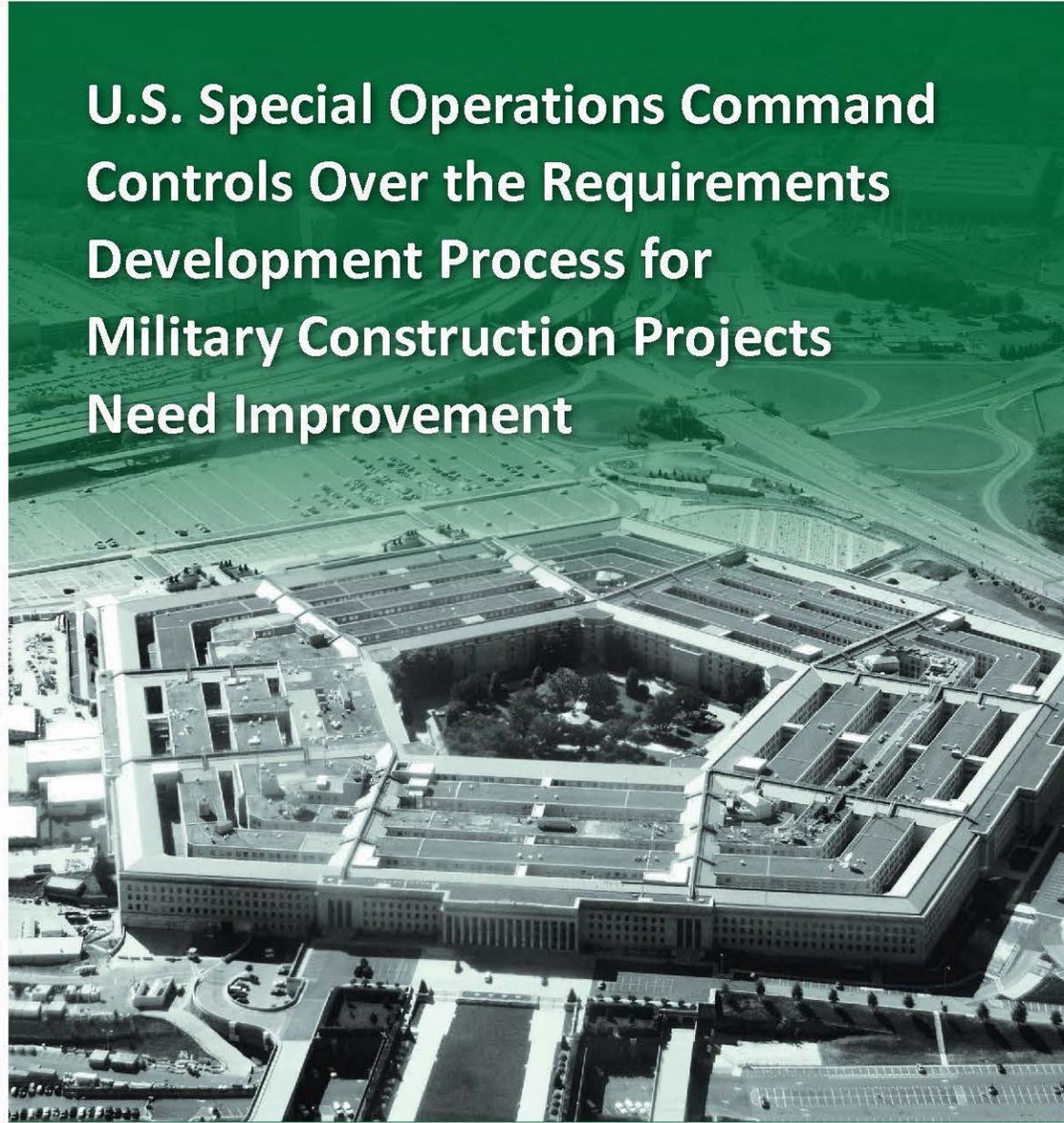


~~FOR OFFICIAL USE ONLY~~

INSPECTOR GENERAL

U.S. Department of Defense

JUNE 17, 2016



U.S. Special Operations Command Controls Over the Requirements Development Process for Military Construction Projects Need Improvement

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

The document contains information that may be exempt from mandatory disclosure under the Freedom of Information Act.

~~FOR OFFICIAL USE ONLY~~

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

Mission

Our mission is to provide independent, relevant, and timely oversight of the Department of Defense that supports the warfighter; promotes accountability, integrity, and efficiency; advises the Secretary of Defense and Congress; and informs the public.

Vision

Our vision is to be a model oversight organization in the Federal Government by leading change, speaking truth, and promoting excellence—a diverse organization, working together as one professional team, recognized as leaders in our field.



For more information about whistleblower protection, please see the inside back cover.



Results in Brief

U.S. Special Operations Command Controls Over the Requirements Development Process for Military Construction Projects

June 17, 2016

Objective

We determined whether U.S. Special Operations Command (USSOCOM) developed requirements for military construction (MILCON) projects in accordance with DoD guidance. Specifically, we determined whether USSOCOM justified the need for the MILCON facilities requested and whether USSOCOM scoped the facility size and estimated cost in accordance with DoD guidance. We nonstatistically selected two USSOCOM Component MILCON projects at Fort Bragg for review—one for Air Force Special Operations Command (AFSOC) and one for U.S. Army Special Operations Command (USASOC).

Findings

AFSOC officials did not fully justify the need for the Special Operations Forces 21st Special Tactics Squadron operations project, valued at \$16.9 million. AFSOC officials justified the need for an operations facility, but not for an indoor small arms range. This occurred because USSOCOM did not require Components to confirm that the project justification was accurate.

AFSOC officials also did not support scope calculations and cost estimates for the operations facility. This occurred because USSOCOM did not require Components to maintain documentation that fully supports scope calculations and cost estimates for MILCON requirements. Scope of work reductions must be approved by the Secretary concerned and the appropriate committee of Congress must be notified.

Findings (cont'd)

As a result, AFSOC officials planned to build a facility they may not need, and the facility's estimated cost of \$4 million could be used for other MILCON projects. Additionally, USSOCOM lacks assurance that AFSOC officials properly scoped and estimated the cost of the operations facility.

For the other project, USASOC officials justified the need for the Special Operations Forces battalion operations project, valued at \$38.5 million. However, USASOC officials did not fully support scope calculations and cost estimates for the project. This occurred because USSOCOM did not require Components to maintain documentation that fully supports scope calculations and cost estimates.

As a result, USSOCOM lacks assurance that USASOC officials properly scoped and estimated the cost of the battalion operations project.

