U.S. Government Accountability Office

# DOD Installation Services: Action Needed to Improve Oversight of Intergovernmental Support Agreements

GAO-26-108092
Q&A Report to Congressional Requesters
September 3, 2026

## Why This Matters

In 2026, the Department of Defense (DOD) requested about $36 billion to operate and support over 160 active-duty installations in the United States. The military services—the Army, Navy, Marine Corps, Air Force, and Space Force—arrange for the provision of essential services to operate and support these installations' missions and personnel. These services may include utilities, custodial and waste management, and road maintenance.

In 2013, federal law authorized the military services to use intergovernmental support agreements (IGSA) to receive, provide, or share installation-support services. IGSAs are formal agreements between military installations and state, local, and tribal government entities—known as public partners—that allow them to share support functions and services. The McNamara-O'Hara Service Contract Act (SCA) requires federal contractors to pay service employees working on covered contracts the prevailing wage rates and fringe benefits for such employees in the locality but does not apply to IGSAs. Little is known about how the wages paid to employees under IGSAs may compare to wages required for those performing similar work under federal contracts.

We were asked to examine the military's use and oversight of IGSAs, as well as what is known about the labor used under these agreements. This report provides information on the military's use of IGSAs since GAO last reported on them in 2018, the services' monitoring of IGSA benefits, public partners' use of private contractors for work performed under selected IGSAs, and how wages paid under selected IGSAs may compare with those required for comparable work under the SCA.

## Key Takeaways

- The military services' use of IGSAs has increased in recent years. In 2018 we reported that 45 IGSAs had been approved across all DOD installations. In 2025 we found that 316 such agreements were in use, including agreements that covered multiple installations.
- The military services collect little to no information about the involvement of private contractors in performing work under IGSAs and officials told us that they are not required to do so. We found that private contractors were involved in nine of the 21 single-installation agreements we reviewed.
- We found variation in the minimum wages associated with a nongeneralizable sample of five positions performing work under IGSAs compared to the minimum wages that may be required for comparable work performed under the SCA.
- We found that the military services did not always conduct required cost-benefit analyses for prospective IGSAs that would provide more than one

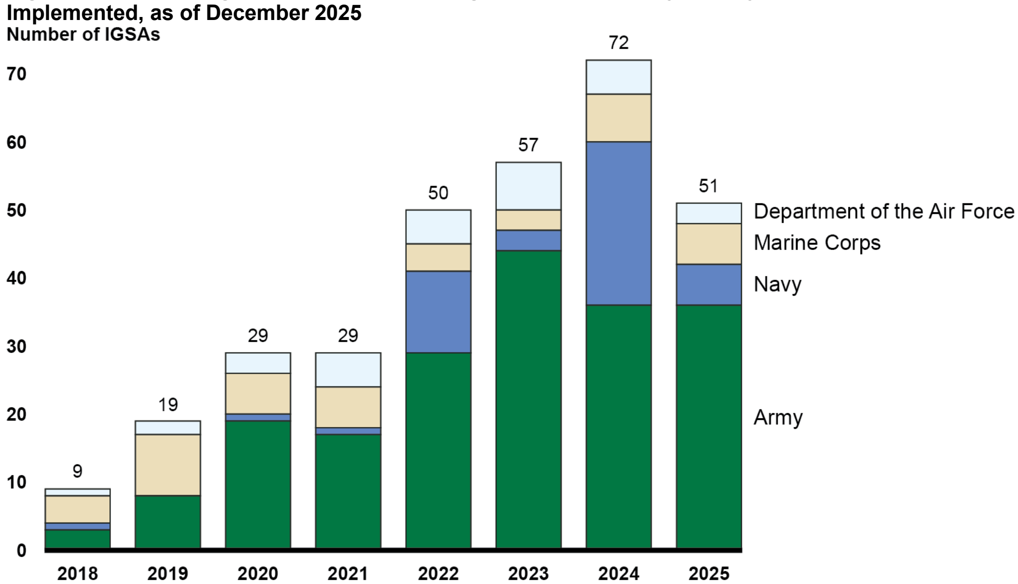
service across one or more installations, and many existing analyses did not meet best practices. We recommend that the military services develop guidance for estimating the financial benefits of multi-installation and multi-service IGSAs to ensure that these IGSAs are in the best interests of the military. We also found that the Navy, Marine Corps, and Air Force did not have procedures to verify the accuracy of installations' IGSA cost savings estimates. We recommend that the Navy, Marine Corps, and Air Force develop procedures to do so.

