proposed projects should be approved.

Additionally, any projects appearing in the annual year of the short-range program must be supported by two detailed budgetary documents. These documents are prepared by the project initiator, usually the Reserve Forces unit. One budgetary document contains the project's description and cost. It also includes information on other military facilities in the area, either those of Reserve or Active Duty Forces, and contains a space for the recommendation of State Reserve Forces Facilities Boards.

The other budgetary document contains detailed justification for the proposed project. On that document, the project initiator should include a statement that no other facilities exist within the area which could be used and no practical or viable alternative is available. Before making the statement, he is required to consider the feasibility of using facilities at nearby military installations and sharing other nearby Reserve Forces faciliites. He should cite the facilities considered and state the reason for rejecting them. For Air Reserve projects on active military bases, the budgetary document should contain a statement by the base commander, or his designee, that all excess facilities have been considered for potential use to fill the requirement and that suitable excess space does or does not exist.

Once completed, both budgetary documents are forwarded through the command channel for review and reevaluation. Each military department, through this process, develops a consolidated annual program and submits this to the Assistant Secretary of Defense (Installations and Logistics) by October 1. On the basis of (1) information in the budgetary documents submitted with each project in the annual programs and (2) information in minutes of meetings of State Reserve Forces Facilities Boards, the Assistant Secretary, or his designee, approves or disapproves the individual projects. The approved projects are used to support annual requests to the Congress for authorizations and appropriations to construct Reserve Forces facilities. The Congress receives justification data on the specific projects supporting each Reserve component's request but appropriates a lump-sum amount to each Reserve component. Generally no more than $100,000 may be obligated for a single project until 30 days after the Congress is notified of the location, nature, and estimated cost of the facility.

At least 3 years elapse between the facility deficiency determination and the funding of a specific project to satisfy the deficiency. Because of this timelag, one of DOD's two principal construction agents--the Naval Facilities Engineering Command--has instructed its field offices to obtain a written confirmation from the Reserve Forces before construction starts that proposed projects are current and that construction should proceed. This confirmation should be obtained within a 3-month period prior to contract advertisement. The other principal DOD construction agent--the Corps of Engineers--said that it does not have a similar requirement for written confirmation. However, it provides the respective Reserve component the opportunity to review all design and bid documents before advertising the project for bids. The Reserve Forces have the responsibility of notifying the Corps of Engineers of any circumstances which eliminate the need for the proposed project.

CHAPTER 2

CONSTRUCTION PROJECTS UNNECESSARILY PROGRAMED AND COMPLETED

Although DOD policy directives require the acquisition of facilities by the most economical manner practicable, its Reserve Forces often plan construction projects without fully exploring all alternative acquisition methods. In the construction project approval process, reviews are inadequate to determine whether a proposed construction project is the most economical facility acquisition method. As a result, the Reserve Forces have programed and completed construction projects for facility requirements that could have been satisfied by using existing military facilities or by constructing joint-use facilities.

In our review, we selected planned, started, or recently completed Reserve Forces construction projects valued at $31 million (see p. 38 for method of selecting projects). For 50 selected projects with an estimated cost of about $23.2 million (see app. I), we found:

--Existing military facilities were available for use instead of 40 construction projects estimated to cost about $16.5 million.

--Structurally sound and otherwise adequate facilities were scheduled for replacement by four construction projects estimated to cost about $1.4 million.

--Six separate facilities were scheduled for construction at an estimated cost of $5.2 million whereas construction of three joint-use facilities would have saved about $400,000.

As of June 1975, the Reserve Forces had started or completed construction of 15 of the construction projects with an estimated cost of about $10.3 million. We discussed the remaining 35 projects with officials responsible for programing them. After these discussions, action was taken to cancel 5 planned construction projects estimated to cost about $2.6 million, but the remaining 30 projects with an estimated cost of about $10.3 million were still being retained in their construction programs. According to DOD comments (see app. II), 3 of the 30 projects have been additionally canceled because of conditions that developed subsequent to our review.

EXISTING FACILITIES NOT FULLY USED

Using existing facilities to their fullest offers the most cost-effective method of fulfilling facility requirements. DOD recognizes this and makes it a priority in the sequence of methods for acquiring Reserve Forces facilities.

In the past few years, DOD has been phasing down its Active Duty Forces and consolidating activities. These actions have resulted in many military facilities becoming excess or underused, and available for possible use by the Reserve Forces. We identified a number of these facilities that were available on the same installations or at installations near where the Reserve Forces facilities were being planned. The following examples illustrate this.

1. In 1973 the 6th U.S. Army identified requirements for a 600-man Army Reserve Center, called the U.S. Army Reserve Center, Pacifica, to be constructed in fiscal year 1976. This Center was then estimated to cost about $1.7 million and was justified as necessary

   > "to provide a suitable facility for inactive duty training of *** Reserve units *** currently utilizing temporary WWII barracks not designed for Army Reserve training."

   The units initially designated for the new Center were the 6253d U.S. Army Hospital, the 107th Medical Detachment, and the 147th Medical Detachment. However, the 6th U.S. Army obtained existing facilities for these units in fiscal year 1974, and designated a different set of units as needing the new Reserve Center. The Center was identified as the Milagra project to be funded in fiscal year 1978.

   The Milagra project was to be a 300-man Reserve Center with an estimated cost of $1.2 million. The units used to justify it were components of the 4th Brigade, 91st Infantry Division that presently occupy facilities on land recently transferred to the Department of the Interior, under the Golden Gate National Recreational Area Act.

   The 6th U.S. Army had not identified any alternatives to new construction to meet the needs of the newly designated units, and the California State Reserve Forces Facilities Board had not evaluated this project at the time of our review.

After evaluating available space in the San Francisco Bay Area, however, we identified excess and under-used facilities at Hamilton Air Force Base, Oakland Army Base, or the Naval Station, Treasure Island which might be used by the newly designated units. (See pp. 9 and]0 for pictures of facilities available at two of these bases). We brought this condition to the attention of 6th U.S. Army officials who canceled the construction project for the 300-man Reserve Center.

2. The Texas Air National Guard identified requirements for a 50-man dormitory to be constructed on Kelly Air Force Base. The dormitory was estimated to cost $150,000 and was programed to aid in billeting 150 out-of-town officers and airmen during unit training assemblies as well as 15-day annual field training.

   At the time this project was planned, Kelly Air Force Base already had bachelor quarters for visiting officers and airmen to use. Reports on their use show adequate quarters being available for both Kelly Air Force Base personnel and the Texas Air National Guard during the Guard's assemblies and annual field training period at Kelly. For example, during calendar year 1973, there were from 648 to 994 spaces available daily in existing quarters at Kelly for Guard personnel to use.

   In explaining the reason for planning this project, the civil engineer for the Texas Air National Guard unit at Kelly said each year his organization was told by Kelly Air Base officials that quarters were not available, and because of this, the new facility was planned. Kelly officials said they were unaware of such statements being made to the Air National Guard.

   The Texas State Reserve Forces Facilities Board had not reviewed this project because it was included in the program as a residual project. After we brought the vacancy data to the attention of Kelly Air Force Base officials and Texas Air National Guard officials, we were told that because of the availability of dormitory spaces in existing facilities, the Air National Guard project was canceled.

3. Because of a conversion to C-130 aircraft, the Air Force Reserve programed an aerial port training facility at McClellan Air Force Base for its 940th Tactical Airlift Group. The project was initially

PHOTO BY THE DEPT. OF THE AIR FORCE

FACILITIES AVAILBLE AT HAMILTON AIR FORCE BASE, CALIFORNIA.

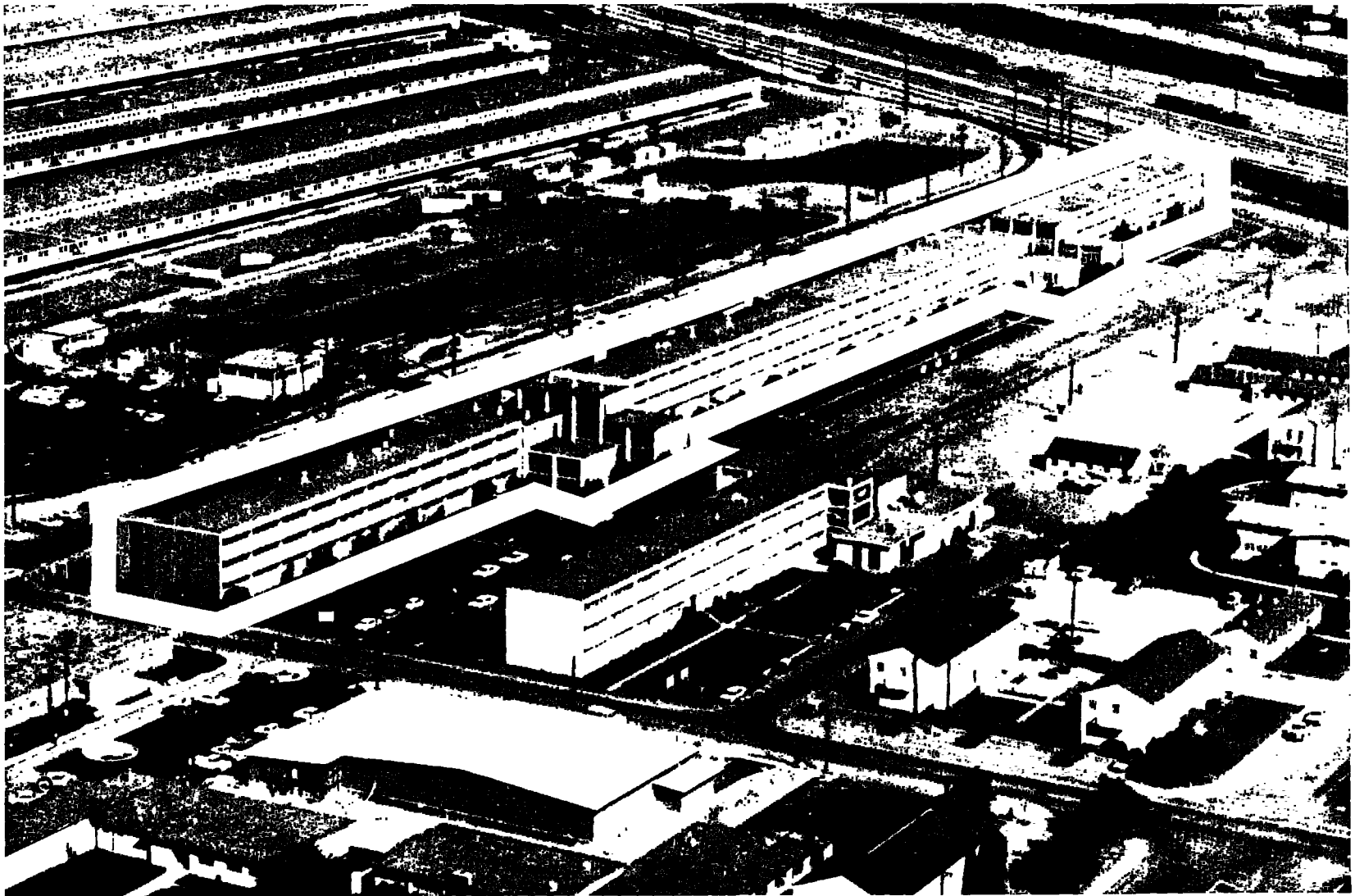

PHOTO BY THE DEPT. OF THE ARMY

FACILITIES AVAILABLE AT OAKLAND ARMY BASE, OAKLAND, CALIF.

included in the fiscal year 1975 program at a cost of $414,000 but was subsequently changed to the fiscal year 1976 program at a cost of $640,000.

Air Force Reserve officials attempted to secure use of existing facilities on McClellan Air Force Base in lieu of new construction. McClellan Air Force Base officials initially agreed to make facilities available for use by the 940th, but later advised the Air Force Reserve in writing that no existing facilities were available because of the relocation of another unit to McClellan. The justification documents did not contain the required statement by the base commander on whether suitable excess space existed and was considered. The California State Reserve Forces Facilities Board in turn approved the new construction.