Recommendations

Among other recommendations, we recommend the Commander, USSOCOM:

- notify Congress of the scope reduction for project TMKH003003 to remove the indoor small arms range in accordance with section 2853, title 10, United States Code; and
- update USSOCOM Directive 415-1 to require Components to maintain documentation to fully support scope calculations and cost estimates for MILCON requirements.

Management Comments and Our Response

Comments from the Vice Commander, USSOCOM, responding for the Commander, USSOCOM, did not address the specifics of the recommendations. The Vice Commander said USSOCOM plans to leave the small arms range requirement in the



Results in Brief

U.S. Special Operations Command Controls Over the Requirements Development Process for Military Construction Projects

Management Comments and Our Response (cont'd)

project. The Vice Commander also stated that USSOCOM maintains that the unit commander has sufficiently justified the small arms range portion of the project.

We responded that DoD Components use Form 1391 to explain and justify facility needs. However, AFSOC did not support Form 1391 statements for the indoor small arms range.

In addition, the Vice Commander stated that USSOCOM Directive 415-1 "Oversight and Management of United States Special Operations Command Military Construction Program," June 23, 2010, addresses the intent of the recommendation. The Vice Commander also stated that USSOCOM Directive 415-1 does not

relieve AFSOC and USASOC of the obligation to follow Air Force and Army requirements, respectively. We responded that USSOCOM Directive 415-1 does not provide procedures for validating MILCON projects that require Components to confirm the accuracy of the project justification on Form 1391. Further, if USSOCOM intends for Components to follow their respective Service requirements, it should update USSOCOM Directive 415-1 to require Components to follow their respective Service requirements.

Therefore, we request that the Commander, USSOCOM, provide additional comments in response to the final report by July 18, 2016. Please see the Recommendations Table on the following page.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Commander, U.S. Special Operations Command	A.1.a, A.1.b, A.1.c, A.2	

Please provide Management Comments by July 18, 2016.



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE**
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

June 17, 2016

MEMORANDUM FOR COMMANDER, U.S. SPECIAL OPERATIONS COMMAND
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: U.S. Special Operations Command Controls Over the Requirements Development
Process for Military Construction Projects Need Improvement
(Report No. DODIG-2016-099)

We are providing this report for review and comment. We reviewed two U.S. Special Operations Command military construction projects for FY 2016 at Fort Bragg: one Air Force Special Operations Command project and one U.S. Army Special Operations project. These two projects are valued at \$55.4 million. Air Force Special Operations Command officials justified the need for the operations facility but not for the indoor small arms range. In addition, Air Force Special Operations Command officials did not support scope calculations and cost estimates for the operations facility, and U.S. Army Special Operations Command officials did not support scope calculations and cost estimates for the project. As a result, approximately \$4 million could be put to better use. We conducted this audit in accordance with generally accepted government auditing standards.

We considered comments from the Vice Commander, U.S. Special Operations Command, responding for the Commander, U.S. Special Operations Command, when preparing the final report. DoD Instruction 7650.03 requires that recommendations be resolved promptly. All recommendations remain unresolved. We request additional comments from the Commander, U.S. Special Operations Command, by July 18, 2016.

Please send a PDF file containing your comments to audcmp@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-9187 (DSN 664-9187), Michael.Roark@dodig.mil.

A handwritten signature in black ink, appearing to read "M. Roark".

Michael J. Roark
Assistant Inspector General
Contract Management and Payments

Contents

Introduction

Objective	1
Background	1
Review of Internal Controls	4

Finding A. AFSOC’s Justification for a MILCON Project Not Fully Supported, and Scope and Cost Were Not Supported

AFSOC Justified the Need for the STS Operations Facility	5
AFSOC Did Not Justify the Need for the STS Indoor Small Arms Range	6
USSOCOM Did Not Develop Procedures for Validating MILCON Requirements	9
AFSOC Did Not Support Scope Calculations and Cost Estimates for the Operations Facility	9
USSOCOM Officials Need to Issue Guidance for Documenting Scope and Cost Estimates	10
Funds Available for Other MILCON Projects	10
Recommendations, Management Comments, and Our Response	11
Management Comments on Potential Monetary Benefits and Our Response	15

Finding B. USASOC MILCON Project Was Valid, but Scope and Cost Were Not Supported

USASOC Properly Justified the Project	16
USASOC Did Not Support Scope Calculations and Cost Estimates	17
USSOCOM Officials Need to Issue Guidance for Documenting Scope and Cost Estimates	18
Planned Facility May Not Meet User Needs	18

Appendixes

Appendix A. Scope and Methodology	19
Use of Computer-Processed Data	20
Prior Coverage	20
Appendix B. Potential Monetary Benefits Table	21

Contents (cont'd)

Management Comments

U.S. Special Operations Command Comments _____ 22

Acronyms and Abbreviations _____ 25

Introduction

Objective

We determined whether U.S. Special Operations Command (USSOCOM) developed requirements for military construction (MILCON) projects in accordance with DoD guidance. Specifically, we determined whether USSOCOM justified the need for the MILCON facilities requested and whether USSOCOM scoped the facility size and estimated cost in accordance with DoD guidance. This is the first in a series of reports on MILCON projects at USSOCOM.

Background

MILCON can include any construction, development, conversion, or extension of any kind to a military installation. Section 2802, title 10, United States Code (10 U.S.C. § 2802 [2014]), states that the Secretary of Defense and the Secretaries of the Military Departments may carry out MILCON projects as authorized.

When developing MILCON requirements, DoD Components use DD Form 1391 (Form 1391), “Military Construction Project Data,” to explain and justify facility needs. The form should explain in detail why the project is needed, identify each primary and secondary facility, and identify facility size and cost.

U.S. Special Operations Command

USSOCOM is a combatant command that plans special operations and provides special operations forces (SOF) to protect and advance the Nation’s interests. USSOCOM provides Major Force Program-11 funds to its four Components to conduct operations and maintain equipment. The four USSOCOM Components include:

- U.S. Army Special Operations Command (USASOC);
- Naval Special Warfare Command;
- Air Force Special Operations Command (AFSOC); and
- Marine Corps Forces Special Operations Command.

Process for Developing and Approving MILCON Requirements

USSOCOM uses Form 1391 to request authorization and funds from Congress for MILCON projects. The DoD Financial Management Regulation¹ requires that the form include detailed and informative statements to support the project's need. The form must also describe each primary facility required to complete the project and the unit of measure, unit quantity, and unit cost² for each facility.