## How many IGSAs exist?

As of December 2025, the military services reported a total of 316 active IGSAs, up from 45 when we previously reported on IGSAs in 2018.[1] About 61 percent of these active IGSAs involved Army installations (192), the highest share among the services.

IGSA implementation has steadily increased over the last several years, from nine new IGSAs implemented in 2018 to 72 new IGSAs implemented in 2024, according to our analysis of military service data (see fig. 1).

**Figure 1: Active Intergovernmental Support Agreements (IGSA) by Military Service and Year Implemented, as of December 2025**




Source: GAO analysis of military service Intergovernmental Support Agreement (IGSA) data. | GAO 26-108092

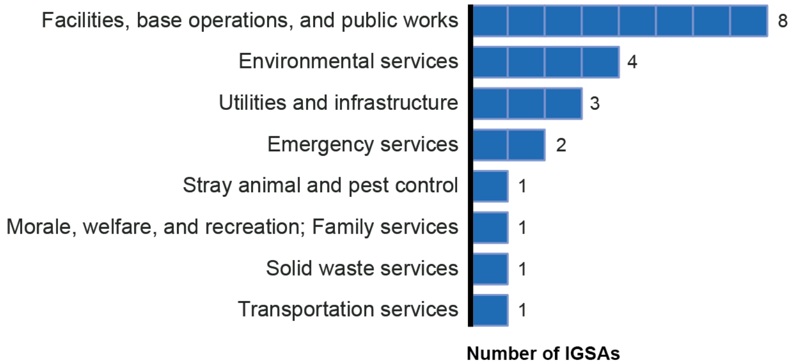
Note: GAO's analysis includes currently active IGSAs as of December 2025. IGSAs that expired before December 2025 are not included in this analysis. IGSA counts for the Department of the Air Force include both Air Force and Space Force installations.

Army officials told us that Army installations spent about $355 million via IGSAs in fiscal year 2025. Navy, Marine Corps, and Air Force officials told us that they do not track IGSA spending at the headquarters level, and cost information is maintained by the installations.

## For what purposes do the military services use IGSAs?

IGSAs support a wide variety of services, such as animal control, grounds maintenance, utilities, and equipment.[2] Among the 21 IGSAs we reviewed, the most common service category was facilities, base operations, and public works (see fig. 2). IGSAs in this category included services such as fire suppression support, as well as washer, dryer, and generator maintenance.

**Figure 2: Services Provided via 21 Selected Intergovernmental Support Agreements (IGSA) GAO Reviewed from Five Installations**




Source: GAO analysis of Intergovernmental Support Agreement (IGSA) documentation from five installations. | GAO 26-108092

Note: For more details on the 21 IGSAs GAO reviewed, see appendix I.

## How are IGSAs structured?

The military services may use an IGSA for one or more installation-support service at one or more installations.[3] Of the 21 IGSAs we reviewed that provided for services at individual installations, 15 were for a single specific service and six were for multiple services.[4] In this report, we use the term "multi-service IGSAs" to describe IGSAs written broadly to allow installations to request a variety of services from their public partners.

Among the five installations we included in our review, all had at least one IGSA for a single ongoing service. For example, one installation had an IGSA with a nearby city to extend the local bus service onto the installation. Another installation we reviewed had an IGSA with a different city for ongoing stormwater monitoring of a shared watershed.

Two of the five installations included in our review had multi-service IGSAs. Under a multi-service IGSA, installations request multiple services from a single public partner through a single agreement. Installation officials from one installation told us that multi-service IGSAs allowed them to request new services or supplies on an as-needed basis without going through contracting or developing a new IGSA. For example, an official described how they used an existing multi-service IGSA with a nearby local government to quickly repair a damaged road. Officials said using the multi-service IGSA saved both time and money compared to traditional contracting. They described the multi-service IGSAs as a valuable procurement tool, saying that when there is a need for a supply or service, the installation may compare quotes from their multi-service IGSA partners and private contractors to identify the best price.

The military services can also use IGSAs to provide services across multiple installations, including statewide, regionally, and nationally. We refer to these collectively as multi-installation IGSAs in this report. These IGSAs allow a single public partner to serve installations nationwide or across a state or region. Officials from the military services told us that these IGSAs can save money because they combine services or bulk order from a single partner.

