

GAO Highlights

Highlights of [GAO-19-4](#), a report to congressional committees

Why GAO Did This Study

The Department of Defense (DOD) budgets about \$25 billion annually to operate and support its installations. GAO has designated DOD support infrastructure management as a high-risk area since 1997, in part because DOD has needed to reduce its installation support costs. In 2013, Congress authorized the military services to enter into IGSAs with local and state governments to receive installation services, if an agreement will provide financial benefits or enhance mission effectiveness. As of July 2018, the military services had approved 45 IGSA at 33 installations.

In this report, GAO, among other objectives, evaluated the extent to which the military services have (1) realized and monitored the benefits from IGSA and (2) supported the use of IGSA and monitored whether installations are evaluating opportunities to use IGSA.

GAO reviewed the IGSA statute and policies and procedures; evaluated a nongeneralizable sample of 8 IGSA, selected based on factors including the military service involved, the amount of expected financial benefits, and the length of time in place; compared the services' processes and actions against standards for internal control; and interviewed service, installation, and local government officials.

What GAO Recommends

GAO is making eight recommendations to monitor both the benefits realized from implemented IGSA and whether installations are evaluating IGSA opportunities. DOD concurred with six recommendations and non-concurred with two, but plans to implement them all.

View [GAO-19-4](#). For more information, contact Brian J. Lepore at (202) 512-4523 or leporeb@gao.gov.

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DOD INSTALLATION SERVICES

Use of Intergovernmental Support Agreements Has Had Benefits, but Additional Information Would Inform Expansion

What GAO Found

Based on analysis of 8 selected intergovernmental support agreements (IGSA) and interviews with officials, GAO found that the military services have realized financial and nonfinancial benefits from using IGSA with local or state governments to obtain installation services such as waste removal, grounds maintenance, and stray animal control.

- **Financial benefits.** Of the 8 selected IGSA, 5 resulted in cost savings, in which the actual cost of each IGSA during its first year was lower than the expected cost of a contract the installation had previously used to obtain the installation service. For example, Moody Air Force Base realized an estimated cost savings of \$270,000 by using an IGSA for water and wastewater treatment services, versus continuing to obtain this service via contract. Installation officials stated that the other 3 selected IGSA resulted in cost avoidances, in which the installations used the IGSA to obtain a service they were not previously paying for at a lower cost than other alternatives.
- **Nonfinancial benefits.** According to officials from all four services, IGSA have provided nonfinancial benefits such as enhanced mission effectiveness and readiness, reduced administrative time, and improved relationships with local communities.

However, the military services are not fully monitoring benefits being realized from implemented IGSA because they have not established formal processes to do so. For example, Navy and Marine Corps officials stated that they are not monitoring the financial and nonfinancial performance of implemented IGSA in part because they are in the early stages of using IGSA. The Air Force monitors some information on realized IGSA financial benefits, but this information is not complete because reporting by installations is voluntary. Developing and documenting processes to monitor any realized benefits of implemented IGSA would provide the services with useful information on IGSA performance as they make decisions on devoting resources to developing and implementing these agreements in other locations.

The military services have developed various approaches for supporting the use of IGSA to reduce costs or enhance mission effectiveness. For example, the services have issued policies and procedures for their installations to follow in order to develop, obtain approval for, and implement IGSA. However, officials from each of the military services told us they are not fully monitoring whether installations are evaluating opportunities to use IGSA. For example, Army policy states that installations are to review current, soon-to-expire contracts for possible transition to an IGSA, but Army officials said they are not yet monitoring whether installations are doing so. Without a process in place to monitor whether installations are evaluating opportunities to use IGSA, the military services do not know the extent to which this is occurring and thus may be missing opportunities to further reduce costs or enhance mission effectiveness.