USSOCOM Directive 415-1³ provides guidance for managing USSOCOM MILCON projects through planning, programming, and budget execution. USSOCOM Components identify, develop, and validate project requirements on Form 1391. The Component Commander forwards Form 1391 to USSOCOM headquarters for review and authorization. Form 1391 is reviewed by USSOCOM headquarters, the Office of the Secretary of Defense, and the Office of Management and Budget before the Office of the Secretary of Defense incorporates the MILCON project into the President's Budget.

After Congress authorizes and appropriates funds for a MILCON project, the United States Code establishes legal requirements for staying within the project cost and scope of work⁴ defined on Form 1391. Specifically, 10 U.S.C. § 2853 (2014), states that the cost authorized for a MILCON project may not be increased or decreased by more than 25 percent of the amount appropriated, the scope of work may not be increased above the amount specified in the justification data provided to Congress on Form 1391, and the scope of work may not be decreased by more than 25 percent. Scope of work reductions or cost decreases must be approved by the Secretary concerned and the appropriate committee of Congress must be notified.

Guidance on MILCON Planning and Programming

DoD has taken steps to bring uniformity and consistency to the guidance on designing and constructing military facilities. One of these steps included developing the Unified Facilities Criteria, which govern construction planning and programming for all DoD facilities. The Army and Air Force also have guidance for planning, programming, and reviewing MILCON projects.

USSOCOM Guidance

USSOCOM Directive 415-1 provides specific guidance for preparing Form 1391.

¹ DoD 7000.14-R, Volume 2B, Chapter 6, "Military Construction/Family Housing Appropriations," June 2013.

² Cost per unit of measure indicated on Form 1391.

³ USSOCOM Directive 415-1, "Oversight and Management of United States Special Operations Command Military Construction Program," June 23, 2010.

⁴ According to the Acting Deputy Under Secretary of Defense (Installations and Environment) memorandum, "Authorized Scope of Work for Military Construction Projects," June 24, 2013, "scope of work" refers to the facility quantity.

Army Guidance

The Army issued guidance for planning, development, and execution of Army MILCON projects.

- Brigade Operations Complex, Brigade and Battalion Headquarters Standard Design⁵ provides guidance for determining space allocations.
- Company Operations Facilities Standard Design⁶ provides space criteria for the main areas within the facility.
- Army Regulation 420-1⁷ describes MILCON program development and execution.

Air Force Guidance

Air Force Instruction 32-1021⁸ provides guidance on how to plan, develop, and obtain approval for MILCON projects.

Fiscal Year 2016 MILCON Projects Reviewed

For FY 2016, USSOCOM budgeted \$456.7 million for MILCON projects.

We reviewed the USSOCOM budget request by location and identified Fort Bragg, North Carolina, as the location with the highest dollar value. Specifically, USSOCOM budgeted \$135.9 million in FY 2016 for five MILCON projects at Fort Bragg.

We nonstatistically selected two of the five projects for review. We selected one AFSOC and one USASOC project, at a total cost of approximately \$55.4 million.

AFSOC Special Operations Forces 21st Special Tactics Squadron Operations Facility

The SOF 21st Special Tactics Squadron (STS) operations facility project (TMKH003003) Form 1391, February 2015, includes a 54,800 square-foot facility valued at \$16.9 million. The project includes two primary facilities: a squadron operations facility and an indoor small arms range. The squadron operations facility consists of a special tactics team building and a Human Performance Training Center (HPTC).⁹ These facilities will provide space to organize, train, and equip special tactics forces.

⁵ "Department of the Army Facilities Standardization Program, Brigade Operations Complex, Brigade and Battalion Headquarters, Standard Design," Revision 5.2, February 4, 2015.

⁶ "Department of the Army Facilities Standardization Program, Company Operations Facility (COF), Standard Design," Revision 4.3, March 24, 2015.

⁷ Army Regulation 420-1, "Army Facilities Management," August 24, 2012 (Rapid Action Revision).

⁸ Air Force Instruction 32-1021, "Planning and Programming Military Construction Projects," October 31, 2014.

⁹ The HPTC is the AFSOC implementation of the USSOCOM Human Performance Program (HPP) facilities. The objective of the HPP is to provide resources to increase the physical and behavioral capacity and resilience of special operations personnel and their families.

USASOC Special Operations Forces Battalion Operations Facility

The SOF battalion operations facility project (80773) Form 1391, February 2015, includes a 137,500 square-foot facility valued at \$38.5 million. The project includes a battalion headquarters and a company operations facility. These facilities will support the continual operations, training, and deployment of forces.

Review of Internal Controls

DoD Instruction 5010.40¹⁰ requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. USSOCOM did not develop procedures for validating MILCON projects to require Components to confirm the accuracy of the project justification on Form 1391. In addition, USSOCOM did not require its Components to maintain documentation that fully supports scope calculations and cost estimates. We will provide a copy of the report to the senior official responsible for internal controls at USSOCOM.

¹⁰ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding A

AFSOC's Justification for a MILCON Project Not Fully Supported, and Scope and Cost Were Not Supported

AFSOC officials did not fully justify the need for the SOF 21 STS operations project, valued at \$16.9 million. On Form 1391, AFSOC officials justified the need for the operations facility, but not for the indoor small arms range. This occurred because USSOCOM did not develop procedures for validating MILCON projects, to include requiring that Components confirm the accuracy of the project justification on Form 1391.

In addition, AFSOC officials did not support scope calculations and cost estimates for the operations facility. This occurred because USSOCOM did not require Components to maintain documentation that fully supports scope calculations and cost estimates for MILCON requirements.

As a result, AFSOC officials did not justify the need for a small arms range, and planned to build a facility they may not need. The \$4 million estimated for the small arms range could be used for other MILCON projects. Additionally, USSOCOM lacks assurance that AFSOC officials properly scoped and estimated the cost of the operations facility.

AFSOC Justified the Need for the STS Operations Facility

AFSOC officials justified the need for construction of an STS facility. On Form 1391, AFSOC officials stated that the STS unit has more than doubled in size since 2007, increasing from 68 to 172 personnel. AFSOC manning documents show the unit had 123 personnel in 2007 and was authorized to have 183 personnel as of October 2015.¹¹ In addition, Form 1391 stated that the STS is currently located in two geographically separate areas and scattered among six facilities. We observed the 21 STS headquarters and support functions that were separated from the team areas. This separation, according to Form 1391, creates delays while preparing for deployment. Form 1391 also stated that the current 21 STS facilities required frequent maintenance. Specifically, an AFSOC official stated the 21 STS submitted several work orders for its facilities. The 21 STS facilities submitted 88 total work orders from January through August 2015.