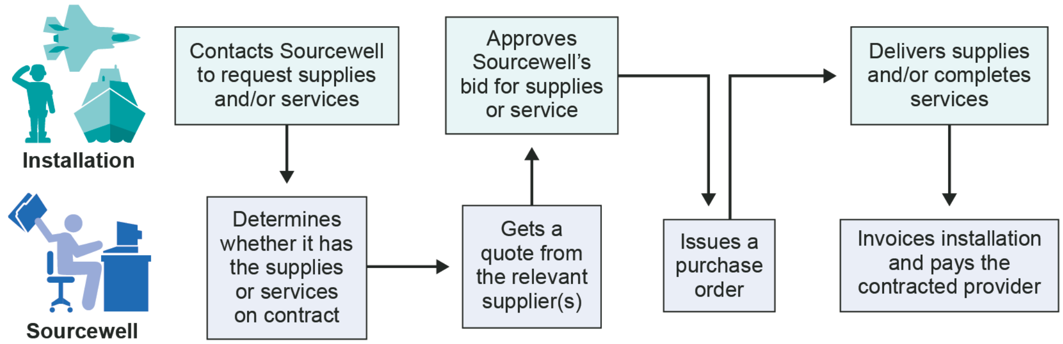
## What are multi-installation IGSAs, and how do military installations use them?

Multi-installation IGSAs allow a single public partner to serve installations nationwide, or across a state or region. For example, the Army has a state-wide IGSA with the Texas Department of Transportation that allows all Army installations in Texas to request roadway services, including road repair, maintenance, and construction on their installation.

The services' use of multi-installation IGSAs has expanded in recent years, including the first nationwide IGSA in 2024. Specifically, both the Army and the

Navy have a nationwide IGSA with Sourcewell, a Minnesota state government entity, that includes all Army and Navy installations in the United States.[5] Under the nationwide IGSAs, Sourcewell procures supplies and services for installations, such as operations supplies, equipment, facility repairs, and minor construction. Officials from Sourcewell told us that the military pays fees to Sourcewell to access its supplies and services (see fig. 3).

**Figure 3: Sourcewell Military Partnership Process**




Source: GAO analysis of Sourcewell information. | GAO-26-108092

According to Army data, as of June 2026, Sourcewell had completed more than 400 task orders on behalf of 30 Army installations totaling about $387 million. Sourcewell provided the Army services such as roof repairs and asbestos abatement, as well as supplies such as dehumidifiers, Christmas trees, and mattresses. According to Navy data, as of June 2026, three Sourcewell task orders had been approved across one Navy installation and two Marine Corps installations totaling about $100,000.

## When can an installation enter into an IGSA?

An installation may enter into an IGSA when the service secretary determines that the agreement will serve the best interests of DOD by creating efficiencies or economies of scale, including by reducing costs, or by enhancing mission effectiveness.[6] Further, installations may enter into IGSAs on a sole source basis (i.e., without a competitive bidding process) with a state, local, or tribal government. Federal law also states that any installation-support services obtained through an IGSA must already be provided by the state or local government for its own needs. Additionally, any contract awarded by a state or local government pursuant to an IGSA must be awarded competitively. IGSAs are statutorily limited to a term of no more than 10 years, but some IGSAs have been renewed after the initial agreement period ends.[7]

## What goals do DOD, the military services, and installations have for increasing the use of IGSAs?

Officials in DOD, the Army, the Navy, and installations described varying goals, but generally said they wanted to promote future IGSA use. Specifically, DOD officials told us that they empower installations to maximize implementation of IGSAs. Similarly, officials from each of the military services told us that they do not have targets for new IGSAs but promote their use when they benefit the military.

While DOD and service-level officials did not cite specific targets, officials from two out of five installations we spoke with told us that their installation or its leadership had specific goals for increasing IGSA use. Officials from one installation told us that they had a goal to implement two new IGSAs per year. Officials from another installation told us that they had a goal to implement one new IGSA per year. While they did not have numeric goals, officials from other installations told us that they encouraged or required departments to consider the feasibility of IGSAs early in the procurement process due to the potential financial and nonfinancial benefits of IGSAs. Military officials we spoke with said that IGSA benefits included cost savings, improved relationships between installations and their surrounding communities, and time savings compared to traditional contracting.