By comparing authorized space against actual space in use at McClellan, we found underused space suitable for Reserve Forces facility requirements. This space was available when the State [illegible]d approved construction as the method of acquiring facilities.

When this was brought to the attention of the Commander, he made an existing facility available and the Air Force Reserve canceled its plan to construct the aerial port training facility.

4. With $714,000 of its fiscal year 1973 appropriations the Army Reserve expanded a 300-man Reserve Center at the northeast corner of Sacramento Army Depot, California, into a 600-man Reserve Center. Included in this amount was about $80,000 for a parking lot to accommodate 235 vehicles and for kitchen facilities.

As shown in the photograph on page 12, the parking lot was constructed on the east side of the Reserve Center even though the depot already had a parking lot on the west side. The depot's parking lot contains space for about 860 private vehicles and is practically empty on weekends when the Reserve Center is normally used.

The Reserve Center's kitchen and dining facilities were scheduled for relocation and expansion even though the depot had kitchen and dining facilities about 4,000 feet from the Reserve Center. Sacramento Army Depot officials said the depot's kitchen could

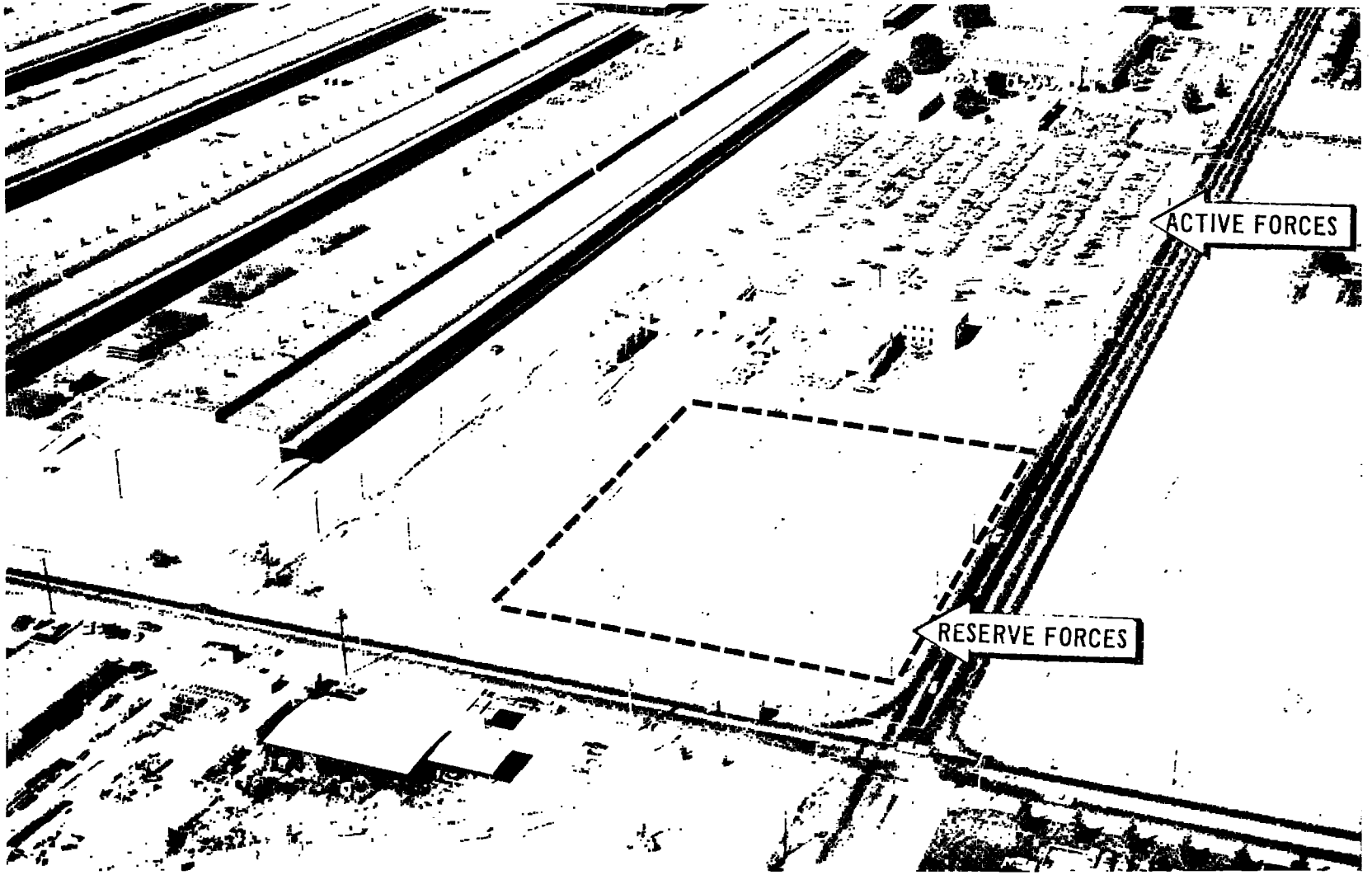

PHOTO BY DEPT. OF THE ARMY

SITE WHERE RESERVE FORCES PARKING LOT WAS CONSTRUCTED AT SACRAMENTO ARMY DEPOT, SACRAMENTO, CALIFORNIA.

have easily accommodated the Army Reserve's weekend dining requirements and provided training for Army Reserve cooks. The justification documents for this project stated that no alternatives to the construction project were available and, based on that position, the California State Reserve Forces Facilities Board recommended approval of the construction project.

Sacramento Army Depot officials said they were not contacted, and as a result, provided no assistance in developing the requirements for the Reserve Center. This project was approved before the appointment of the current members of the California State Reserve Forces Facilities Board, and the Chairman was not aware of the circumstances surrounding the approval.

5. In fiscal year 1973, the Naval and Marine Corps Reserves obtained about $2.2 million to construct a joint-use Reserve Center at San Bruno, California. The California State Reserve Forces Facilities Board had recommended approval of the project on June 26, 1970.

The Naval Reserve justified the project as being needed to replace two existing substandard Naval Reserve training centers: one located at San Mateo Junior College and the other located at Hunters Point Naval Shipyard. The Marine Corps Reserve, which was already located at San Bruno, justified its part of the project as being needed to provide adequate space to support training, recruiting, and administration of personnel and units of the Marine Corps Reserve located in substandard wood stucco buildings.

The project documents contained a statement that no other facilities were available in the San Bruno or San Mateo area, even though the Naval and Marine Corps Reserve Center at the Naval Station, Treasure Island was being used to only about 30 percent of capacity.

On December 29, 1972, a DOD Reserve Components Facilities Study Group recommended canceling the joint-use San Bruno construction project, as facilities to meet the Reserve requirements were available at the Naval Station, Treasure Island. DOD established the study group in 1972 to (1) determine the adequacy of Reserve training facilities

in ajor metropolitan areas and (2) increase the use of non-Defense Federal property by Reserve Forces. Despite the recommendation of the study group, the project had not been canceled at the time of our review. A Naval Reserve official told us the recommendation to cancel the project was known by 12th Naval District Reserve officials, but rejected because the Naval Reserve was not about to give up the project as the money would go to someone else. Another Naval Reserve official said increased travel distance for reservists was a reason for not locating the center at Treasure Island, but the Navy could provide no documentation showing potential impact on personnel due to using the Treasure Island facilities.

We compared the radial mileage distance from each current member's home to both San Bruno and Treasure Island. This comparison showed an average distance of 12.7 miles to San Bruno and 17.4 miles to Treasure Island for all of the reservists, except for about 4 percent who lived in excess of the 50-mile distance criteria for either location.

ADEQUATE FACILITIES REPLACED

Under DOD policy a facility incapable of performing its designated function is substandard and subject for replacement. The fact that an existing facility is of less than permanent construction and 15 to 20 years old or more is not in itself considered adequate justification to generate a replacement project.

We found instances where operationally adequate facilities were unnecessarily replaced or scheduled for replacement. Although justification documents stated that the occupied facilities were inadequate, examination and evaluation of this documentation showed replacement was not justified. The following examples illustrate our findings.

1. As discussed on page 13, the Naval and Marine Corps Reserves obtained about $2.2 million to construct a Reserve center at San Bruno. Included was about $751,000 for the Marine Corps Reserve's share of the cost of the new facility.

   The Marine Corps Reserve presently has a Reserve center in San Bruno consisting of two principal buildings. Although the justification for the new Center was that these buildings were substandard, they underwent major renovation in 1963 at a cost

of about $120,000. Moreover, Naval Engineering Command officials told us these buildings were structurally sound.

A Marine Corps Reserve official referred to the consolidation with the Naval Reserve in a new Center at San Bruno as "coat-tailing," and agreed that, otherwise, the Marine Corps Reserve would not have constructed a new facility at the time it did. This official said the acquisition of a new facility was not a major priority, but the cost savings resulting from joint construction permitted a deviation from the priority schedule.

The Marine Corps Reserve planned to raze buildings at its existing San Bruno center. Based on the condition of the buildings and an Army Reserve requirement for facilities in the San Bruno area, we questioned this planned course of action. Subsequently, an informal inspection of these buildings by 6th U.S. Army engineering personnel determined that with limited repair they were suitable for use as an Army Reserve Center.

2. For fiscal year 1974, the Army National Guard planned a United States Property and Fiscal Office and Warehouse for construction at the Bolling/Anacostia complex in the Washington, D.C., area. The estimated cost was $1.5 million, about $303,000 of which was attributable to the new office. Justification documents said the new property and fiscal office was needed to replace existing facilities at the D.C. National Guard Armory which were overcrowded and inadequate. Also, these documents indicated that review by the District of Columbia Reserve Forces Facilities Board was not applicable.

   After our review of the existing facilities at the D.C. National Guard Armory, we questioned the above justification. In response to our inquiry, the Director, Army National Guard said that, at the time the planning documents for the facility were submitted, there was overcrowding; but, subsequently, additional office space was acquired. He also said the existing office was divided into four different areas within the D.C. National Guard Armory and not located in proper proximity for efficient operations. In his opinion, if the property and fiscal office had adequate office facilities in the D.C. Armory, the warehouse could function separately from it at the Bolling/Anacostia Complex. However,

since the office operations were so fragmented, a new facility was programed.

DOD Directive 1225.5 requires that an economic analysis of Reserve Forces facility requirements shall be made, when considered appropriate, and shall be included as part of the resource justification. Although seemingly required by this directive, no analysis was provided by the Director, Army National Guard of how location of the property and fiscal office in four different areas of the D.C. Armory hindered its efficient operations.

Further, we determined that this project should have been reviewed by the District of Columbia Reserve Forces Facilities Board. Nonetheless, the Office of the Assistant Secretary of Defense (Installations and Logistics) approved the project and the Army National Guard used it to support its fiscal year 1974 authorization and appropriation requests without the required review by the Board.

JOINT CONSTRUCTION NOT ALWAYS CONSIDERED

Many benefits can be derived from construction of a joint-use facility when more than one Reserve component requires new facilities in the same general vicinity. These benefits include (1) savings in the initial construction cost, (2) reduction in annual costs to operate and maintain a single building, and (3) improved building security by more frequent use. Recognizing these benefits, DOD instructs the Reserve Forces to accomplish joint acquisition and/or joint use of facilities to the maximum extent practicable. For each proposed armory-type facility, it requires specific justification to support conclusions that joint facilities are not practicable.

We examined six projects which had joint construction potential. Each project was completed individually or scheduled for separate construction, and justification documents for the projects contained no indication on why separate facilities were necessary. The following discussions illustrate these conditions.

1. The military construction program for the Army Reserve contains two 400-man Reserve Centers for the Dallas metropolitan area. One project is for a Reserve Center and aviation facility to be located on about 36 acres of land made available by the Dallas Naval Air Station, which is within the city

limits of Dallas. The other project is for a Reserve Center and maintenance facilities to be located on 210 acres of excess Government property in Seagoville, Texas, which is about 4.5 miles southeast of the Dallas city limits.

On the basis of the Army's space allowance for Reserve facilities, construction of one 800-man Reserve Center would permit a reduction of about 6,800 square feet in the total floor space planned for the two 400-man Centers. Further, authorized Reserve Center supporting items would be less costly for a joint Center.