¹¹ According to AFSOC manning documents, the 21 STS is projected to decrease to 174 personnel by fourth quarter FY 2016.

Additionally, Form 1391 stated the team rooms and cage areas¹² “are not adequately sized” to support unit personnel. Specifically, we observed team rooms that lacked privacy, which, according to an AFSOC official, supervisors need for subordinate counseling. According to an AFSOC official, the current facility has enough cages for 97 operators;¹³ however, the 21 STS had 119 operators as of November 2015. Form 1391 also stated that equipment was exposed to inadequate temperatures and humidity control. We observed corrugated air drop pallets damaged by the elements because they were stored in an outdoor covered area. AFSOC officials also stated that team rooms did not have enough Secret Internet Protocol Router (SIPR) Network access points because the building could not support additional access points.

On Form 1391, AFSOC officials stated that the lack of HPTC space adversely impacts the implementation of the program. According to 21 STS officials, the current facility is 1,200 square feet and large enough to fit one of five teams in the HPTC area. An AFSOC official stated that the HPTC should also include equipment such as an endless pool and an ice tub, which cannot be installed in the current facility due to space restrictions.

AFSOC Did Not Justify the Need for the STS Indoor Small Arms Range

AFSOC officials did not justify the need for the indoor small arms range. To justify facility needs for the SOF 21 STS operations project, USSOCOM provided the Office of the Secretary of Defense with Form 1391.¹⁴ However, AFSOC officials did not support the cancellation rate for Fort Bragg small arms ranges stated on Form 1391. In addition, AFSOC officials did not support the additional contracted costs for using a local range stated on Form 1391. Existing Fort Bragg ranges have enough availability for the 21 STS to meet qualification and proficiency standards. Therefore, USSOCOM should remove the indoor small arms range from the project.



AFSOC officials did not justify the need for the indoor small arms range.

¹² SOF operators store their equipment and uniforms in the cage area.

¹³ Team operators make up the deployable units that are uniquely trained and equipped to execute a wide range of missions, working as a stand-alone unit or as part of joint special operations forces.

¹⁴ According to a representative of the Office of the Assistant Secretary of Defense for Energy, Installations, and Environment, USSOCOM did not provide the Office of the Secretary of Defense with additional justifications for the project other than those stated on Form 1391.

AFSOC Officials Did Not Support the Cancellation Rate on Fort Bragg Ranges

(FOUO) [Redacted]

AFSOC Officials Did Not Support Contracted Costs for Local Ranges

In addition, on Form 1391, AFSOC officials stated that the 21 STS currently contract for an average of \$50,000 per year for local public range time. AFSOC did not support the \$50,000 in costs for local ranges. According to AFSOC funding documents, from October 2014 to September 2015, AFSOC spent \$35,700 to lease local flat, long-distance, and demo ranges and a shoot house. The unit’s use of local ranges included up to 4 days per month each for the flat and long-distance ranges and 1 day per month each for the demo range and shoot house. Though a dedicated 21 STS indoor small arms range, if constructed, could eliminate the need to lease the local flat range, an indoor small arms range would not eliminate the requirement for additional training on the local long-distance and demo ranges and the shoot house.

Fort Bragg Had Existing Ranges Available for the 21 STS

On Form 1391, AFSOC officials stated they need a dedicated facility to ensure that 21 STS personnel stay current in qualification standards for many weapons they must qualify on. According to a Fort Bragg Range Control official, there are more than 40 ranges within five-and-a-half miles of the STS operations building that the 21 STS can use for small arms qualifications. A Fort Bragg Range Control official further stated that one range with 25 firing positions was within 200 meters of the STS operations building.

¹⁵ (FOUO) [Redacted]

Further, on Form 1391, AFSOC officials stated that even with the added civilian range use, unit members still required last-minute small arms training before deployment to meet proficiency standards. However, Fort Bragg Regulation 350-6¹⁶ states that the highest priority for range assignments is for operational deployments with less than 6 weeks to deployment date. Therefore, the 21 STS would have priority on available Fort Bragg ranges to meet last-minute proficiency standards prior to deployment.

USSOCOM Should Remove the Indoor Small Arms Range From the Project

AFSOC officials did not justify the need for the indoor small arms range; therefore USSOCOM should remove the indoor small arms range from the project. Congress approved the SOF 21 STS operations project in December 2015. According to a representative of the Office of the Assistant Secretary of Defense for Energy, Installations, and Environment,¹⁷ if it is determined that a portion of an approved MILCON project is not needed, that portion cannot be constructed. According to 10 U.S.C. § 2853 (2014), the scope of work for a MILCON project may be reduced by not more than 25 percent from the amount specified for that project on Form 1391. In the case of a reduction in the scope of work, the Secretary concerned notifies the appropriate committees of Congress in writing of the reduction in scope, the reasons for the reduction, and a certification that the mission requirement identified on Form 1391 provided to Congress can still be met with the reduced scope. USSOCOM should notify Congress of a scope reduction for project TMKH003003, SOF 21 STS Operations Facility, to remove the indoor small arms range, in accordance with 10 U.S.C. § 2853 (2014). In addition, USSOCOM, in coordination with the U.S. Army Corps of Engineers, should revise the request for proposal for project TMKH003003, SOF 21 STS Operations Facility, to remove the indoor small arms range, which would reduce the overall scope of the project by 13,000 square feet.



AFSOC officials did not justify the need for the indoor small arms range; therefore USSOCOM should remove the indoor small arms range from the project.

¹⁶ XVIII Airborne Corps and Fort Bragg Regulation 350-6, "Training, Installation Range Operations," March 1, 2014.

¹⁷ The Office of the Assistant Secretary of Defense for Energy, Installations, and Environment issues guidance on MILCON projects.

USSOCOM Did Not Develop Procedures for Validating MILCON Requirements

AFSOC officials did not justify the need for the indoor small arms range because USSOCOM did not develop procedures for validating MILCON requirements. According to an AFSOC official, AFSOC used USSOCOM Directive 415-1 to develop the project. This Directive provides guidance for managing USSOCOM MILCON projects through planning, programming, and budget execution. This Directive states that Components will review project documentation to ensure that requirements are valid and conform to current objectives, policies, and procedures. However, the Directive does not provide procedures for validating MILCON projects that require Components to confirm the accuracy of the project justification on Form 1391. To ensure USSOCOM Components properly validate MILCON projects, USSOCOM should update USSOCOM Directive 415-1 to include procedures for validating MILCON projects to require Components to confirm the accuracy of the project justification on Form 1391.