## How do installations estimate potential IGSA financial benefits?

Each military service has guidance that instructs installations to conduct cost-benefit analyses for prospective IGSAs; however, we found that most estimates of cost savings for IGSAs that provided for multiple services at one or more installations that we reviewed did not reflect best practices for cost estimation, which raises questions about their completeness and reliability. Specifically, the military services' guidance does not address how to analyze multi-installation and multi-service IGSAs. The purpose of these cost-benefit analyses is to document expected financial and nonfinancial benefits and help ensure that prospective IGSAs are in the best interests of the military, as required by statute.[8] Installation officials told us that their standard approach for estimating financial benefits compares a prospective public partner's quote for a service to either the actual cost of a prior contract for the same service, or an independent government cost estimate.[9]

However, we found that the military services did not consistently estimate costs and cost savings before entering into multi-installation and multi-service IGSAs. Most initial estimates we reviewed did not reflect best practices, particularly because they did not account for the full scope of services to be provided under the prospective agreements.[10]

We examined estimates for a nongeneralizable sample of four of the 11 multi-installation IGSAs the military services reported as of July 2025 (see table 1). For those multi-installation IGSAs we reviewed, the military services developed initial cost-benefit analyses for prospective agreements using estimated costs from a single project or installation. These estimates did not reflect the range of services that might be provided across all participating installations or account for potential cost variations among them. Military service officials said that after entering these multi-installation IGSAs, they subsequently conducted individual cost-benefit analyses for each proposed task order under the multi-installation IGSA to determine whether using the IGSA to complete the task order would benefit the military. As a result, these cost-benefit analyses for prospective multi-installation agreements were not meaningful. Reliable cost estimates should completely define the program and reflect the current technical baseline. In situations where information is limited, assumptions on which the estimate is based should be reasonable, clearly identified, explained, and documented.[11]

**Table 1: Basis for Estimating Cost Savings Associated with Selected Multi-Installation Intergovernmental Support Agreements GAO Reviewed**

| Service | Partner | Cost savings estimate | Basis for cost savings estimate |
|---|---|---|---|
| Army | Sourcewell | 22 percent | Based on one installation's experience and needs |
| Army | Texas Department of Transportation | 21 percent | Based on a single sample project |
| Navy and Marine Corps | University of Hawaii | 11 percent | Based on a single sample project |
| Air Force | Texas Department of Transportation | 32 percent | Based on a single sample project applied to two of five installations in the state |

Source: GAO analysis of military documentation. | GAO-26-108092

We also reviewed the cost-benefit analyses for all 402 task orders executed across 30 installations under the Army's multi-installation IGSA with Sourcewell as of June 2026. We found that 101 task orders either did not provide a financial benefit or the Army did not document a cost comparison. The Army did not document a nonfinancial benefit for 49 of those 101 task orders.

Among the six multi-service IGSAs we reviewed from two installations, we found a similar pattern. One multi-service IGSA included a detailed cost-benefit analysis that considered seven different installation-support services that the prospective IGSA would provide. The other five multi-service IGSAs did not include any cost-benefit analyses prior to entering into the agreement. Officials from the installation that held these multi-service IGSAs told us that they conducted an analysis for each individual service before deciding whether to use an existing multi-service IGSA or another procurement method for a given service.

Cost-benefit analyses for IGSAs rely on accurate cost estimates. Without reliable estimates of costs and potential savings, officials may not have important information to help determine whether a proposed agreement would serve the best interests of the military.[12] Military service officials told us that existing guidance for conducting cost-benefit analyses applies to all IGSAs and that no additional guidance is needed. However, existing guidance does not address the complexities specific to multi-installation and multi-service IGSAs, such as how to estimate costs and cost savings across multiple installations. Without guidance specific to multi-installation and multi-service IGSAs, the military services may continue to incorrectly estimate or fail to estimate costs and cost savings prior to entering into IGSAs. Developing guidance including a standard method to determine whether prospective multi-installation and multi-service IGSAs will serve the best interests of the military—particularly in cases where financial benefits are unclear—could help officials strengthen oversight of these agreements.

