

GAO Highlights

Highlights of [GAO-16-406](#), a report to congressional committees

Why GAO Did This Study

For about 15 years, DOD has funded “contingency construction” projects to support operations in Iraq and Afghanistan. The range, complexity, and cost of construction vary (e.g., from concrete pads for tents to brick-and-mortar barracks). DOD funds the projects through MILCON or O&M appropriations. Base commanders can use O&M to fund lower cost projects.

Senate Report 113-174 includes a provision for GAO to review issues related to military construction in the CENTCOM area of responsibility in support of contingency operations in Iraq and Afghanistan. GAO evaluated, among other things, the extent to which DOD has (1) tracked the universe and cost of all contingency construction projects in support of contingency operations there, (2) developed a process to determine the appropriate level of construction for MILCON-funded contingency construction projects, and (3) developed a process for reevaluating contingency construction projects when missions change. GAO reviewed relevant guidance and project data.

What GAO Recommends

GAO made six recommendations including that DOD track the universe and cost of O&M-funded projects (DOD did not concur), review construction projects to ensure funds were properly used (DOD did not concur), examine approaches to shorten project approval times (DOD partially concurred), document level-of-construction determinations (DOD partially concurred), and require project reviews when missions change (DOD partially concurred). GAO maintains that its recommendations are valid.

View [GAO-16-406](#). For more information, contact Cary B. Russell, (202) 512-5431, russellc@gao.gov

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DEFENSE INFRASTRUCTURE

Actions Needed to Enhance Oversight of Construction Projects Supporting Military Contingency Operations

What GAO Found

Since contingency operations began in Iraq and Afghanistan, the Department of Defense (DOD) has not tracked the universe and cost of all U.S. Central Command (CENTCOM) contingency construction projects supporting operations there. According to senior DOD officials DOD is not required to track all contingency construction projects separately from all other DOD projects, but DOD has been able to generate specific data on MILCON-funded contingency construction projects when requested. Senior DOD officials stated that they were unaware of the magnitude of their use of O&M funds because DOD has not tracked the universe and cost of O&M-funded unspecified minor military construction projects in support of contingency operations. GAO identified O&M-funded construction costs for fiscal years 2009-12 of at least \$944 million for 2,202 of these projects in Afghanistan, costs that are significant compared with the \$3.9 billion DOD reported as enacted for MILCON-funded projects there in the same period. DOD has routinely used O&M funding to more quickly meet requirements because the MILCON review process can take up to 2 years. However, DOD’s use of O&M funding has posed risks. For example:

- **Financial risk:** In 2010, DOD identified needed concrete shelters at Bagram Airfield, Afghanistan, staying below the O&M maximum by dividing a single requirement into separate projects. DOD reported in 2015 that it should have used MILCON funds for the shelters, determining that the obligations incurred had exceeded the statutory maximum for O&M-funded unspecified minor military construction projects, resulting in an Antideficiency Act violation.
- **Duplication risk:** In 2015, officials at a base in the CENTCOM area of responsibility decided to use O&M funding for temporary facilities for a squadron while in the same year requesting MILCON funding for a permanent facility for the same squadron, which could result in providing the same service to the same beneficiaries.

For MILCON-funded contingency construction projects, DOD has guidance used for determining the appropriate level of construction, or building standard, based on the facility’s life expectancy requirements, but as of July 2015 had not documented the rationale for such determinations for 11 of the 39 projects in fiscal years 2011-15 that cost over \$40 million each. Further, for 8 of the 11 projects, senior DOD officials could not confirm what level of construction the projects represented based on DOD standards aimed at helping to match investments with requirements. Senior DOD officials acknowledged that an absence of such documentation could lead to DOD constructing facilities in excess of requirements because of the resulting lack of communication with those who design and construct the facilities.

DOD has not developed a formal process for reevaluating ongoing contingency construction projects when missions change. According to CENTCOM documentation, beginning in November 2011 DOD undertook five rounds of reviews of planned and ongoing projects in Afghanistan anticipating a change in the mission. However, without a requirement for such reviews, DOD risks constructing facilities that may be unneeded to support U.S. forces in the CENTCOM area of responsibility and in future contingencies worldwide.