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GAO

United States General Accounting Office
Washington, DC 20548

Logistics and
Communications
Division

B-196752

DECEMBER 14, 1979

The Honorable Clifford L. Alexander, Jr.
The Secretary of the Army 20

Dear Mr. Secretary:

Subject: [Review of Management Procedures
For Requesting Construction Funds
2 For Fort Pickett, Virginia] P. 3489
(LCD-80-28)

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During our review of Reserve Forces facilities (code 945367), we identified management problems in the Army's procedures for requesting construction funds. We found that two construction projects for Fort Pickett, Virginia, were submitted for funding through two programs--the Military Construction, Army Reserve (MCAR), and the Military Construction, Army (MCA). The two projects were for a 500-person theater/classroom and a petroleum distribution system.

Submitting the same construction projects under two programs overstates the Army's facilities requirements. Our review was directed primarily toward Reserve Forces facilities, and work on Active Forces facilities was only incidental. Therefore, we do not know how widespread this situation is. However, the cost of these two projects alone exceeds the Army's facilities requirements by almost \$1 million.

Fort Pickett officials stated that the total cost of the theater/classroom project was submitted under two programs because it would be used by both reserve and active duty personnel. The MCA program was submitted through the Training and Doctrine Command (TRADOC) and the MCAR program through the Forces Command (FORSCOM). The programs were submitted at different times, thus, resulting in different costs. The MCAR program showed the project costing \$800,000 while the MCA program showed it costing \$1,878,000. A Fort Pickett official said the MCA cost estimate is probably more realistic. He also stated that both construction

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projects will probably be deleted because the facility can probably be rehabilitated at a cost lower than either estimate for new construction.

The total cost of the petroleum distribution system was submitted through FORSCOM for the Reserve program. Part of this project, \$150,000 for a bulk station, was also submitted through TRADOC because it would be used to meet Active Forces needs also.

Engineers at FORSCOM and TRADOC stated that they were not aware that the two projects had been submitted through both programs, and agreed that projects should not be submitted in this manner. They also stated that they knew of no system that would prevent such projects from being submitted under both programs or that would identify those projects that were submitted under both.

Concerning the two projects at Fort Pickett, we recommend that you require the Army to determine under which of the two programs they should be included and delete them from the other. We also recommend that the Army (1) query its major commands to identify and correct any other dual submissions and (2) develop better management controls to prevent future dual submissions.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Defense; and the Chairmen, Senate Committee on Governmental Affairs, House Committee on Government Operations, and Senate and House Committees on Appropriations. We would appreciate

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being advised of the Army's position on these matters and of any actions taken.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. W. Gutmann". The signature is written in a cursive style with a horizontal line underlining the name.

R. W. Gutmann
Director