The construction of a joint Center would result in savings of about $260,000. Other advantages of a joint Reserve Center at Dallas Naval Air Station include the availability of support facilities, such as the Officers' Club, NCO Club, and the Naval Exchange, and the existence of training aids, public works, and security.

The Army Reserve's member of the Texas State Reserve Forces Facilities Board gave no specific reasons for not combining these two Centers. However, he said that distance from Seagoville to Dallas was not the determining factor.

Responding to our questions about approval of the two construction projects, the 5th U.S. Army took the position that it would not be feasible to construct one 800-man Center instead of two 400-man Centers. The response contained a discussion of several conditions considered by the 5th U.S. Army in arriving at its position. The more important ones were:

a. The Dallas Center was originally programed for construction in fiscal year 1973; however, site problems delayed the design. The Seagoville project has slipped from the fiscal year 1974 construction program to fiscal year 1976. This Center has been selected as one of four Army-wide Reserve Centers for evaluation of the feasibility of a solar heating system. Joint construction would require further delay in the Dallas project to permit merging of the two Centers and would result in increased construction cost tending to offset any savings from a combined larger Center.

b. The units scheduled to occupy the Center on the Dallas Naval Air Station are aviation oriented and fit with similar Navy and Guard units already there. On the other hand, medical and engineering units scheduled for the Seagoville Center require a sizable outdoor area for training and exercising equipment that is not available at the Dallas site. The Seagoville Center will also include an area equipment compound which stores 116 vehicles and other major items of equipment. These vehicles and equipment, in addition to heavy equipment assigned to the engineering unit, could not be stored in the Dallas Naval Air Station.

c. The Dallas-Fort Worth area needs a weekend training facility. The 210-acre site at Seagoville is well located and provides suitable terrain for such training whereas the Dallas site does not.

d. The engineering and medical units scheduled for Seagoville require a 400-man Reserve Center plus a medical wing, command and control offices and maintenance shop. The site selected for a 400-man Reserve Center at Dallas was not considered adequate to support the additional facilities required at Seagoville.

We recognize that a joint Center will create certain problems, and the Army has highlighted them. However, we do not believe these problems preclude using a joint Center and preventing the cost savings associated with it. Additionally, we disagree with the Army's specific objection to joint construction of one 800-man Reserve Center because:

--The Army Reserve obtained about 36 acres of land at the Dallas Naval Air Station on which to construct facilities and an additional 16 acres of land was available if needed.

--The Seagoville site was obtained for use as field training and would be available for this purpose whether or not a Reserve Center is constructed on the site.

--As recognized by DOD Directive 1225.5 and implemented in Army Regulation 135.6, joint construction is not precluded by differences in planned construction periods and the Dallas

Reserve Center could be designed and sited so that it could be expanded at a later date to accommodate units for which the Seagoville Reserve Center was being planned.

2. The Air Force Reserve spent about $673,000 of its fiscal year 1972 appropriations to construct two buildings for Air Force Reserve flying units at Travis Air Force Base, California. One was an operational mission training facility, and the other was a military and professional training facility. These two buildings are located about 400 feet from each other and contain similar functional areas, such as briefing areas, airmen's and officers' toilets and locker rooms, and utility rooms.

   The California State Reserve Forces Facilities Board did not review either of these projects because construction projects for flying units were not being referred to it at that time. This was consistent with an Air Force regulation which exempted projects for flying units of the Reserve components from submission to State boards. However, DOD Directive 5126.24[1] dated August 1, 1973, now requires all Reserve projects to be submitted to State boards.

   By reviewing the records related to the two projects, we established that no study of the potential savings through joint construction was made. Engineering officials said joint construction would have permitted a savings of about $23,000 in construction costs.

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[1]This is DOD's directive stating the duties and responsibilities of the State boards.

CHAPTER 3

WEAKNESSES IN THE CONSTRUCTION APPROVAL PROCESS

The initiating Reserve unit has the responsibility for selecting the most cost-effective method of acquiring its facilities. The State Reserve Forces Facilities Boards are responsible for reviewing each proposed project to see whether, in fact, the most cost-effective facility acquisition method is being employed. On the basis of these reviews, the boards recommend to DOD whether a construction project should be approved. On the basis of their recommendations and information submitted in support of them, DOD approves or disapproves proposed projects. Thus, State boards have a key role in DOD's approval of construction projects for the Reserve Forces.

In examining the activities of three State boards, we found that project reviews were not being made in accordance with established procedures and that the boards did not have the necessary data for an independent review. The DOD internal audit group--the Office of the Secretary of Defense, Deputy Comptroller for Audit Operations--also found similar weaknesses in a review of the activities of 17 State boards.

DOD internal auditors also reported the absence of effective monitoring of State boards to insure compliance with stated policies and procedures. As a result of findings of its internal auditors, DOD made procedural changes for State boards to follow in reviewing proposed construction projects.

STATE BOARDS ASSIGNED KEY ROLE IN APPROVAL PROCESS

The Office of the Assistant Secretary of Defense (Installations and Logistics) is responsible for approving construction projects proposed by Reserve Forces. State boards were established in 1952 to assist the Office in carrying out its responsibility. Since then, an essential function of the boards has been to furnish recommendations on proposed construction projects and to provide pertinent data supporting their recommendations.

State boards should review proposed construction projects to determine whether the most cost-effective methods are being used to satisfy specified facility deficiencies. The boards are responsible for acquiring the records necessary to make their independent reviews. DOD instructs State boards to consider in their reviews

--contribution to improved readiness,

--joint construction and/or joint-use potential, and

--possible use of available space in any existing nearby Reserve or Active Forces facilities as may be practicable.

Under existing DOD procedures, State boards initially review proposed construction projects when they are included in the budget cycle for appropriation requests. This approach results in a project being reviewed initially by State boards about 28 months before the beginning of the fiscal year in which congressional authorizations will be sought. The proposed projects are reviewed annually thereafter until they are approved for construction.

In connection with approval of annual budget requests, the Reserve Forces proposed construction projects are subjected to review by various command levels as well as the Reserve Forces Facilities Board of the State in which the facility is to be constructed. Each command level, however, relies on State boards to insure that the Reserve Forces are complying with DOD policies when programing construction projects.

NEED FOR BETTER STATE BOARD REVIEWS

State boards we visited generally did not review proposed construction projects to determine whether a more cost-effective alternative was available, such as acquiring excess or underused military facilities or building a joint-use facility. Moreover, they did not have the necessary information to establish whether these alternatives existed. For example, they did not have a current inventory of facilities in their States which were controlled by the military departments and only had limited information about Reserve Forces installations. When a requesting activity indicated that no alternatives existed, State boards generally recommended approval of a project.

The Texas State Reserve Forces Facilities Board said decisions and recommendations relative to individual construction projects were based on the information in the documents submitted for its review. It assumed alternatives to construction were considered by the Reserve unit.

The California State Reserve Forces Facilities Board stated it would only informally contact engineering officials on military installations as to the availability of alternatives to construction.

The Office of the Assistant Secretary of Defense's Deputy Comptroller for Audit Operations issued an audit report in February 1973 on its review of 17 State boards. In summary, the report said:

> "Meetings of State Boards were not always held as required, planned projects were not always referred to the Boards for review, and Board members did not have all the necessary data to perform their mission effectively. For example, none of the State Boards visited had an inventory of all owned and leased facilities within the State, and most did not have the current and long-range plans for the Reserve components."

The Deputy Comptroller concluded in his February report that the performance of State boards must improve if DOD is to achieve the optimum of its objective of joint construction and joint-use of Reserve Forces facilities. He also said:

> "We considered alternatives to the State Board system such as assigning board review responsibility to an OSD office or assigning one Military Department or Reserve component as executive agent to perform the function. However, we believe joint construction or joint use decisions require specific knowledge regarding actual facilities and units that can best be determined at the field level. Therefore, we concluded that the State Board system as described in DOD Directive 5126.24 appears to be most practical."

The Deputy Comptroller also noted that the Office of the Assistant Secretary of Defense (Installations and Logistics) has policy responsibility over State boards, but that there had been little or no effective monitoring by that office to evaluate the performance of State boards. He made no specific recommendations, however, because DOD was revising its directive containing State boards' duties and responsibilities.

We noted that budgetary documents were generally being submitted to State boards with statements indicating no alternatives to the proposed project were available, but the documents gave no indication of the facilities actually considered, if any, and the reasons for rejecting them. Without such information, State boards' reviews are being made more complicated and time consuming than they should be. Furthermore, it would be very difficult for State boards to review any projects in midrange programs for alternatives

since they only receive a listing of proposed projects and no documentation on any alternatives considered and rejected.

DOD'S ACTIONS TO IMPROVE STATE BOARDS

In August 1973 DOD reissued its directive containing policies and procedures for State boards to follow in carrying out their assigned duties and responsibilities. The directive contains the following new procedures which, in our opinion, would improve the performance of State boards if they follow them.

--Acquire inventories of all facilities and installations of the Active Forces in the State.

--Obtain current short-range (3-year) facility acquisition plans or programs for each Reserve component in the State along with a list of remaining requirements in the current midrange (5-year) plan.

--Develop information on each project's contribution to improved readiness and cite this information along with recommendations on the proposed project.

--Itemize in minutes of board meetings all projects considered, give rationale for recommendations on each itemized project, and certify that each itemized project was reviewed for compliance with DOD policy.

This directive was issued shortly before our review started and we could not assess its effect on the performance of State boards. However, in the past, the basic deficiency in State boards' operations has been the failure to comply with procedures. In this regard, a DOD official said that the Office of the Assistant Secretary of Defense (Installations and Logistics) receives copies of the minutes of every State board meeting and reviews them to see if they contain the required information and certifications. This apparently is the extent to which DOD monitors State boards. However, because State boards are so important in the development of the Reserve Forces facilities program, we believe there is a need for DOD to exercise sufficient additional direction and control over State boards to insure that they are making reviews in accordance with procedures.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

In general, DOD appears to have a reasonable policy on the construction of facilities for its Reserve Forces. This policy allows facility construction only if cheaper methods of acquisition, such as the use of existing military facilities, are fully explored and found to be impractical. The policy also requires construction of joint-use facilities whenever possible to satisfy the deficiencies of two or more Reserve components. The Reserve Forces should follow this policy but they have not. We believe that this problem will always be present to some degree because of parochial interests of Reserve activities and because of Reserve activities not always being familiar with all facilities available for their use. Thus, improvements are needed in DOD's process for approving projects proposed by Reserve Forces to keep construction from being unnecessarily programed and completed.

DOD's approval process must rely primarily on information developed by State boards as a basis for deciding whether to approve construction projects proposed by Reserve Forces. The boards provide DOD with a field activity which can develop knowledge about Reserve Forces facility needs in a given State as well as existing military facilities that could be used to satisfy such needs. To fulfill their responsibilities, State boards must have knowledge of existing facilities and their current and future planned use and must make critical evaluations of proposed projects in light of this information.

We found that State boards were not complying fully with DOD's procedures for reviewing construction projects. This deficiency has allowed the Reserve Forces activities we reviewed to include in their military construction programs many construction projects for facility requirements that could be satisfied by more cost-effective methods such as using existing facilities or building joint-use facilities. Some of these construction projects were still being retained in the programs at the completion of our review. Moreover, DOD's internal auditors' review of 17 State boards suggests that similar conditions may exist on projects proposed by many other Reserve Forces activities.

The timing of State boards' reviews also contributes to retaining projects in Reserve Forces construction programs for facility requirements that could be satisfied with excess or underused facilities. Under programing procedures, the

construction programs contain proposed projects for which the Reserve Forces were planning to seek authorizations over a 120-month period. State boards initially review such projects about 28 months before the beginning of the fiscal year in which project authorizations will be sought. Thus, some projects may not be reviewed by State boards until 92 months after they are proposed by Reserve Forces. This time-lag can allow military facilities to remain vacant or underused for extended periods before being acquired by Reserve Forces. Moreover, during such a lengthy period, DOD could relinquish ownership of, or actually destroy, facilities for which Reserve Forces have a requirement.