AFSOC Did Not Support Scope Calculations and Cost Estimates for the Operations Facility

AFSOC officials did not provide documentation to support the scope of the squadron operations facility.¹⁸ Air Force Manual 32-1084 states that special operations squadron space is determined by individual analysis and validated by AFSOC. AFSOC officials developed two user requirements documents (URDs)¹⁹ to prepare Form 1391 for the squadron operations facility. Specifically, AFSOC officials developed URDs for the special tactics team building and the HPTC.

Although the URDs included the scope of building spaces, they did not provide the basis for the scope calculations. For example, according to the URD, the men's locker room would be 1,121 square feet. However, AFSOC officials did not provide documentation to explain how this square footage was calculated.

In addition, AFSOC officials did not provide documentation to support cost estimates for the operations facility proposed on Form 1391. For example, AFSOC officials did not provide documentation to support the unit cost of \$1,955. AFSOC officials stated that their project files did not include any documentation on how they estimated the unit cost of the squadron operations facility.

¹⁸ The squadron operations facility consists of a special tactics team building and an HPTC.

¹⁹ The primary purpose of the URD is to validate the project scope, site, and costs to refine the programming documentation sent to Congress for project approval.

USSOCOM Officials Need to Issue Guidance for Documenting Scope and Cost Estimates

USSOCOM Directive 415-1 provides guidance for managing USSOCOM MILCON projects through planning, programming, and budget execution. However,

However, USSOCOM Directive 415-1 does not require Components to maintain documentation that fully supports scope calculations and cost estimates.

USSOCOM Directive 415-1 does not require Components to maintain documentation that fully supports scope calculations and cost estimates. According to a USSOCOM official, USSOCOM Components should follow their respective Service guidance on maintaining documentation to support project scope calculations and cost estimates. For example, a USSOCOM official stated that AFSOC should comply with Air Force Instruction 32-1021, which states that the installation should maintain MILCON project files to include adequate support such as manual and detailed calculations for scope and cost. However, USSOCOM Directive 415-1

does not require Components to maintain documentation that fully supports scope calculations and cost estimates, nor does the directive instruct USSOCOM Components to comply with their respective Service guidance. USSOCOM should update USSOCOM Directive 415-1 to require Components maintain documentation that fully supports scope calculations and cost estimates for MILCON requirements.

Funds Available for Other MILCON Projects

Because AFSOC officials did not justify the need for a small arms range, they planned to build a facility they may not need. The \$4 million estimated for the small arms range could be used for other MILCON projects. Additionally, USSOCOM lacks assurance that AFSOC officials properly scoped and estimated the cost of the operations facility. Therefore, AFSOC could build a squadron operations facility that may not meet its needs and that exceeds the estimated cost.

Recommendations, Management Comments, and Our Response

Recommendation A.1

We recommend the Commander, U.S. Special Operations Command:

- a. **notify Congress of the scope reduction for project TMKH003003, Special Operations Forces 21st Special Tactics Squadron Operations Facility, to remove the indoor small arms range, in accordance with section 2853, title 10, United States Code.**

U.S. Special Operations Command Comments

The Vice Commander, U.S. Special Operations Command, responding for the Commander, U.S. Special Operations Command, disagreed, stating that agreeing with the recommendation would require agreeing with and executing Recommendation A.2, which recommends removing the request for the small arms range from the project. The Vice Commander said that U.S. Special Operations Command plans to leave the small arms range requirement in the project, so congressional notification is not required.

Our Response

Comments from the Vice Commander did not address the specifics of the recommendation. The Vice Commander, U.S. Special Operations Command, disagreed with the recommendation and stated that U.S. Special Operations Command intends to leave the small arms range in the project. However, we disagree with U.S. Special Operations Command's plan to leave the small arms range in the project. When developing military construction requirements, DoD Components use Form 1391 to explain and justify facility needs. As stated in our report, Air Force Special Operations Command provided justifications on Form 1391 for the indoor small arms range, but it could not support these justifications, such as the cancellation rate for Fort Bragg small arms ranges and the additional contracted cost for using a local range. Additionally, existing Fort Bragg ranges have enough availability for the 21st Special Tactics Squadron to meet qualification and proficiency standards. Therefore, U.S. Special Operations Command should remove the indoor small arms range from the project. Congress approved the project in December 2015 based on justifications that the audit found were unsupported. According to a representative of the Office of the Assistant Secretary of Defense for Energy, Installations, and Environment, if a

portion of an approved military construction project is not needed, that portion cannot be constructed. We request that the Commander, U.S. Special Operations Command, provide additional comments in response to the final report on how the justifications provided on Form 1391 for the small arms range are supported.

- b. update U.S. Special Operations Command Directive 415-1 to include procedures for validating military construction projects to require Components to confirm the accuracy of the project justification on DD Form 1391, "Military Construction Project Data."**

U.S. Special Operations Command Comments

The Vice Commander, U.S. Special Operations Command, responding for the Commander, U.S. Special Operations Command, agreed, stating that U.S. Special Operations Command Directive 415-1 addresses the intent of the recommendation. He stated that Components are required to review project documentation to ensure that all requirements are valid and conform to current objectives, policies, and procedures.

Our Response

Although the Vice Commander, U.S. Special Operations Command, agreed with the recommendation, he did not address the specifics of the recommendation. As cited in our report, U.S. Special Operations Command Directive 415-1 does not provide procedures for validating military construction projects that require Components to confirm the accuracy of the project justification on Form 1391. Although the Vice Commander cited the U.S. Special Operations Command Directive 415-1 requirement to review project documentation to ensure requirements are valid, the Vice Commander did not specify the planned actions to update U.S. Special Operations Command Directive 415-1 to require Components to confirm the accuracy of the project justification on Form 1391. We request that the Commander, U.S. Special Operations Command, provide additional comments in response to the final report.

- c. update U.S. Special Operations Command Directive 415-1 to require that Components maintain documentation to fully support scope calculations and cost estimates for military construction requirements.**

U.S. Special Operations Command Comments

The Vice Commander, U.S. Special Operations Command, responding for the Commander, U.S. Special Operations Command, agreed, stating that the absence of this requirement in U.S. Special Operations Command Directive 415-1 does not relieve Air Force Special Operations Command and U.S. Army Special

Operations Command of the obligation to follow Air Force and Army requirements, respectively. The Vice Commander stated that Air Force Instruction 32-1021 requires that major commands compile, validate, and submit military construction projects according to the Instruction. He stated that the Instruction provides specific information on maintaining documents necessary for the regular military construction programming process. The Vice Commander also stated that the Department of the Army Pamphlet 420-1-2 describes the Army's Planning Charrette Process, including the associated documentation. He stated that the Pamphlet says estimates may be prepared using the DD Form 1391 Processor and the preparer may estimate costs, and in some cases provide cost figures where not available in the system. The Vice Commander also stated that the Pamphlet outlines establishing project files and their contents.