## How do the military services ensure that installations accurately calculate IGSA financial benefits?

The Navy, Marine Corps, and Air Force are unable to verify whether financial benefit estimates are accurate in alignment with GAO's best practices for cost estimation because they do not monitor the actual costs and cost savings installations have realized from IGSAs across installations.[13] Army officials told us they track actual IGSA costs and cost savings in real time and can compare them to estimated cost savings. Navy, Marine Corps, and Air Force officials said that actual IGSA cost information is maintained at the installation level.

Each military service requires installation officials to estimate the costs and cost savings that a new IGSA may generate before an IGSA is approved. However, because this estimate occurs before the IGSA is approved, it does not reflect actual cost savings. The Navy, Marine Corps, and Air Force do not verify that installations accurately report actual IGSA costs and cost savings after an IGSA goes into effect because they do not have procedures to do so.

Among the IGSAs we reviewed, we found instances where actual costs differed from initial estimates. For example, Navy officials estimated that work under their IGSA with the University of Hawaii, effective in December 2024, would cost about $10 million per year and generate about $1.1 million in annual cost savings. However, University of Hawaii officials told us that they had not yet completed any task orders under the IGSA as of February 2026. Therefore, the estimated costs and cost savings for fiscal year 2025 were not realized.

According to best practices, cost estimates should be regularly updated to ensure that they reflect program changes and actual costs.[14] Developing procedures to verify actual IGSA costs and cost savings will allow the services to update estimates to reflect actual costs. Further, in 2021 federal law required the military services to establish a pilot program to return up to 25 percent of realized IGSA cost savings to the installation and later extended this authority through 2030.[15] However, without accurate cost savings information, the Navy, Marine Corps, and Air Force cannot verify whether estimated cost savings align with cost savings realized from IGSAs or accurately determine the amounts to be returned to installations. In addition, DOD and Congress may use these estimates to inform future policies regarding IGSAs, such as whether to make the cost savings pilot permanent. Without accurate cost and cost savings information, Congress and the services cannot make fully informed decisions about IGSAs.

## What information do the military services and installations document about labor performed under IGSAs?

The military services and installations document little or no information about labor performed under IGSAs. According to officials, this is because they are not required by statute to document this information.

The Air Force, however, requires installations to complete a checklist when entering a new IGSA that includes indicating whether private contractors will conduct any of the work performed under the agreement. According to Air Force officials, they included this requirement to ensure contracts were awarded competitively.[16] The other military services do not require installations to document any labor-related information.

At the installation level, officials from the five installations whose IGSAs we reviewed noted they did not document labor information. Officials from two installations said that labor-related information sometimes comes up in IGSA discussions or later in the IGSA process, but they do not systematically collect or document it when establishing an IGSA. For example, officials at one installation said that when purchase orders are executed under an IGSA for a service, they show current wage rates for the labor being performed for the specific task.

## How much of the work under IGSAs is performed by private contractors?

It is difficult to determine how much work under IGSAs is performed by public partners' private contractors because the military services and installations document little or no labor-related information from their partners.

For the sample of 21 single-installation IGSAs we reviewed, we obtained information on work performed by private contractors by interviewing public partners. Public partner officials indicated that all work under eight of the IGSAs was performed by public-sector employees; all work under one IGSA was performed by contractors; and work under eight IGSAs was performed by a combination of public-sector employees and contractors. Officials from one public partner said a combination of public-sector employees and Department of Corrections inmates performed work under the IGSA.[17]

For several of the IGSAs where both types of employees performed work, public employees procured goods and services for the installation, but the services provided for the installation were completed by contractors. For example, six of the IGSAs we reviewed were multi-service IGSAs, under which a public partner provided a suite of installation-support services to an installation through a single agreement. Under some of these, IGSAs contractors provided installation-support services as needs arose. For additional details about the types of services provided and employees used, see appendix I.

In interviews with three public partners involved in four multi-installation IGSAs, officials from two public partners indicated that some or all the work performed under the agreements was done by contractors. No work had yet been performed under the fourth IGSA at the time of our interview. Specifically:

- Officials from the Texas Department of Transportation said that their staff performed much of the program and project management work, while outside consultants were used for other phases, and contractors were used for construction.
- Officials from Sourcewell said the full scope of work under IGSAs included Sourcewell employees, contractors, and subcontractors. Specifically, Sourcewell employees supported and helped execute IGSAs and the staff

performing the work were employees of competitively awarded suppliers under contract with Sourcewell, or sub-contractors working for those competitively awarded suppliers. According to Sourcewell data, the agency had 1,047 competitively awarded contracts with more than 900 individual suppliers available to all its clients as of February 2026. Through their IGSAs with Sourcewell, the Army and Navy receive access to these contracts.