We believe State boards should start reviewing construction projects when they are initially proposed by the Reserve Forces rather than waiting until the projects are included in the budgetary cycle for appropriation requests. The proposed projects should then be reviewed annually until they are funded for construction or the facility deficiency is satisfied by other means. The reviews should include an independent verification of the project initiator's positions that no alternatives to the projects are available.

As a starting point for their reviews, State boards need to know the alternatives considered by the initiators for each project and the reason for rejecting them. Such information should be documented and submitted to State boards at the time projects are initially proposed, and to insure that all possible facilities are considered, the project documentation should include a certification that existing facilities could not be used instead of the proposed projects. The certifications should be confirmed annually or until alternative means are used to satisfy facility requirements on which the projects were based.

Because of the importance of reviews by State boards, it is essential for DOD to establish a monitoring system to insure their reviews are being made using complete, current and accurate data. This could be done by having DOD's internal auditors make cyclical reviews of the activities of selected State boards.

RECOMMENDATIONS

The Secretary of Defense should:

--Require a review of all proposed projects in the Reserve Forces construction programs to determine whether they are the most cost-effective means of satisfying facility deficiencies for which they are planned.

--Cancel or adjust any projects which are not the most cost-effective means of satisfying specified facility deficiencies.

--Have State boards review construction projects when they are initially proposed and annually thereafter until funded for construction or the need for the facility is satisfied by alternative means.

--Require project initiators to first provide State boards with documentation on alternatives considered and reasons for rejecting them. This would include certification that existing facilities could not be used to fill the requirements instead of new construction and reconfirm such certifications annually until the projects have been funded for construction or alternative means are used to satisfy facility requirements on which the projects were based.

--Emphasize the need for State boards to independently review proposed construction projects by Reserve Forces and encourage them to follow prescribed procedures in doing so.

--Require DOD internal auditors to make cyclical reviews of State boards' performance.

CHAPTER 5

EVALUATION OF AGENCY COMMENTS AND MATTERS FOR CONSIDERATION BY THE CONGRESS

In its comments (see app. II), DOD implied that our report does not recognize all planning factors considered by command officials in decisions on alternatives to construction projects proposed by Reserve Forces. It also contended that, if all factors were considered, our report would contain little or no evidence of unwarranted construction resulting from weaknesses in State boards' reviews of construction projects proposed by Reserve Forces activities. DOD also disagreed with our suggestion for several improvements needed to prevent unnecessary construction of Reserve Forces facilities in the future.

Our report recognizes all pertinent factors considered at command and higher headquarters on alternative decisions to the specific construction projects mentioned in the report. It also identifies cheaper viable alternatives for 15 construction projects that were either unnecessarily completed or started as a result of weaknesses in State boards' reviews of the projects. As the estimated cost of the 15 projects was over $10 million, we believe this is ample demonstration of adverse effect to warrant the improvements that we suggested.

On the other hand, DOD's comments include inconsistent and sometimes even inaccurate information in taking exception to our findings, conclusions, and suggested improvements. Between June and November 1975, we discussed the comments with DOD officials on several occasions and pointed out instances where inconsistent or inaccurate information was included. However, DOD would not adjust its comments to remove all such information.

DOD'S OPPOSITION TO FINDINGS ON SPECIFIC PROJECTS

DOD's comments are extremely lengthy and contain a massive amount of information in an attempt to refute our findings on the 50 projects listed in the report. In summary, DOD maintained that the alternatives we proposed were for projects either (1) fully justified on the basis of economic and/or operational considerations, (2) canceled during normal review procedures, or (3) not included in construction programs. DOD also contended that it would have been uneconomical for the Air National Guard to operate Hamilton Air Force Base after the Air Force discontinued its operations there. As discussed below, these positions

are not supported by information in records related to the projects, and in some cases, DOD officials later provided data that would indicate erroneous information was included.

Alternatives for projects justified by economic and/or operational considerations

DOD concluded that 17 projects[1] addressed in our report were fully justified and that the alternatives we listed for these projects were rejected at command or higher headquarters because of either economic and/or operational considerations. At the time of DOD's comments, 15 of the projects were either completed or already started and the remaining 2 projects were supporting authorization and appropriation requests for fiscal years 1975 and 1976.

Subsequent to the receipt of DOD's comments in June 1975, we asked DOD officials to provide us with copies of studies, letters, memorandums, or any other documents supporting DOD's position that it had considered alternatives we had listed for the 17 projects. In the event such records were not available, we asked for answers to specific questions relating to the basis for DOD's position on each project.

DOD officials offered us no records that would justify the 17 projects based on either economic and/or operational considerations, but did provide us with written answers to our questions on each project. On the basis of this we established that DOD's position on all these projects was supported by inconsistent or inaccurate information. For instance DOD said:

--The use of facilities at Hamilton Air Force Base was considered and rejected as an alternative to constructing the Army National Guard's aviation support facilities at Mather Air Force Base because of the distance and uncertain future of the installation. But in answers to questions related to this project, DOD officials said that the only facilities considered as alternatives to the project were located at Mather and McClellan Air Force Bases.

--The use of facilities at Oakland Army Base was determined to be a non-cost-effective alternative to constructing the San Pablo Reserve Center but a cost analysis prepared by the Army Reserve shows the modification of existing facilities at Oakland Army Base to be cheaper than constructing the Center.

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[1]See app. III for identification of the projects.

--That Naval engineers had reviewed the Marine Corps Reserve Center at San Bruno and confirmed it to be substandard. However, in answer to questions, DOD officials acknowledged that the engineers had not reviewed the Center but simply agreed with the Marine Corps that the Center was substandard because of its age. Subsequent to this decision, a Naval engineer did inspect the Center at our request and found both of its principal buildings to be structurally sound.

--The use of excess space in the Treasure Island Reserve Center to accommodate Naval and Marine Corps reservists from San Bruno, San Mateo and Hunters Point was an unacceptable alternative to constructing the Naval and Marine Corps Reserve Center at San Bruno. The rationale for this position was that "it was estimated (based on past experience in urban areas) that the 280 San Mateo reservists would drop out if required to make the weekly drive through traffic to Treasure Island." In responding to our questions on the estimate, DOD officials said the projected losses were based on judgments of Naval Reserve personnel, and to support the cited range of potential losses, these officials offered statistical data developed on relocation of Centers in two other metropolitan areas. However, DOD officials offered no explanation of how drill losses at these Centers would provide a valid basis for projecting drill losses from use of the Treasure Island Reserve Center.

The construction of the Naval and Marine Corps Reserve Center at San Bruno is an example of a major project being approved and completed when there was a cheaper and viable alternative available. With only minor modifications, the Treasure Island Reserve Center could have accommodated the reservists for which the San Bruno Center was constructed. Further, the average travel distance for reservists would have increased from 12.7 to 17.4 miles, or less than 5 miles, by using the Treasure Island Reserve Center. It would seem that this increased total travel distance would not approach the maximum distance a Reserve member can be expected to travel involuntarily between residence and training site. As specified in DOD Directive 1215.13, the distance should not exceed 50 miles or that which can be traveled within a period of one and one-half hours.

Records provided by DOD officials indicated that an economic analysis was made on only 1 of the 17 projects being justified in DOD's comments on the basis of economic and/or operational considerations. DOD policy required an economic analysis on all these projects to establish whether

they were the most cost-effective method of acquiring facilities. In the absence of such studies, DOD is attempting to justify 13 of the projects on the basis of operational considerations such as increased efficiency in recruiting and retaining reservists. Concerning such nonmonetary savings, an Army regulation points out:

> "Intangible (nonmonetary) savings carry little weight with the Office of the Secretary of Defense, the Office of Management and Budget and the Congress; therefore, they should not be over emphasized or used as the sole justification for a project."

Alternatives for projects canceled during normal review procedures

DOD acknowledged the cancellation of only seven projects[1] used in our report for which alternatives were identified during the time frame of our review. It did not acknowledge the cancellation of the Air National Guard's project for a 50-man dormitory at Kelly Air Force Base for which we identified an alternative. Instead, the comments said the project has only been identified for future consideration, and in no instance does this mean the project will be included in the annual construction program.

DOD implied that the seven projects were canceled after alternatives to the projects were identified during normal review procedures. Actually, cancellation action was specifically initiated on four of the seven construction projects, including the projects for Milagra and McClellan discussed on pages 7 and 8 respectively, after we identified existing facilities that could be used instead of completing the construction projects. The remaining three projects were removed from the construction program under the following conditions.

--The Oakland Reserve Center was funded even though the use of facilities on Oakland Army Base was a cheaper alternative to constructing the Center. A decision was made to use the existing facilities only after the Reserves could not obtain land on which the Center could be constructed.

--The San Leandro Armory was dropped from the construction program after a reorganization within the California Army National Guard offered the possibility of locating

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[1]See app. III for identification of the projects.

the units in State-owned facilities. Although DOD officials said no new facilities will be required to house any units which were proposed for the San Leandro project, a decision has since been made to expand another construction project to handle these units.

--The San Francisco Armory was similarly dropped from the construction program because of the pending reorganization within the California Army National Guard. Although DOD officials also said no new facilities will be required to house these units, at the end of our review a decision had not been made on how facilities would be acquired to accommodate the units for which the San Francisco Armory was planned.

Alternatives for unprogramed facility deficiencies

DOD said the remaining 26 projects listed in our report[1] were included in facility requirements lists--which were defined by a DOD official as facility deficiencies (see p. 3) -- of the local Reserve activities proposing the projects. The comments contended, however, that the projects were never included in the military construction programs of the Reserve Forces.

As all the projects we reviewed were selected from construction programs of the Reserve Forces, DOD officials were asked to provide us with records to support DOD's position on these specific 26 projects. These officials subsequently responded with records and information showing conclusively that all of these 26 projects were included in the long-range construction programs, now called midrange programs, of the Reserve Forces.

However, it is immaterial whether the 26 projects were included in the construction programs for Reserve Forces. All of these projects were planned because of facility deficiencies that have been known for years. Excess, underutilized or sound and otherwise adequate facilities were available that could have been used to satisfy the facility deficiencies for which all the projects were planned. However, such facilities were not acquired when they became available. As a result, action was started to dispose of

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[1]See app. III for identification of the projects.

facilities at Hamilton Air Force Base which could have been used in lieu of 22 of these 26 construction projects. We believe this condition demonstrates the need for the improvements we are suggesting in DOD's approval process.

Economics of Reserves operating Hamilton Air Force Base

Our report lists facilities at Hamilton Air Force Base as alternatives for 22 construction projects programed for Air National Guard units located at Hayward National Guard Base. Besides contending that these projects were not included in the construction program, DOD also said that the use of facilities at Hamilton became an uneconomical alternative after the Air Force decided to close the base.

Its rationale was that the Air National Guard would have had to assume the large expense of operating the base as the host organization. This rationale does not consider the possiblity of other Government activities sharing in the cost of operating the base, including the following activities that had expressed an interest in being located at Hamilton permanently.

--The 6th Army's aviation units already located at Hamilton.

--The Air Force Reserve's 904th Tactical Airlift Group also already located at Hamilton.

--The U.S. Coast Guard's Air Search and Rescue Unit located at the San Francisco International Airport.

All the above activities were flying units and sufficient flight line space and facilities existed at Hamilton to accommodate them. Some modifications probably would have been necessary to make the facilities fit the specific needs of the units, but the cost to do this would be small compared to construction of new facilities for the activities.

We did not attempt to determine whether the operating cost for the above-listed units would have been more or less at Hamilton than at other locations. However, it would seem that it would be less since each of the activities could have shared in the use of common functions such as fire, crash and rescue services; tower operations and communications; petroleum, oil and lubricant service; and supply operations.

DOD did not offer any studies showing that it would have been uneconomical to allow its Reserve Forces to operate

at Hamilton along with other Government activities. Without such a study, it is extremely doubtful that DOD can justify not making Hamilton available for use by the Reserves because this base was considered to be a prime location for Reserve flying units in terms of facilities, flying operations, and accessibility to a large number of potential reservists.