Our Response

Although the Vice Commander, U.S. Special Operations Command, agreed with the recommendation, he did not address the specifics of the recommendation. U.S. Special Operations Command Directive 415-1 provides guidance for managing U.S. Special Operations Command military construction projects through planning, programming, and budget execution. Officials at Air Force Special Operations Command and U.S. Army Special Operations Command stated that they used U.S. Special Operations Command Directive 415-1 to develop the projects. However, U.S. Special Operations Command Directive 415-1 does not require Components to maintain documentation that fully supports scope calculations and cost estimates, nor does the Directive instruct Components to comply with their respective Service guidance. We request that the Commander, U.S. Special Operations Command, provide additional comments in response to the final report.

Recommendation A.2

We recommend the Commander, U.S. Special Operations Command, in coordination with the U.S. Army Corps of Engineers, revise the request for proposal for project TMKH003003, Special Operations Forces 21st Special Tactics Squadron Operations Facility, to remove the indoor small arms range, which would reduce the overall scope of the project by 13,000 square feet.

U.S. Special Operations Command Comments

The Vice Commander, U.S. Special Operations Command, responding for the Commander, U.S. Special Operations Command, disagreed, stating that this project was vetted with U.S. Special Operations Command and deemed a valid requirement in its entirety by leadership at Air Force Special Operations Command and U.S. Special Operations Command. He stated that U.S. Special Operations Command

maintains the unit commander has sufficiently justified the small arms range portion of the project based on the unit's high operations tempo, the continuous requirement to maintain a high level of small arms proficiency within its ranks, and the inability of the installation range office to satisfactorily respond to the unit's range training request. The Vice Commander also said that given the inherent dangers faced by Air Force special tactics personnel on the battlefield, the \$4 million spent to construct a small arms range in garrison is a small investment relative to its rate of return. He also stated that the special tactics community has endured most of the Air Force's casualties since 9/11; therefore, special operations forces leadership should provide the 21st Special Tactics Squadron the best training venue possible to prepare its personnel for combat.

Our Response

Comments from the Vice Commander did not address the specifics of the recommendation. We acknowledge that U.S. Special Operations Command reviewed and approved Form 1391 for the project, but we disagree that U.S. Special Operations Command has sufficiently justified the estimated \$4 million small arms range, which is one of two primary facilities in the project.

When developing military construction requirements, DoD Components use Form 1391 to explain and justify facility needs. As stated in our report, Air Force Special Operations Command could not support the justifications provided on Form 1391 for the indoor small arms range. Additionally, existing Fort Bragg ranges have enough availability for the 21st Special Tactics Squadron to meet qualification and proficiency standards.

U.S. Special Operations Command provided the Office of the Secretary of Defense with Form 1391 for the Special Operations Forces 21st Special Tactics Squadron Operations project. The justifications for the indoor small arms range provided on Form 1391 were not supported in this report. Specifically, evidence of Fort Bragg range availability, the 21st Special Tactics Squadron's priority on available Fort Bragg ranges, and contract cost for local ranges contradict the justifications on Form 1391. Therefore, Congress may have relied on incorrect data when it approved the project.

Comments from the Vice Commander included justifications for the indoor small arms range that were not listed on Form 1391. For example, the Vice Commander said the \$4 million spent to construct a small arms range is a small investment relative to its rate of return. However, Form 1391 did not include a return on

investment for the indoor small arms range. Further, the Vice Commander did not provide information to support a return on investment. Therefore, we do not know whether U.S. Special Operations Command considered a return on investment when it reviewed and approved Form 1391. We request that the Commander, U.S. Special Operations Command, provide additional comments in response to the final report on how the justifications provided on Form 1391 for the small arms range are supported.

Management Comments on Potential Monetary Benefits and Our Response

U.S. Special Operations Command Comments

The Vice Commander, U.S. Special Operations Command, responding for the Commander, U.S. Special Operations Command, said that Congress funded the project through a line-item appropriation to include the \$4 million for the small arms range. He stated that if these funds are not executed, they could only be applied to funding shortfalls in other U.S. Special Operations Command projects or redistributed to the Office of the Secretary of Defense per request.

Our Response

Comments from the Vice Commander address the specifics of the potential monetary benefits, and no further comments are required. As stated in our report, Air Force Special Operations Command could not support the justifications provided on Form 1391 for the indoor small arms range.

Finding B

USASOC MILCON Project Was Valid, but Scope and Cost Were Not Supported

USASOC officials justified the need for the SOF battalion operations project at Fort Bragg, valued at \$38.5 million. However, USASOC officials did not fully support scope calculations for the project. Specifically, USASOC officials did not support scope calculations for the general instruction classroom and additional organizational storage area in the company operations facility. In addition, USASOC officials did not support cost estimates for the project. This occurred because USSOCOM did not require Components to maintain documentation that fully supports scope calculations and cost estimates.

As a result, USSOCOM lacks assurance that USASOC officials properly scoped the general instruction classroom and additional storage area in the company operations facility and properly estimated the cost of the battalion operations project.

USASOC Properly Justified the Project

USASOC officials justified the need for the SOF battalion operations project, valued at \$38.5 million. Form 1391 stated the 3rd Special Forces Group operates from undersized and poorly configured battalion and company operations facilities. We observed a company operations facility with part of a training room converted into workspace. We also observed intelligence personnel and Chief Information Officer personnel sharing office space divided by a partition, which, according to a USASOC representative, created potential classification and security concerns.

In addition, Form 1391 stated that the unit's current facility was inadequate and the communications infrastructure does not support modern data and information systems. We observed a training room without a SIPR Network access point, which, according to USASOC officials, they needed for classified presentations. Further, USASOC officials stated that the company operations facility is operating with 22 SIPR computers; the headquarters needs 58 additional SIPR computers to accommodate 84 personnel. However, according to USASOC officials the building does not have the infrastructure to support additional SIPR computers.

USASOC Did Not Support Scope Calculations and Cost Estimates

USASOC officials did not fully support scope calculations for the project. USASOC officials supported scope calculations for 129,341 of 137,500 square feet on Form 1391. However, USASOC officials did not support scope calculations for the general instruction classroom and additional organizational storage area in the company operations facility, totaling 8,159 of 137,500 square feet on Form 1391.



USASOC officials did not fully support scope calculations for the project.