- Officials from the University of Hawaii said that no work had been performed for the Navy yet under their natural and cultural resource management IGSA, but that their preference was to use university employees. Contractors would only be used if no university employee had the needed expertise.

## To what extent do IGSAs provide for the types of services the SCA may cover, and do their employees hold positions the SCA might cover?

Although IGSAs are not subject to the requirements of the SCA, we found that 15 of the 21 single-installation agreements we reviewed provided for the types of services the SCA may cover when acquired via a contract. Six IGSAs only provided for functions that are not covered by the SCA, including the provision of public utility services and the purchase of goods. Federal law provides that IGSAs are not subject to other provisions of law governing the award of federal government contracts for goods and services. According to officials we interviewed from DOD, this includes the SCA.

For the 15 IGSAs that provided for services that the SCA may cover, we reviewed available job descriptions and wage information for each public-sector employee who performed work under the agreement to determine whether the positions might qualify as SCA-covered service positions. We found that 11 of the 15 IGSAs had at least one position that might be covered by the SCA, were it to apply. For additional information on SCA requirements and exemptions, see How GAO Did This Study.

## How may wages paid to state and local employees under IGSAs compare to those that may be required under federal contracts?

We found variation when we compared minimum wages for public sector employees to minimum wages required by the SCA for a sample of five job positions under the IGSAs we reviewed.[18] Under IGSAs, public partners may use wage rates normally paid by that state or local government, which can differ from the rates required under the SCA for federal contracts.[19] Positions that are covered by the SCA generally must receive no less than the locally prevailing wages and fringe benefits as set forth in wage determinations issued by the Department of Labor (DOL). Positions found to be exempt include certain executive, administrative, professional, and highly compensated roles.

For three of the five positions, we found that the minimum hourly wage for the position under the IGSA was lower than the minimum hourly wage required by the SCA. For one position the minimum hourly wages were nearly equal, and for the remaining position, the minimum hourly wage paid to workers in the most similar position under the IGSA was higher than required by the SCA. The minimum hourly wages for public sector employees performing IGSA-related work ranged from 19 percent less to 50 percent more than the comparable SCA wage (see table 2).

**Table 2: Selected Comparison of Minimum Hourly Wages Offered by Public Partners to Minimum Hourly Wages Required Under the McNamara-O'Hara Service Contract Act (SCA) for Similar Positions**

| Position title (public partner) | Minimum hourly wage offered by public partner | Position title (SCA Directory of Occupations) | Minimum hourly wage required under the SCA | Percent difference |
|---|---|---|---|---|
| Paralegal | $23.92 | Paralegal/Legal Assistant II | $28.89 | -17 percent |
| Senior Accounting/Payroll Specialist | $21.47 | Accounting Clerk III | $21.54 | 0 percent |
| Driver I | $15.36 | Shuttle Bus Driver | $18.98 | -19 percent |
| EMT Transport Crewmember | $16.37 | Emergency Medical Technician | $18.84 | -13 percent |
| Stormwater Environmental Specialist 1 | $39.84 | Environmental Technician | $26.64 | 50 percent |

Source: GAO analysis of wage data provided from public partners and wage determinations from SAM.gov. | GAO-26-108092

## Conclusions

The military services have expanded their use of IGSAs in recent years. Since we last reported on IGSAs in 2018, the military services have begun using new types of IGSAs, including multi-installation and multi-service IGSAs. Though they require cost-benefit analyses for all IGSAs, the military services' guidance related to estimating the potential benefits does not include specific instructions for multi-service and multi-installation IGSAs. Further, the Navy, Marine Corps, and Air Force have not developed procedures to verify whether anticipated financial benefits have been realized in alignment with best practices for cost estimation.

As DOD continues its cost savings pilot, guidance and oversight are important to ensure both DOD and Congress receive quality information to assess the pilot. Without guidance for estimating the potential benefits of multi-service and multi-installation IGSAs and procedures to verify installations' financial benefit estimates, the military services, DOD, and Congress may lack reliable, quality information to make decisions about future use of IGSAs.