DOD'S DISAGREEMENT WITH CONCLUSIONS ON ADVERSE EFFECT

DOD acknowledged that some State boards have not always followed procedures in their reviews to establish whether construction projects proposed by Reserve units were the most cost-effective means of satisfying facility deficiencies. DOD concluded in various ways, however, that there have been no instances where this weakness resulted in projects being unnecessarily approved or constructed. Further, DOD concluded that the approval process has adequate controls to prevent this and said that

> "* * * there are two added conditions which preclude unmerited programming or unnecessary construction. These are (1) the very limited size of the respective annual Guard and Reserve facilities programs which collectively have averaged no more than ten percent of the total facilities requirements over the past fifteen years, and (2) the impact of new Total Force missions requiring early construction or other acquisition of high priority facilities to support essential readiness training as well as vital maintenance of complex, modern aircraft, vehicles, and equipment."

As mentioned earlier in this report, the responsibility for reviewing projects for alternatives rests with State boards. We found no evidence of any other review activity consistently discovering alternatives that were not identified by State boards, and DOD's comments contain no factual information demonstrating this was being done.

Also the two conditions that DOD described would in no way provide any means of control to prevent construction projects from being unnecessarily approved and completed. The first condition merely represents the results of a DOD programing decision to liquidate the Reserves construction backlog over a 10-year period. Further, our review showed the construction backlog to be overstated, a condition leading to annual programs which encourage unnecessary construction.

The second condition is probably considered in determining which facility deficiencies will be satisfied first, but as illustrated in our report, funds have not always been spent wisely in satisfying these deficiencies by the most economical method practicable.

DOD'S OBJECTIONS TO IMPLEMENTING IMPROVEMENTS

In our report, we proposed six specific interrelated actions to effect improvements that we believe are essential to prevent unnecessary construction of Reserve Force facilities in the future. DOD disagreed with the need to implement four of the more important proposals contending that they were either a duplication of procedures already in existence or an unjustified undertaking. These four proposals and DOD's objections are discussed below.

Review of projects already included in construction programs

As the first step to effect improvements, we suggested a review of all projects already in the Reserve Forces construction programs to determine whether the projects represent the most cost-effective method practicable of acquiring facilities for the specified deficiency. DOD indicated that it did not understand this suggested improvement, saying that under its policy all projects in the short-range and midrange programs[1] were reviewed periodically at various levels to establish or reconfirm decisions regarding the most cost-effective method of acquisition.

It is not apparent why DOD said all projects in the short-range and midrange programs were being reviewed when, in its comments, DOD also acknowleged that the projects in such programs were not being adequately reviewed. (See app. II, p. 50.) Further, DOD indicated in its comments that one of its directives was being revised to require State boards to review all projects in the short-range and midrange construction programs of the Reserve Forces.

At the time of our review State boards were generally only reviewing projects which were submitted to support

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[1] Short-range programs is a 3-year program listing, in relation to the current appropriation year, projects to be funded in the budget year, and each of the 2 succeeding years. The midyear range program is a 5-year program listing projects to be funded in the budget year and each of the succeeding 4 years, plus any residual projects.

annual authorization and appropriation requests. Under this approach, the projects being reviewed for cheaper viable alternatives represented only a small portion of the total construction backlog for Reserve Forces. For example, the construction backlog was estimated to be $1.8 billion for fiscal year 1976, and under procedures in effect during our review, projects accounting for about $205 million of the backlog would be reviewed for alternatives.

We believe that all projects already in the construction programs of Reserve Forces, including residual projects, should be reviewed to determine whether they represent the cheapest viable alternative available for the specified deficiency. Such a review would permit identification of any excess or underused facilities that could be used immediately by the Reserve Forces, and equally important, it would be the first step in validating the Reserve Forces construction backlog which has been emphasized in annual requests for congressional authorizations and appropriations for Reserve Forces facilities.

Cancellation or adjustment of projects not cost effective

As the second step, we suggested canceling or adjusting any projects which were found not to represent the most cost-effective method practicable of satisfying Reserve facility deficiencies. DOD said this proposal was redundant in view of its existing policies and practices which, according to its comments, are providing for cancellation and adjustment of projects as necessary.

Our proposal is neither a superfluous suggestion nor a suggested course of action exceeding that necessary for proper management as suggested by DOD's comments. In past years, Reserve Forces have been able to include many construction projects in their construction programs that do not represent the cheapest method of acquiring facilities. Such projects were included in the total value of the construction backlog which has been DOD's basis for requesting annual authorizations and appropriations for Reserve Forces facilities. Such projects will continue to be included in the construction backlog unless they are canceled or adjusted. Therefore, our proposal is a required course of action to develop a valid construction backlog for Reserve Forces facilities for use by management. Without such a backlog, management has no sound basis for decisions on authorization and appropriation requests for Reserve facilities, and likewise, the Congress has no basis to decide whether the requests are reasonable.

Review of projects when initially proposed

DOD disagreed with our proposal to have State boards review construction projects when they are initially proposed and annually thereafter until funded for construction or alternative means are used to satisfy the deficiencies for which the projects are planned. The comments contained two reasons why DOD believed the proposal was unwarranted. First, DOD said (see app. II, p. 52) that, under DOD Directive 5126.24, the boards are required to review and submit recommendations on each proposed project in the short-range and midrange construction programs of Reserve Forces. This is contrary to another statement in the comments (p. 50) that DOD recognizes its directive did not require such reviews. In the latter statement DOD said that a proposed revision to the directive will require the boards to review each project in the short-range and midrange programs.

The other reason given was that the review of residual projects in midrange programs would be an unjustified undertaking "because of the uncertainty created by frequent reorganizations, new missions, base closure actions, etc., which result in constant changes in facility requirements." As these factors would also have an impact on construction projects in short-range and midrange programs, DOD's position apparently assumes that residual projects are not required until at least 5 years after they are initially proposed. However, many of these residual projects are not scheduled for completion sooner because of funding limitations even though they are planned for facility deficiencies that exist now. For example, the project for the 50-man dormitory at Kelly Air Force Base was included in the construction program as a residual project even though the Reserves were contracting for space to house the reservists for which the project was planned.

In its comments, DOD recognized that, if no appreciable modification costs were required on existing facilities, it would be desirable to obtain them to satisfy facility deficiencies for which residual projects were planned. DOD also acknowledged that reviews of residual projects by State boards could be productive in insuring that such facilities were acquired.

It is apparent that DOD disagrees with our recommendation although it is taking actions or concurring in actions which are consistent with our recommendation.

Internal reviews of State boards' performance

DOD did not object to our proposal for its internal auditors to make cyclical reviews of State boards' performance. However, DOD did say that such reviews would be an unnecessary undertaking because it would be in a position to more closely monitor and improve the boards' performance when new DOD guidance to the boards produces more accurate and complete data.

DOD's comments do not identify the activity that will monitor State boards' performances or explain how the performances will be monitored and improved. As we understand it, one individual within the Office of the Assistant Secretary of Defense (Installations and Logistics) performs the monitoring functions. His monitoring is principally limited to a review of information in minutes of State board meetings and, when necessary, to call State boards for clarification of information or positions. In our opinion DOD cannot monitor, let alone improve, the performance of State boards with such a limited amount of resources and efforts.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Since 1972 DOD has cited the size of the construction backlog of Reserve Forces to support its annual authorization and appropriation requests for the construction of such facilities. However, we found strong indications that this construction backlog is substantially overstated and that Reserve Forces facilities are being unnecessarily programed and completed.

We brought these conditions to DOD's attention and suggested a series of actions that is needed to validate the backlog and strengthen the DOD process for reviewing and approving the construction of facilities. Such improvements should substantially decrease the possibility of unnecessary construction in the future. The Congress should therefore require the Department to implement GAO's recommendations if it does not agree to do so. (See p. 25.)

CHAPTER 6

SCOPE OF REVIEW

We made this review at the Office of the Assistant Secretary of Defense (Installations and Logistics), at the various Active Force and Reserve component headquarters, and at the National Guard Bureau. We selected Reserve Forces units in California, Maryland, Texas, and the District of Columbia to provide geographic balance and to include geographic areas in which numerous Reserve Forces construction projects were planned in the vicinity of active military installations. Projects were selected from the Reserve component's annual, short-, and midrange programs prepared since fiscal year 1972.

Our review focused on the adequacy of controls to insure that Reserve Forces are acquiring their facilities by the most cost-effective method available to them. Accordingly, our work included an assessment on the possibilities of existing military facilities being used to satisfy Reserve Forces facility deficiencies rather than the planned or completed construction projects we selected for review. In making this assessment, we considered factors that would have a bearing on the suitability of existing facilities for use by Reserve Forces such as

--location in relation to residence of Reserve personnel who would be using it,

--compatibility of missions when more than one Reserve unit would be assigned to a facility or installation,

--cost to modify or configure a building to meet mission requirement, and

--impact on manpower and recruiting potential.

We reviewed (1) management data and studies on the Reserve Forces Military Construction Program, (2) files on completed, underway, and planned construction, and (3) utilization and disposal data on existing Active Force and Reserve Forces facilities. We discussed actual and planned construction with DOD officials and Active Force and Reserve component personnel at the various headquarters and installations visited.

The report does not address the Coast Guard Reserve which is under the Department of Transportation.

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LISTING OF CONSTRUCTION PROJECTS FOR WHICH GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects for Which Vacant or Underused Military Facilities Could be Substituted

Facility requirement	Facility location	Estimated cost (000 omitted)	Vacant or underused facility available at (note a)
Army Reserve:			
(1) Reserve Center	Camp Parks, Calif.	$ 599	Camp Parks or Oakland Army Base, Calif.
(2) Parking & kitchen facilities	Sacramento Army Depot, Calif.	80	Sacramento Army Depot, Calif.
(3) Reserve Center	Oakland, Calif.	1,435	Oakland Army Base, Calif.
(4) Reserve Center	San Pablo, Calif.	520	Oakland Army Base or Hamilton Air Force Base, Calif.
(5) Reserve Center	Santa Rosa, Calif.	786	Hamilton Air Force Base, Calif.
(6) Reserve Center	Milagra, Calif.	[b]1,200	Hamilton Air Force Base, Naval Station Treasure Island or Oakland Army Base, Calif.
Army National Guard:			
(7) Aviation support facility	Mather Air Force Base, Calif.	713	McClellan Air Force Base or Hamilton Air Force Base, Calif.
(8) Armory	San Francisco, Calif.	647	Naval Station, Treasure Island, Calif.

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APPENDIX I

LISTING OF CONSTRUCTION PROJECTS FOR WHICH GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects for Which Vacant or Underused Military Facilities Could be Substituted

Facility requirement	Facility location	Estimated cost (000 omitted)	Vacant or underused facility available at (note a)
Army National Guard:			
(9) Armory	San Leandro, Calif.	$ 600	Oakland Army Base or Hayward Air National Guard Base, Calif.
(10) Armory	Hayward, Calif.	667	Oakland Army Base or Hayward Air National Guard Base, Calif.
(11) Aviation facilities	Martindale National Guard Base, Tex.	592	Randolph Air Force Base, Tex.
Air Force Reserve:			
(12) Aerial port facility	McClellan Air Force Base, Calif.	[b]640	McClellan Air Force Base, Calif.
(13) Engineering facility	Travis Air Force Base, Calif.	[b]250	Travis Air Force Base, Calif.
(14) Aerial port training building	Kelly Air Force Base, Tex.	403	Kelly Air Force Base, Tex.
Air National Guard:			
(15) Warehouse supply equipment facility	Hayward ANG Base, Calif.	221	Hamilton Air Force Base, Calif.