According to the planning charrette²⁰ used to develop Form 1391, the scope of the general instruction classroom is 5,967 square feet, and the scope of the additional storage area is 2,192 square feet. However, USASOC officials did not provide documentation to support the scope of the classroom and storage area. For example, in November 2015, a USASOC official stated that he subtracted the maximum allowable square feet for a battalion headquarters without classrooms from the size of a battalion headquarters with a classroom according to the standard design for a battalion headquarters.²¹ However, in January 2016, a USASOC official stated that he used Army Regulation 405-70²² and the General Instruction Building Standard Design²³ to scope the general instruction classroom because the classroom would be in the company operations facility instead of the battalion operations facility. Neither methodologies provided by a USASOC official supported the 5,967 square-foot scope calculation for the general instruction classroom in the planning charrette.

Further, USASOC officials did not support cost estimates for the battalion operations project. Specifically, USASOC officials did not provide documentation to support the unit cost of \$1,930 per square meter²⁴ listed on Form 1391. The U.S. Army Corps of Engineers planning charrette for the project showed a unit cost of \$1,971.38 per square meter for the battalion operations facility and a unit cost of \$641.68 per square meter for a covered storage area. According to a USASOC official, USASOC combined the battalion operations facility and covered storage area into one facility and added the cost of building information systems on Form 1391. A USASOC official stated that the cost of building information systems

²⁰ The planning charrette provides an accurate analysis of the project scope, cost estimate, and Form 1391 to reflect the project requirements.

²¹ Army Facilities Standardization Program, Brigade Operations Complex, Brigade and Battalion Headquarters, Standard Design, revised February 2015.

²² Army Regulation 405-70, "Utilization of Real Property," May 12, 2006.

²³ General Instruction Building (GIB) and Army Continuing Education System (ACES) Standard Design Criteria, version 2.1, September 16, 2008.

²⁴ While Form 1391 included the scope in square feet and square meters, the unit cost is only in square meters.

was mistakenly not included in the planning charrette. USASOC officials identified a unit cost of \$1,930 per square meter for the combined facilities on Form 1391. However, USASOC officials did not provide documentation to support how they adjusted the unit cost from the planning charrette to Form 1391.

USSOCOM Officials Need to Issue Guidance for Documenting Scope and Cost Estimates

USSOCOM did not require Components to maintain documentation that fully supports scope calculations and cost estimates for MILCON requirements. A USSOCOM official stated that USASOC should comply with Army Regulation 420-1 for maintaining documentation to support scope calculations and cost estimates. Army Regulation 420-1 includes a requirement to maintain documentation that fully supports scope calculations and cost estimates for MILCON projects. According to a USASOC official, USASOC used USSOCOM Directive 415-1 to develop the project. Although USSOCOM Directive 415-1 provides policies, procedures, and responsibilities for USSOCOM MILCON, it does not require Components to maintain documentation that fully supports scope calculations and cost estimates, nor does it instruct USSOCOM Components to comply with their respective Service guidance. USSOCOM should update USSOCOM Directive 415-1 to require that Components maintain documentation that fully supports scope calculations and cost estimates for MILCON requirements. Recommendation A.1.c in Finding A will address this deficiency noted in Finding B.

Planned Facility May Not Meet User Needs

USSOCOM lacks assurance that USASOC officials properly scoped the general instruction classroom and additional storage area in the company operations facility and estimated the cost of the battalion operations project. Therefore, USASOC could build a facility that may not meet its needs and that exceeds the estimated cost.

Appendix A

Scope and Methodology

We conducted this performance audit from July 2015 through June 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We obtained documentation to determine whether USSOCOM could support the statements made on the Form 1391s. We reviewed documents related to MILCON requirements such as space requirement documents, user requirement documents, training requirements, firing range utilization estimates, expenditures for outside firing ranges, Fort Bragg firing range cancellation rates, unit manning reports, and work order reports. We reviewed these documents and compared them to the assertions made on the Form 1391s.

We interviewed personnel from USSOCOM, AFSOC, and USASOC, including engineers who developed the MILCON requirements and the approving officials for MILCON requirements.

We conducted site visits to USSOCOM Headquarters, MacDill Air Force Base, Florida; AFSOC Headquarters, Hurlburt Field, Florida; and USASOC Headquarters, Fort Bragg, North Carolina. We observed the buildings that currently house the 3rd Special Forces Group and 21 STS at Fort Bragg as well as the proposed areas for construction.

We reviewed public laws and DoD, Army, and Air Force guidance. Specifically, we reviewed 10 U.S.C. § 2853 (2014); USSOCOM Directive 415-1, "Oversight and Management of United States Special Operations Command Military Construction Program," June 23, 2010; Army Regulation 420-1, "Army Facilities Management," August 24, 2012; and Air Force Instruction 32-1021, "Planning and Programming Military Construction Projects," October 31, 2014.

Project Selection

For FY 2016, USSOCOM budgeted \$456.7 million for MILCON projects. We reviewed the USSOCOM budget request by location and identified Fort Bragg as the location with the highest dollar value. Specifically, USSOCOM budgeted \$135.9 million in FY 2016 for five MILCON projects at Fort Bragg. We nonstatistically selected two of the five projects for review. We reviewed the Form 1391s for the five MILCON

projects at Fort Bragg. We eliminated two projects for two classified SOF units. From the remaining three projects we selected the two operations facilities because of their immediate impact on military readiness and operations if not approved. We selected one USASOC and one AFSOC project:

- AFSOC SOF 21 STS Operations Facility (project no. TMKH003003): \$16.9 million for a 41,800 square-foot squadron operations facility and 13,000 square-foot indoor small arms range.
- USASOC SOF Battalion Operations Facility (project no. 80773): \$38.5 million for a 137,500 square-foot facility.

Use of Computer-Processed Data

We used computer-processed data from the Range Facility Management Support System. Fort Bragg tenants use the Range Facility Management Support System to schedule Fort Bragg ranges. We obtained reasonable assurance of the reliability of data in the Range Facility Management Support System by reviewing the controls in the user guide. We concluded that the data were sufficiently reliable for the purpose of our review.

Prior Coverage

During the last 5 years, the Department of Defense Inspector General (DoD IG) issued three reports on processes for developing requirements for MILCON projects. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>.