## Recommendations for Executive Action

The Secretary of the Army should develop guidance for Army installations on how to estimate potential IGSA costs and cost savings for IGSAs that will provide services on a task-order basis, such as multi-installation and multi-service IGSAs, including a standard method for estimating financial benefits across multiple installations. (Recommendation 1)

The Secretary of the Navy should develop guidance for Navy and Marine Corps installations on how to estimate potential IGSA costs and cost savings for IGSAs that will provide services on a task-order basis, such as multi-installation and multi-service IGSAs, including a standard method for estimating financial benefits across multiple installations. (Recommendation 2)

The Secretary of the Air Force should develop guidance for Air Force and Space Force installations on how to estimate potential IGSA costs and cost savings for IGSAs that will provide services on a task-order basis, such as multi-installation and multi-service IGSAs, including a standard method for estimating financial benefits across multiple installations. (Recommendation 3)

The Secretary of the Navy should develop procedures to verify the accuracy of Navy and Marine Corps installations' IGSA cost and cost savings estimates. (Recommendation 4)

The Secretary of the Air Force should develop procedures to verify the accuracy of Air Force and Space Force installations' IGSA cost and cost savings estimates. (Recommendation 5)

## Agency Comments

We provided a draft of this report to DOD for review and comment. In written comments, reproduced in appendix II, the Departments of the Army, Navy, and Air Force generally agreed with our recommendations and identified actions they planned to take to address them.

Regarding our second recommendation, the Department of the Navy stated that it would develop guidance to achieve more robust comparison of estimated versus actual costs of IGSA task orders to provide accurate data on overall IGSA cost-effectiveness.

Regarding our third recommendation, the Department of the Air Force stated that it would distribute additional guidance, as appropriate, to ensure adequate cost savings and avoidance were assessed prior to approving multi-service and multi-installation IGSAs and subsequent task orders.

Regarding our fourth recommendation, the Department of the Navy stated that it would develop guidance that would direct more thorough cost-estimate and cost-savings data collection to enable more effective assessment and back-testing of IGSA cost estimation methodologies.

Regarding our fifth recommendation, the Department of the Air Force stated that it would develop a process to annually review IGSAs to compare and assess actual costs of performance against the cost estimates developed prior to the initial IGSA approval.

## How GAO Did This Study

To determine how frequently military installations use IGSAs and their purposes and monetary values we analyzed data from the military services on currently active IGSAs as of December 2025. We also interviewed officials from DOD and the Departments of the Army, Navy, and Air Force, which oversee the five military services: the Army, Navy, Marine Corps, Air Force, and Space Force. We determined that the data we used were reliable for our purposes by interviewing agency officials about the data, comparing select data to source materials, and checking for missing data, outliers, or obvious errors.

To select a nongeneralizable sample of military installations whose IGSAs we would review, we analyzed data from the services on the number of active IGSAs held by each installation. We prioritized installations that had three or more active IGSAs and that participated in multi-installation IGSAs. We also prioritized regional variety and selected at least one installation from each military service. Lastly, we considered input from service-level military officials to enable us to avoid selecting installations where there had been significant staff turnover among positions that work with IGSAs. In total, we selected five military installations (out of an estimated 160 nationwide): two from the Army, which holds the majority of IGSAs across the services, and one each from the Navy, Air Force, and Marine Corps. Combined, these five installations held a total of 21 active IGSAs that became our sample of single-installation agreements.

For each of our five selected installations, we met with installation officials to discuss their active and planned IGSAs and the extent to which they collect information related to the labor performed under the agreements. Following these interviews, we contacted each public partner associated with the IGSAs and gathered additional information about labor performed under the agreements. Specifically, we asked whether the IGSA-related work was performed by public or private sector employees, and requested the job titles, position descriptions, and the hourly pay ranges associated with any public employees.