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APPENDIX I

LISTING OF CONSTRUCTION PROJECTS FOR WHICH

GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects for Which Vacant or Underused Military Facilities Could be Substituted

Facility requirement	Facility location	Estimated cost (000 omitted)	Vacant or underused facility available at (note a)
Air National Guard:			
(16) Flight simulator training facility	Hayward ANG Base, Calif.	$ 185	Hamilton Air Force Base, Calif.
(17) Runway	Hayward ANG Base, Calif.	95	Hamilton Air Force Base, Calif.
(18) Corrosion control facility	Hayward ANG Base, Calif	90	Hamilton Air Force Base, Calif.
(19) Warmup holding pad	Hayward ANG Base, Calif.	138	Hamilton Air Force Base, Calif.
(20) Avgas operating storage facility	Hayward ANG Base, Calif.	185	Hamilton Air Force Base, Calif.
(21) Petroleum operations building	Hayward ANG Base, Calif.	70	Hamilton Air Force Base, Calif.
(22) Aircraft apron	Hayward ANG Base, Calif.	360	Hamilton Air Force Base, Calif.
(23) Taxiway	Hayward ANG Base, Calif.	286	Hamilton Air Force Base, Calif.
(24) Fire station	Hayward ANG Base, Calif.	160	Hamilton Air Force Base, Calif.
(25) Composite facility	Hayward ANG Base, Calif.	909	Hamilton Air Force Base, Calif.
Reserve Forces operations and training Center Telecom Center Base photo lab			

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APPENDIX I

LISTING OF CONSTRUCTION PROJECTS FOR WHICH

GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects for Which Vacant or Underused Military Facilities Could be Substituted

Facility requirement	Facility location	Estimated cost (000 omitted)	Vacant or underused facility available at (note a)
Air National Guard:			
(26) Composite facility Squadron operations Base operations USAF command post Aerial delivery facility	Hayward ANG Base, Calif.	$ 473	Hamilton Air Force Base, Calif.
(27) Base engineer maintenance shop	Hayward ANG Base, Calif.	312	Hamilton Air Force Base, Calif.
(28) Band Center	Hayward ANG Base, Calif.	168	Hamilton Air Force Base, Calif.
(29) Aircraft engine inspection and repair shop (alteration)	Hayward ANG Base, Calif.	62	Hamilton Air Force Base, Calif.
(30) Aerospace ground equipment shop	Hayward ANG Base, Calif.	188	Hamilton Air Force Base, Calif.
(31) Parking, vehicular motor pool	Hayward ANG Base, Calif.	54	Hamilton Air Force Base, Calif.

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APPENDIX I

LISTING OF CONSTRUCTION PROJECTS FOR WHICH

GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects for Which Vacant or Underused Military Facilities Could be Substituted

Facility requirement	Facility location	Estimated cost (000 omitted)	Vacant or underused facility available at (note a)
Air National Guard:			
(32) Reserve Forces corrosional electronics facility	Hayward ANG Base, Calif.	$507	Hamilton Air Force Base, Calif.
(33) Parking-nonorganizational vehicles	Hayward ANG Base, Calif.	52	Hamilton Air Force Base, Calif.
(34) Aircraft maintenance dock fuel system facility	Hayward ANG Base, Calif.	833	Hamilton Air Force Base, Calif.
(35) Auto maintenance shop	Hayward ANG Base, Calif.	122	Hamilton Air Force Base, Calif.
(36) Small arms indoor range	Hayward ANG Base, Calif.	94	Hamilton Air Force Base, Calif.
(37) Civil engineering facility	Kelly Air Force Base, Tex.	160	Kelly Air Force Base, Tex.
(38) Petroleum and refueling equipment shop	Kelly Air Force Base, Tex.	93	Kelly Air Force Base, Tex.
(39) Armament area (note c)	Kelly Air Force Base, Tex.		Kelly Air Force Base, Tex.

[c] See GAO note 1, p. 63

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APPENDIX I

LISTING OF CONSTRUCTION PROJECTS FOR WHICH

GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects for Which Vacant or Underused Military Facilities Could be Substituted

Facility requirement	Facility location	Estimated cost (000 omitted)	Vacant or underused facility available at (note a)
Air National Guard:			
(40) Fifty-man dormitory	Kelly Air Force Base, Tex.	$ [b]150	Kelly Air Force Base, Tex.
Naval Reserve:			
(41) Reserve Center	San Bruno, Calif.	1,414	Naval Station, Treasure Island, Calif.
Subtotal		$16,513	

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LISTING OF CONSTRUCTION PROJECTS FOR WHICH GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects to Replace Sound and Otherwise Adequate Facilities

Facility requirement	Facility location	Estimated cost (000 omitted)
Army National Guard:		
(42) Property and fiscal office	Washington, D.C.	$ 303
Air Force Reserve:		
(43) Aircraft inspection and repair shop	Kelly Air Force Base, Tex.	[b]335
Air National Guard:		
(44) Small arms range	Dallas Naval Air Station, Tex.	77
Marine Corps Reserve:		
(45) Reserve Center	San Bruno, Calif.	751
Subtotal		$1,466

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LISTING OF CONSTRUCTION PROJECTS FOR WHICH

GAO FOUND CHEAPER AND VIABLE ALTERNATIVES

Construction Projects with Joint Construction Potential

Facility requirement	Facility location	Estimated cost (000 omitted)	Potential savings (000 omitted)
Army Reserve:			
(46)-(47) Two Reserve Centers	Dallas Naval Air Station and Seagoville, Tex.	$3,439	$260
Army National Guard:			
(48)-(49) Two armories	San Antonio, Tex.	1,120	118
Air Force Reserve:			
(50)-(51) Two training facilities	Travis Air Force Base Calif.	673	23
Subtotal		$ 5,232	$401
Total		$23,211	

[a]Some minor costs may be necessary to modify the alternative facilities to make them available by Reserve Forces. These costs were not available and we did not attempt to develop them.

[b]The project was canceled as a result of our review.

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APPENDIX I

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

INSTALLATIONS AND LOGISTICS

19 JUN 1975

Mr. F. J. Shafer, Director
Logistics and Communications Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Shafer:

Your letter to the Secretary of Defense dated April 14, 1975, forwarding a copy of your draft report on improvements needed to prevent unnecessary construction of Reserve Forces facilities has been referred to this office for review and comment. (OSD Case #4073)

We appreciate your interest in the Reserve Forces facilities program and welcome the opportunity to address the findings and recommendations contained in this report. The enclosed comments reflect the views of interested agencies throughout the Department of Defense and are submitted with the view of providing additional definitive and clarifying statements with respect to the Department's administration of the Guard and Reserve Forces facilities programs.

Sincerely,

JOHN J. BENNETT
Acting Assistant Secretary of Defense
(Installations and Logistics)

Enclosure

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DEPARTMENT OF DEFENSE COMMENTS ON THE GENERAL ACCOUNTING OFFICE DRAFT REPORT ON IMPROVEMENTS NEEDED TO PREVENT UNNECESSARY CONSTRUCTION OF RESERVE FORCES FACILITIES

Before addressing the findings and recommendations expressed in this report, it should be noted that the Guard and Reserve Forces Facilities Program is administered in consonance with the participatory management concept employed throughout the Department of Defense. Under this basic management policy, the maximum practicable degree of administrative review and approval authority has been delegated to the Military Departments since these agencies are eminently qualified to determine their specific facilities requirements and the relative priorities thereof. This is especially significant since the Service Secretaries, under the Total Force Policy, are required to evaluate all Active and Reserve Forces Facilities in determining resources and requirements necessary to meet the missions of the individual Departments. However, in addition to Department of Defense (DoD) review policy, the Military Departments carefully screen each facility acquisition proposal at several levels to ensure that appropriate consideration has been given not only to cost effectiveness, joint utilization, and improved readiness, but to such other equally important factors as operational efficiency, mission compatability, and the impact on personnel recruiting and retention. The latter factor is of particular significance in the present all-volunteer environment and because Guard and Reserve facilities, unlike those of the active forces, must be located where present and potential Reserve personnel live and work. Therefore, as this response will indicate, there have been several instances where cost effectiveness could not be considered the primary factor is assessing the utilization potential of existing active or Reserve facilities.

CHAPTER I - INTRODUCTION

Much of chapter 1 consists of a reiteration of the policies and procedures prescribed by DoD Directive 1225.5 and therefore requires no comment. However, that portion dealing with the "Construction Project Approval Process" needs clarification with respect to the role of the individual Reserve unit in this process.

Annually, each Guard and Reserve unit (or group of units) located in a given facility assesses its current total facilities requirements (based on prevailing criteria and current mission) and assigns each project the desired priority. This information is submitted through appropriate channels to the particular Military Department agency handling Guard and Reserve facilities programs. From the data provided, the programming agency for each Guard and Reserve component develops tentative short-range (3-year) and mid-range (5-year) programs made up of the higher priority facilities requirements. Projects included in these tentative programs are in turn reviewed by the respective State Reserve Forces Facilities Boards (RFFB) (in accordance with DoD Directive 5126.24 as the report indicates) in order to furnish recommendations

and other data to assist the Military Departments and the Office of the Secretary of Defense (OSD) in making necessary determinations concerning the most practicable method of meeting these facilities requirements.

NOTE: As a point of interest, the former limitation of $50,000 on single project obligations without prior Congressional notification as referenced in the report was increased to $100,000 under Section 703 of Public Law 93-552 enacted December 27, 1974.

CHAPTER 2 - CONSTRUCTION PROJECTS UNNECESSARILY PROGRAMMED AND COMPLETED

Comments on the disposition of each of the fifty-one projects referred to in this chapter and in Appendices I, II, and III of the report are provided under those headings at the end of this response.

CHAPTER 3 - WEAKNESS IN THE CONSTRUCTION APPROVAL PROCESS

With respect to the apparent failure of some of the State Boards to review projects in accordance with established procedures, this office is aware that the minutes of some of the Boards do not adequately address the rationale and procedures by which the respective Boards formulated their recommendations and acknowledges the need for fuller compliance with the provisions of DoD Directive 5126.24. Unfortunately, many of these Boards also omitted the address and autovon number of the Board chairman (as required by the Directive) thereby making it very difficult and time-consuming for OSD, in spite of diligent monitoring of the minutes, to contact the chairman directly to discuss Board actions. However, this failure to fully describe all Board actions does not indicate that these Boards actually neglected their basic obligations, or more importantly, that these oversignts have resulted in unwarranted construction or failure to achieve maximum practicable joint utilization when all factors involved are considered. Nevertheless additional corrective measures will be promulgated by this office in the near future.

State Board Weaknesses

In the process of reviewing State Board minutes, this office has become aware of the fact that some Boards have not received, and even more importantly, have not requested the necessary facilities inventories and stationing plans cited in the Directive. However, corrective action in the form of an OSD memorandum will soon be issued (pending revision of DoD Directive 5126.24) emphasizing (1) the requirement in Section VI.A. 5(d) of the Directive that the minutes must include certification that all project reviews were conducted using the prescribed review documents, (2) that all minutes must follow a new format to assure that OSD receives comparable information and the required certifications from each Board, and (3) that State Boards must be provided information concerning alternatives considered by the project initiator and, where applicable, the reasons they were rejected.

CHAPTER 4 - CONCLUSIONS AND RECOMMENDATIONS

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Conclusions

The Department of Defense concurs with the GAO assessment of the adequacy of DoD policy, but takes exception to the GAO conclusions that (1) the

Guard and Reserve Forces have not followed the DoD policy of employing joint construction and utilization whenever possible, and (2) improvements are thus needed in DoD's approval process to prevent construction from being unnecessarily programmed and completed. The policy does not require a joint construction and utilization whenever possible but does require it to the maximum practicable extent as cited in 10 USC 2231. As has been previously pointed out, many factors influence the ultimate determination as to how a facility requirement should be met--any one of which might justify not employing joint construction or utilization. In the DoD view, it is not the approval process but the performance of the State Boards that needs improvement -- a condition DoD readily acknowledges. This view is based on the fact that in spite of erratic Board performance, there are no instances where joint construction or utilization potential has been deliberately avoided or that unwarranted projects were approved or constructed. Further, there are two added conditions which preclude unmerited programming or unnecessary construction. These are (1) the very limited size of the respective annual Guard and Reserve facilities programs which collectively have averaged no more than ten percent of the total facilities requirements over the past fifteen years, and (2) the impact of new Total Force missions requiring early construction or other acquisition of high priority facilities to support essential readiness training as well as vital maintenance of complex, modern aircraft, vehicles, and equipment.

Similarly, the conclusion that the apparent failure of some of the State Boards to fully comply with prescribed DoD procedures has allowed some Reserve activities to program requirements which could be met in other more cost-effective ways is not supported by evidence that such action has resulted in the construction of nonessential non-cost-effective facilities. The inclusion of projects in the Reserve facilities requirements lists merely identifies them as such and, as stated before, in no way implies that the requirement will be satisifed through new construction.