DoD IG

DODIG-2015-088, "Navy Controls Over the Requirements Development Process for Military Construction Projects in the Kingdom of Bahrain Need Improvement," March 13, 2015

DODIG-2014-074, "Navy Controls Over the Requirements Development Process for Military Construction Projects at Camp Lemonnier, Djibouti, Need Improvement," May 16, 2014

DODIG-2012-057, "Guidance Needed to Prevent Military Construction From Exceeding the Approved Scope of Work," February 27, 2012

Appendix B

Potential Monetary Benefits Table

Recommendation	Type of Benefit	Amount of Benefit	Account
A.2	Funds put to better use	\$4 million	FY 2016 U.S. Special Operations Command Military Construction Fund

Management Comments

U.S. Special Operations Command Comments



UNITED STATES SPECIAL OPERATIONS COMMAND
OFFICE OF THE VICE COMMANDER
USSOCOM WASHINGTON OFFICE, ROOM 2B877, THE PENTAGON
WASHINGTON, DC 20318-5109

21 APR 2016

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL, 4800
MARK CENTER DRIVER, ALEXANDRIA, VIRGINIA 22350-1500

SUBJECT: U.S. Special Operations Command Controls Over the Requirements
Development Process for Military Construction Projects Need Improvement (Project No.
D2015-D000CI-0230.000)

1. REFERENCE: Assistant Inspector General, Contract Management and Payments
Memorandum dated March 17, 2016.
2. The attached enclosure is the Command's management comments to the subject
draft report. We request a formal briefing once this report is finalized.
3. The point of contact for this matter is [REDACTED]

Encl
as

THOMAS J. TRASK
Lieutenant General, U.S. Air Force
Vice Commander

CF:
CDRUSASOC (w/encl)
COMAFSOC (w/encl)

U.S. Special Operations Command Comments (cont'd)

Management comments to the DoDIG Draft Report *U.S. Special Operations Command Controls Over the Requirements Development Process for Military Construction Projects Need Improvement* (Project No. D2015-D000CI-0230.000).

Recommendation A.1a: We recommend the Commander, U.S. Special Operations Command (USSOCOM):

a. Notify Congress of the scope reduction for the project TMKH003003, Special Operation Forces 21 Special Tactics Squadron Operations Facility, to remove the indoor small arms range, in accordance with section 2853, Title 10, U.S. Code.

Management comments: USSOCOM non-concurs since doing so would require the Command to concur with and execute Recommendation A.2. Since USSOCOM intends to leave the small arms range requirement in the project, initiating such a congressional notification is not required.

b. Update U.S. Special Operations Command Directive 415-1 to include procedures for validating military construction projects to require Components to confirm the accuracy of the project justification on DD Form 1391, "Military Construction Project Data."

Management comments: USSOCOM concurs with comment. USSOCOM D 415-1, para 2-2b and para 5-3 already addresses the spirit and intent of this recommendation. Components are already required to "review project documentation to ensure that *all requirements are valid* and conform to current objectives, policies, and procedures."

c. Update U.S. Special Operations Command Directive 415-1 to require Components maintain documentation to fully support scope calculations and cost estimates for military construction requirements.

Management comments: USSOCOM concurs with comment. The absence of this stipulation in USSOCOM D 415-1 does not alleviate the requirement for AFSOC and USASOC to adhere to existing Air Force and Army requirements, respectively.

1. Air Force: AFI 32-1021, para 3.1 states, in part, that "MAJCOM(s) compile, validate, and submit MILCON projects according to this AFI..." Additionally, para 3.7 and Table 3.2 provide specific information on maintenance of "documents that are necessary as part of the regular MILCON programming process."

2. Army: DA Pam 420-1-2, Appendix C describes in full the Army's Planning Charrette Process to include associated documentation (see para C-5). Para 3-3n(1)(a) states, "(Cost) Estimates may be prepared using the DD Form 1391 Processor. The preparer...may estimate costs...and in some cases provide cost figures where not available in the system." Also, DA 420-1, para 2-21 outlines the establishment and required contents of project files.

Enclosure

U.S. Special Operations Command Comments (cont'd)

Recommendation A.2: We recommend the Commander, U.S. Special Operations Command, in coordination with the U.S. Army Corps of Engineers, revise the request for proposal for project TMKH003003, Special Operation Forces 21 Special Tactics Squadron Operations Facility, to remove the indoor small arms range, which would reduce the overall scope of the project by 13,000 square feet.

Management comments: USSOCOM non-concurs. This project was vetted with USSOCOM and deemed to be a valid requirement in its entirety by AFSOC and USSOCOM leadership. Furthermore, USSOCOM maintains the unit commander has sufficiently justified the small arms range portion of the project based on the unit's high operations tempo, the continuous requirement to maintain a high level of small arms proficiency within its ranks, and the inability of the installation range office to satisfactorily respond to the unit's short-fused range training requests.

Given the inherent dangers faced by Air Force special tactics personnel on the battlefield, the \$4 million spent to construct a small arms range in garrison is a relatively small investment relative to its rate of return. The special tactics community has borne the brunt of the Air Force's casualties since 9-11, thus it is incumbent upon SOF leadership to provide the 21 STS with the absolute best training venue possible to prepare its personnel for combat.

Potential Monetary Benefit of \$4.0 million.

Management comments: Regarding Appendix B, Potential Monetary Benefits Table, Congress has already funded this project through a line-item appropriation to include the \$4.0 million specific to the small arms range. If these funds are not executed, they would be treated as de facto "bid savings" and could only be applied to funding shortfalls in other USSOCOM projects or redistributed to OSD per request.

Acronyms and Abbreviations

AFSOC	Air Force Special Operations Command
HPTC	Human Performance Training Center
MILCON	Military Construction
SIPR	Secret Internet Protocol Router
SOF	Special Operations Forces
STS	Special Tactics Squadron
URD	User Requirements Document
USASOC	U.S. Army Special Operations Command
USSOCOM	U.S. Special Operations Command



Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

The Whistleblower Protection Enhancement Act of 2012 requires the Inspector General to designate a Whistleblower Protection Ombudsman to educate agency employees about prohibitions on retaliation, and rights and remedies against retaliation for protected disclosures. The designated ombudsman is the DoD Hotline Director. For more information on your rights and remedies against retaliation, visit www.dodig.mil/programs/whistleblower.

For more information about DoD IG reports or activities, please contact us:

Congressional Liaison

congressional@dodig.mil; 703.604.8324

Media Contact

public.affairs@dodig.mil; 703.604.8324

For Report Notifications

http://www.dodig.mil/pubs/email_update.cfm

Twitter

twitter.com/DoD_IG

DoD Hotline

dodig.mil/hotline

~~FOR OFFICIAL USE ONLY~~



DEPARTMENT OF DEFENSE | INSPECTOR GENERAL

4800 Mark Center Drive
Alexandria, VA 22350-1500
www.dodig.mil
Defense Hotline 1.800.424.9098

~~FOR OFFICIAL USE ONLY~~