The Department of Defense concurs in the GAO conclusion concerning earlier Board reviews and the contention that timing of project reviews could allow excess or underused facilities to remain vacant for extended periods. While the fundamental purpose of developing three and five-year programs is to identify near future requirements so that the respective Boards can screen them to determine where the potential exists for meeting these requirements, such broad scale reviews have not been adequately conducted. Under a proposed revision of DoD Directive 5126.24 each project in the three and five-year program will be reviewed in consonance with all prescribed review data to ensure maximum utilization of existing facilities. In addition, each subsequent recommendation for new construction is to be re-reviewed and updated annually until the project is approved for actual construction. Such reviews will then supplement a current DoD policy which calls for all active and reserve facilities proposed for excessing to be screened with all Guard and Reserve components prior to disposal. Thus, when excess facilities become available, the three and five-year plans can be reviewed to determine if any of the requirements listed therein can be met.

With respect to the GAO belief that the State Boards should start reviewing construction projects from the time they are initially identified as possible requirements instead of waiting until they are listed as firm requirements in the three and five-year programs, the DoD agrees that such action could be undertaken but questions its validity. In those instances where out-year requirements can be filled with useable existing facilities at no appreciable cost for modification, etc., the action can be productive. However, when such existing facilities require substantial (through cost-effective) modification, their immediate acquisition would require reprogramming of available funds and thereby cause not only possible deferment of more essential construction but a further delay in achieving combat readiness.

Recommendations

1. The recommendation to require review of all proposed projects in the Reserve Forces construction programs to determine whether construction is the most cost-effective method of acquisition is not clearly understood. Under present policy, all projects included in the three and five-year programs are reviewed periodically at various levels to establish and/or reconfirm decisions regarding the most cost-effective method of acquisition. Changes in mission, force structure, base closures, and other factors often have a decided impact on whether a facility requirement is to be met through new construction or by alteration, conversion, or simply joint utilization of an existing facility. For example, a project requiring new construction in next year's program, may, in this year's program, become a conversion project or be cancelled altogether because of the acquisition of an existing facility made available through a base closure action which occurred after the requirement had been initially identified.

2. The recommendation that projects which do not represent the most cost-effective means of meeting a facility requirement be cancelled or altered is in our opinion redundant in view of the existing policy and practice. If it refers to projects approved for actual construction, it merely expresses a policy which has been in effect for over twenty-five years. Cancellations and project scope adjustments are processed numerous times each year because more cost-effective methods of meeting the requirements have come about as a result of base closures, mission changes, etc. which occurred subsequent to approval of the projects. However, as has been noted earlier, cost-effectiveness is often not the most important factor in acquiring Guard and Reserve facilities. For example, the availability of an excess active force airfield possessing certain facilities which could fill a Reserve need does not represent a cost-effective means of meeting the requirement. Reserve units have neither the personnel or funds to operate an active base (or even flight line) and must therefore locate as tenants on municipal or operating active airfields.

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3. DoD cannot concur with the recommendation that State Boards review construction projects when they are initially proposed and annually thereafter. Under the current DoD Directive 5126.24, the Boards are required to (1) review and submit recommendations on each proposed project in the various three and five-year programs, and (2) review and update each such recommendation annually until the project is approved for construction. Review of unprogrammed out-year requirements (beyond five years) is considered an unjustified undertaking because of the uncertainty created by frequent reorganizations, new missions, base closure actions, etc., which result in constant changes in facilities requirements.

4. The recommendation concerning documentation of alternatives considered by project initiators will be promulgated in the next reissuance of DoD Directive 5126.24. However, this information will be forwarded by the project initiator to the Military Departments who will in turn provide it, along with other prescribed review data, to the State Boards.

5. The recommendation that State Boards be apprised of the need for independent project reviews and encouraged to more closely adhere to prescribed procedures has been taken under advisement. Appropriate guidance will be promulgated to the State Boards when developed in the near future.

6. No objection is interposed to the recommendation that DoD internal auditors be instructed to make cyclical reviews of State Board performance. However, DoD considers this an unnecessary undertaking since DoD will be in a position to more closely monitor and improve the Boards' performance when new DoD guidance to the Boards produces more accurate and complete data.

DoD Summary

As GAO has stated, the aim of this review was to examine the DoD system of reviewing and approving Guard and Reserve Forces facilities requirements and to point out those aspects of the system which appear in need of added controls to ensure that facilities are being acquired in the most economical manner possible. Based on this review, GAO has found that while present DoD policies and procedures are adequate, the performance and OSD monitoring of the State Boards need improvement.

DoD considers the Boards an extension of this office and recognizes them as an integral part of a multi-level review process. DoD also acknowledges that their performance should be improved and has undertaken several corrective actions. However, with respect to the overall management of the Guard and Reserve Forces facilities acquisition program, DoD finds little or no indication that these deficiencies have resulted in any measurable failure to effectively achieve the basic objective of acquiring adequate facilities in the most efficient, practicable and cost-effective manner when all influencing factors have been considered.

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CHAPTER 5 - SCOPE OF REVIEW

This portion of the report requires no comment since it primarily describes the scope of the review and the procedures employed in gathering and assessing data.

APPENDIX I - CONSTRUCTION PROJECTS FOR WHICH VACANT OR UNDERUSED MILITARY FACILITIES COULD BE SUBSTITUTED

	Estimated Cost
Army Reserve	
1. Reserve Center, Camp Parks, California	$599,000
At the time this FY 72 project was programmed and even after the construction was initiated in June 1972, no existing facilities were available for this purpose at the Oakland Army Base, as verified by the GSA 11508 Survey report of July 12, 1972. Also facilities available at Camp Parks were of World War II vintage and were not considered conducive to efficient training or to the recruiting and retention of Reserve personnel in the all-volunteer environment.	
2. Army Reserve Center, Sacramento Army Depot, California	80,000
Though it is only a minor portion of the total project, the construction of a separate Army Reserve parking lot adjacent to an existing Depot lot does appear to have resulted from an oversight during the RFFB review. However, construction of kitchen facilities in the expanded center is fully justified because of the overriding factor of operational efficiency. Use of the depot kitchen, located nearly 4/5ths of a mile away, would have (1) compromised immediate supervisory control of the food service operation, and (2) resulted in a totally unacceptable loss of training time for all assigned personnel. A minimum of 30 minutes training time per man per MUTA-2 assembly would be lost.	
3. Reserve Center, Oakland, California	1,435,000
This requirement has been negated by the acquisition of existing facilities at Oakland Army Base which will accommodate the units at Oakland Army Base as well as other units in the vicinity.	
4. Reserve Center, San Pablo, California	520,000
The GAO-proposed alternate facilities at Hamilton AFB and Oakland Army Base were considered and determined to be non-cost-effective. This determination was based on the fact that this project was an expansion of the existing center in San Pablo and that it was more desirable to retain all units at this location.	

	Estimated Cost
5. Reserve Center, Santa Rosa, California	$786,000

The proposed use of existing barracks at Hamilton AFB was not considered feasible for these units because of the lack of many required functional areas. Also, construction at Santa Rosa provided a better distribution of centers for recruiting purposes. However, other medical units in the vicinity were relocated to Hamilton to utilize available hospital facilities.

6. Army Reserve Center, Pacifica/Milagra, California	1,200,000

This project involved utilization of an excess NIKE site and was initially programmed for FY 1978. Under normal review procedures, Army Reserve would not have made a final review of any tentative FY 1978 projects until June 1976. At that time, both FORCES COMMAND and the Department of the Army would have reviewed the validity of all proposed projects including the Reserve Forces Facilities Board statement that each project remained valid. It should be emphasized that normal review procedures would usually eliminate unjustified and non-cost-effective projects at the time of budget preparation. Therefore, while GAO comments concerning this proposal may appear to have resulted in its deletion from the requirements lists, the facts indicate that it most likely would have been deleted in the course of normal review procedures. In October 1974, the project was in fact deleted from the requirements lists, and the units scheduled to go to Milagra were relocated to existing facilities at Hamilton AFB, Presidio of San Francisco, and the Oakland Army Base. The major unit originally scheduled for Milagra, the 6253rd US Army Hospital, moved to adequate facilities at Hamilton AFB when that base was unexpectedly closed. The initiative of the Commander of the 6253rd was largely responsible for this action.

Army National Guard

7. Army Aviation Support Facility, Mather AFB, California	713,000

Following the State Board's recommendation for unilateral new construction, this facility was approved and construction was completed on July 26, 1974. The availability of facilities at Hamilton AFB was known and considered but their possible use was rejected because of the distance and uncertain future of the installation.

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	Estimated Cost
8. Armory, San Francisco, California	$647,000

This project was placed in the facilities requirements list as a replacement for the 63-year old Mission Street Armory which had inadequate parking and was uneconomical to operate and maintain. Construction of this facility was contingent upon sale of the old armory and availability of State matching funds. However, this requirement has been deleted from the requirements list due to a reorganization of the California Army Guard which altered the San Francisco Metropolitan Plan.

9. Armory, San Leandro, California	600,000

This project has been dropped from the facilities requirements list due to a proposed reorganization.

10. Armory, Hayward, California	667,000

This project is the fourth priority armory project in the California Facilities List and is tentatively scheduled for the FY 1979 ARNG program. Since no detailed DD Forms 1390-1391 have been prepared as yet for the FY 1979 program and since there has been no notice as to the availability of facilities at the Hayward Air National Guard Base, there has been no consideration given to date of alternative facilities. However, should the Air Guard move from Hayward, the Army Guard review of its requirements would include consideration of the Air Guard facilities.

11. Aviation Facilities, Martindale National Guard Base, Texas	592,000

This project, for which bids were opened on May 7, 1975, would provide shops to support the existing facility. An adequate hangar now in use also accommodated the armory for the assigned units. The only known space at Randolph AFB is a hangar which would require extensive and costly modification for Army Guard use. In addition, the use of the Randolph AFB hangar would separate the armory and aviation facility by 25 miles, resulting in a considerable loss of training time because of travel between the two facilities.

Air Force Reserve

12. Aerial Port Facility, McClellan AFB, California	640,000

The aerial port requirement at McClellan AFB was not formally submitted in an Air Force Reserve MCP. The

Estimated Cost

project was carried as a valid requirement until the host base had an opportunity to fully evaluate current and projected missions for the base. As a result of their review, the host installation realigned functions in other base facilities to provide space for the Reserve Aerial Port Facility. Headquarters, Air Force Reserve and the California Reserve Forces Facilities Board were aware of the base actions and deferred additional programming actions. Thus, while the GAO interest in this matter did expedite the host base review of the problem, the outcome was primarily the result of a routine cooperative effort between the base and Reserve Headquarters.

13. Engineering Facility, Travis AFB, California $250,000

This project was deleted from the Air Force Reserve requirements as a result of a joint cooperative effort by Headquarters, Air Force Reserve and the host command to make an existing facility available for Reserve use.

14. Aerial Port Training Facility, Kelly AFB, Texas 403,000

This project appears only as a potential requirement in the unit's facilities requirements list and has not been identified in a Military Construction Program. Consequently, no consideration has been given to alternative facilities.

15. - 36. Twenty-two projects at Hayward Air National Guard Base, California 5,564,000

All of these projects, which are identified on pages 46, 47, 48, and 49 of the report, were listed in the unit's facilities requirements list. It should be noted that none of these projects are in an Air National Guard program. Alternate locations for the Hayward Unit have been under study by the NGB for several years due to

(a) Limited expansion capability at Hayward.

(b) Significant potential environmental problems.

(c) Poor flying environment.

(d) Future mission possibilities limited due to short runway.

For the above reasons, the tenure at Hayward was questionable, and facility requirements were held in abeyance. The

Estimated Cost

fact that the unit properly identified all their facility deficiencies as required by ANGM 86-1, provided even further rationale to relocate the unit due to large construction costs required. The adequacy of the ANG project approval process is also apparent since major construction was, in fact, held in abeyance. Hamilton AFB was a leading contender for the Hayward unit and it was recognized as such by a detailed Facility Survey at Hamilton conducted by the ANG. However, the USAF closure of the base required a re-evaluation of the relocation plans. The closure of Hamilton AFB would have made it uneconomical to relocate any functions there, since the ANG would have had to assume the large expense of acting as host operation (for which the ANG is not postured).

37. Civil Engineer Facility, Kelly AFB, Texas $160,000

38. POL Operations and Refueler Vehicle Maintenance Building Kelly AFB, Texas 93,000

These two projects are in the FY 76 and FY 75 programs, respectively; and the proposed methods of meeting the requirements are considered the most economical.

39. Armament Area, Kelly AFB, Texas 33,000

This project appears only in the unit's facilities requirements list and is not identified in a Military Construction Program.

40. Fifty-man Dormitory, Kelly AFB, Texas 150,000

The inclusion of a proposed facility in a facilities requirements list means only that it has been identified as a project for future consideration. In no instances does this action mean that a project is approved or that it will be included in an annual construction program. Compared to operational and training requirements, dormitory facilities are normally considered lower priority requirements which must be supported by an economic analysis indicating that the proposed construction is more cost-effective than local contract billeting.

Naval Reserve

41. Naval and Marine Corps Reserve Center, San Bruno, California $1,414,000

We believe that the GAO conclusion that the reassignment of the Naval Reservists from the Hunters Point and

Estimated Cost

San Mateo Naval Reserve Centers to the Treasure Island Reserve Center was an acceptable alternative to new construction at San Bruno under the circumstances prevailiaing at the time the project was programmed and construction begun (1971-73) is in error. Anticipated losses of drilling Reservists due to increased driving distances in rush hour traffic precluded such a consolidation.

Availability of space at the Treasure Island Reserve Center is conceded. However, it was estimated (based on past Navy experience in urban areas) that thirty to fifty percent of the 280 San Mateo reservists would drop out if required to make the weekly drive through traffic to Treasure Island. NOTE: At that time, nearly all drills were on a one-night-a-week basis. In light of the above and the already depressed recruiting situation at Treasure Island, the Navy was authorized to proceed with the San Bruno project which is now complete and occupied. However, Army plans to have a single Army Reserve company from the Training Division in the San Francisco area occupy the remaining temporary building at the San Bruno site pending future construction of an Army Reserve addition to the new center.

The Reserve Components Facility Study Group (RCFSB) Report on San Francisco (1972) which was cited by GAO in support of its argument concerning Naval Reserve Center, Treasure Island, states that the Marine Corps Reserve Center at San Bruno was "inadequate due to a deteriorated structure and excessive maintenance costs." The Naval Facilities Engineering Command has reviewed the facilities and confirmed them to be substandard because of poor overall condition and space deficiencies under current criteria.

APPENDIX II - CONSTRUCTION PROJECTS TO REPLACE SOUND AND OTHERWISE ADEQUATE FACILITIES

	Estimated Cost
Army National Guard	
42. U.S. Property and Fiscal Officer Office and Warehouse, Bolling/Anacostia, Washington, D.C.	$303,000

Since the GAO review of the USPFO office, two new functions, Joint Uniform Pay System (JUMPS) and Automatic Digital Network (ATUODIN) have been added. As a result, the USPFO office activity is now short over 1,100 square feet or 13 percent of that authorized by current criteria. However, the primary reasons for relocating the USPFO office are (1) the operational inefficiency of the present fragmented functional arrangement, and (2) a pressing need for the present USPFO spaces in order to provide essential kitchen, dining, classroom and unit storage areas which do not now exist, as well as a consolidated administrative section. NOTE: Dining areas are normally not provided but in this instance it is necessary because use of the drill hall and other areas for this purpose is often precluded by commercial activities. It has long been recognized that the armory is not appropriately configured for present day Army Guard needs. Consequently, the USPFO office activities are conducted in four widely separated areas, one of which, the data processing center, has proven extremely difficult to maintain at required temperature and humidity levels. In addition, the day-to-day USPFO operations as well as weekend drill activities are often severely hampterd by the frequent commerical use of the armory (e.g., auto, horse, and dog shows, circuses, etc.). Examples of other armory deficiencies are (1) the USPFO issue facility cannot be operated during commercial use of the armory, (2) there is only one company size classroom for the sixteen assigned units.

Since it is necessary to provide additional functional areas for both the USPFO and other unit activities and since it is also desirable, though not mandatory, that the USPFO office and warehouse be colocated, it was determined that all required improvements could best be met by relocating the USPFO functions to the proposed Bolling/Anacostia complex. This will permit the use of the present USPFO space for the needed Armory functions. Also, under these circumstances, an economic analysis was considered unnecessary.

	Estimated Cost
Air Force Reserve	
43. Aircraft Engine Inspection and Repair Shop, Kelly AFB, Texas	$335,000
As similarly noted in our comments on McClellan AFB, the cancellation of this project at Kelly AFB was the result of existing space being made available for Reserve use through the routine cooperative efforts of Headquarters Air Force Reserve and the host command.	
Air National Guard	
44. Small Arms Range, NAS Dallas, Texas	77,000
This project appeared only in the unit's facilities requirements list and has not been identified in a approved Military Construction Program.	
Marine Corps Reserve	
45. Reserve Center, San Bruno, California	751,000
This project was discussed at length in item 41.	

APPENDIX III - CONSTRUCTION PROJECTS WITH JOINT CONSTRUCTION POTENTIAL

	Estimated Cost
Army Reserve	
46. - 47. Two Reserve Centers NAS Dallas and Seagoville, Texas	$3,439,000

Though the Guard and Reserve Forces are required to accomplish joint construction and utilization to the maximum extent possible, the extent to which joint construction is actually feasible depends on the relative importance of the factors involved.

From a purely dollar cost standpoint some savings could undeniably have been realized through joint construction. However, cost was not the primary issue. The lack of an adequate training area and mission incompatability at NAS Dallas along with the other factors noted in the report are indeed valid considerations. Also, while it is true that the distance between NAS Dallas and Seagoville was not a determining factor with respect to travel by individual Reservists to either site, it was, on the other hand, an important consideration when equating it to training time that would be lost by the entire 400-man medical and engineer contingent in moving 34 miles from NAS Dallas to the Seagoville training site and back again during weekend drills. This factor is of particular significance under today's all-volunteer environment since adequate facilities, conveniently located are essential to the recruiting and retention of Reserve personnel. Thus, in the instant case, the various operational, training, and recruiting advantages with their direct relationship to improved readiness outweigh those of a purely economic nature. NOTE: DOD policy requires the Army Guard and Reserve to develop metropolitan plans for large cities such as Dallas. Such plans are required since experience has shown that it is often desirable to construct two or three smaller centers for recruiting purposes, rather than one large center.

Army National Guard	
48. - 49. Two Armories, San Antonio, Texas	1,120,000

One of these armories was completed in 1974 at Camp Bullis, twenty miles northwest of San Antonio. The other armory is located at Fort Sam Houston on the east side of San Antonio, twenty-five miles

	Estimated Cost
from Camp Bullis. While combining these armories may have resulted in some savings, the adverse effect on recruiting due to the travel distances involved prompted the decision to construct at separate locations.	
Air Force Reserve	
50. - 51. Two Training Centers, Travis Air Force Base, California	$673,000

Operational Mission Training Facility and Military and Professional Training Facility

We cannot agree with the GAO statement that no consideration was given to the possible joint construction of these facilities. While these facilities were not subject to State RFFB review under policies in existance at that time, they were programmed by the same command and were, in fact, considered for joint construction at the command level. However, the two facilities were to serve two different functions. The operational mission training facility, as a training area for a C-141 wing and two flying squadrons, provides locker rooms for the storage of reserve personnel flying gear, crew briefing rooms, and administrative space. On the other hand, the Military and Professional Training Facility accommodates the specialized training requirements of a medical evacuation squadron, and provides space for the storage of medical supplies and equipment, locker rooms for the storage of nurse and medical technician gear, briefing rooms, and administrative offices.

While these requirements could conceivably have been consolidated, the dissimilarity of function, the projected total utilization of each facility by its assigned personnel, and the need to comply with existing base master planning concepts led to the determination to construct individual facilities. Also, the projected net savings through joint construction ($23,000) was not the primary consideration.

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GAO'S SUMMARIZATION OF DOD'S POSITION ON THE FIFTY PROJECTS CITED IN THE REPORT (note a)

Projects Justified for Economic and/or Operational Considerations

Facility requirement		Estimated cost (000 omitted)
Army Reserve:		
(1)	Reserve Center	$ 599
(2)	Parking & kitchen facilities	80
(4)	Reserve Center	520
(5)	Reserve Center	786
(46)-(47)	Two Reserve Centers	3,439
Army National Guard:		
(7)	Aviation support facility	713
(11)	Aviation facilities	592
(42)	Property and fiscal office	303
(48)-(49)	Two armories	1,120

APPENDIX III

GAO'S SUMMARIZATION OF DOD'S POSITION ON THE FIFTY PROJECTS CITED IN THE REPORT

Projects Justified for Economic and/or Operational Considerations

Facility requirement	Estimated cost (000 omitted)
Air Force Reserve:	
(50)-(51) Two training facilities	$ 673
Air National Guard:	
(37) Civil engineering facility	160
(38) Petroleum and refueling equipment shop	93
Naval Reserve:	
(41) Reserve Center	1,414
Marine Corps Reserve:	
(45) Reserve Center	751
Subtotal	$11,243

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APPENDIX III

GAO'S SUMMARIZATION OF DOD'S POSITION ON THE FIFTY PROJECTS CITED IN THE REPORT

Projects Canceled Through Routine Military Review

Facility requirement	Estimated cost (000 omitted)
Army Reserve:	
(3) Reserve Center	$ 1,435
(6) Reserve Center	1,200
Army National Guard:	
(8) Armory	647
(9) Armory	600
Air Force Reserve:	
(12) Aerial port facility	640
(13) Engineering facility	250
(43) Aircraft inspection and repair shop	335
Subtotal	$5,107

APPENDIX III

GAO'S SUMMARIZATION OF DOD'S POSITION ON THE FIFTY PROJECTS CITED IN THE REPORT

Projects for Unprogramed Deficiencies

Facility requirement	Estimated cost (000 omitted)
Army National Guard:	
(10) Armory	$ 667
Army Force Reserve:	
(14) Aerial port training facility	403
Air National Guard:	
(15) Warehouse supply equipment facility	221
(16) Flight simulator training facility	185
(17) Runway	95
(18) Corrosion control facility	90
(19) Warmup holding pad	138
(20) Avgas operating storage facility	185
(21) Petroleum operations building	70
(22) Aircraft apron	360
(23) Taxiway	286

APPENDIX III

GAO'S SUMMARIZATION OF DOD'S POSITION ON THE FIFTY PROJECTS CITED IN THE REPORT

Projects for Unprogramed Deficiencies

Facility requirement		Estimated cost (000 omitted)
Air National Guard:		
(24)	Fire station	$ 160
(25)	Composite facility	909
	Reserve Forces operations and training Center Telecom Center Base photo lab	
(26)	Composite facility	473
	Squadron operations Base operations USAF command post Aerial delivery facility	
(27)	Base engineer maintenance shop	312
(28)	Band Center	168
(29)	Aircraft engine inspection and repair shop (alteration)	62
(30)	Aerospace ground equipment shop	188

APPENDIX III

GAO'S SUMMARIZATION OF DOD'S POSITION ON THE FIFTY PROJECTS CITED IN THE REPORT

Projects for Unprogramed Deficiencies

Facility requirement		Estimated cost (000 omitted)
Air National Guard:		
(31)	Parking, vehicular motor pool	$ 54
(32)	Reserve Forces corrosional electronics facility	507
(33)	Parking-nonorganizational vehicles	52
(34)	Aircraft maintenance dock fuel system facility	833
(35)	Auto maintenance shop	122
(36)	Small arms indoor range	94
(40)	Fifty-man dormitory	150
(44)	Small arms range	77
	Subtotal	$ 6,861
	Total	$23,211

GAO note:

[a]Does not include armament area project at Kelly Air Force Base. See GAO note 1 on page 63.

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APPENDIX III