To determine whether single-installation IGSAs provide for the types of services that the SCA may cover, we first analyzed each agreement to see if it would meet the criteria for being a service contract were IGSAs subject to the SCA.[20]

Under 41 U.S.C. § 6702, the SCA applies to contracts that: (1) are made by the federal government, (2) involve an amount exceeding $2,500, and (3) have as their principal purpose the furnishing of services through the use of service employees. If an agreement met these criteria, we then determined whether the IGSA would meet the criteria to be an exempt service contract. Exempt service contracts include contracts for the construction, alteration, or repair, including painting and decorating, of public buildings or public works; any contract work covered by the Walsh-Healey Public Contracts Act; contracts for the carriage of freight or personnel by vessel, airplane, bus, truck, railway; contracts for the furnishing of services by radio, telephone, telegraph, or cable companies; contracts for public utility services, including electric light and power, water, steam, and gas; and employment contracts providing for direct services to a federal agency by an individual.[21] For IGSAs that we found would include services typically covered by the SCA, when information was available, we reviewed job description and pay information to determine if any positions performing such services would meet the definition of a service employee under the SCA.[22] Officials from DOL's Wage and Hour Division said our approach to making these determinations was reasonable given available information.

We selected a nongeneralizable sample of five public-sector IGSA positions from those provided by our selected public partners for further analysis. We selected positions that had detailed job descriptions, hourly wage information, and identifiable position titles that could be matched to positions in DOL's SCA Directory of Occupations. For these positions, we compared the minimum hourly wage the public partner offered for the position to the minimum hourly wage guaranteed under the SCA. To do this, we compared position descriptions provided by public partners to the position descriptions in the DOL's SCA Directory of Occupations to identify the most similar positions. We then searched SAM.gov to obtain the area-wide wage determination for the locality where the IGSA work was performed and compared the minimum hourly wage offered for the most similar position.[23] Officials from DOL's Wage and Hour Division noted that wage determinations generally require that SCA-covered employees are eligible for fringe benefits, which we did not account for in our analysis. Additionally, we did not analyze information on wages actually paid to employees. This analysis is for illustrative purposes and should not be interpreted as a definitive legal conclusion.

To examine whether there were differences in labor considerations when IGSA partners served multiple installations across a larger geographic area, we selected two nationwide, one regional, and one statewide agreement for further review. We prioritized selecting multi-installation IGSAs that our selected military installations participated in, as well as IGSAs across a range of military services. We met with officials from each selected public partner to discuss their agreement and the labor performed under it.

To assess the extent to which the military services monitored IGSA financial and nonfinancial benefits, we interviewed officials from the Army, Navy, Marine Corps, and Air Force and reviewed documentation, including cost benefit analyses, from our selected IGSAs, (i.e., the 21 single-installation IGSAs and the four multi-installation IGSAs). We evaluated the cost estimates for these IGSAs against GAO's *Cost Estimating and Assessment Guide* and assessed whether they aligned with best practices for cost estimation.[24]

We conducted this performance audit from January 2025 to September 2026 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.

## List of Addressees

The Honorable Robert C. “Bobby” Scott
Ranking Member
Committee on Education and Workforce
House of Representatives

The Honorable Lucy McBath
House of Representatives

We are sending copies of this report to the appropriate congressional committees and the Secretary of Defense. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

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## Appendix I: Sample of Single-Installation Intergovernmental Support Agreements (IGSAs)

This appendix shows the sample of single-installation IGSAs we selected and analyzed. We determined the purpose of the IGSAs by reviewing the agreements and interviewing public partners for additional details. We learned about the types of employees performing work under the IGSA through our partner interviews. Our McNamara-O'Hara Service Contract Act (SCA) related analysis is detailed above in How GAO Did This Study.

**Table 3: Sample of Single-Installation Intergovernmental Support Agreements (IGSAs)**

| Installation | Purpose of IGSA | Type(s) of employees | IGSA provides for services typically covered by the McNamara-O'Hara Service Contract Act (SCA) | Public-sector employee that may meet qualifications a service employee under the SCA |
|---|---|---|---|---|
| Army Fort Bliss | Water related services | Public & Private | Yes | Yes |
| Army Fort Bliss | Animal control services | Public | Yes | Yes |
| Army Fort Bliss | Detainment services | Public & Private | Yes | Yes |
| Army Fort Huachuca | Washer and dryer repair and maintenance | Public | Yes | Yes |
| Army Fort Huachuca | Fire suppression services | Private | Yes | No, all private |
| Army Fort Huachuca | Ambulance services | Public | Yes | Yes |
| Army Fort Huachuca | Solid waste management | Public & Private | Yes | Yes |
| Army Fort Huachuca | Transportation services | Public | Yes | Yes |
| Army Fort Huachuca | Wildfire fuel removal | Public & Department of Corrections Inmates | Yes | Yes |
| Moody Air Force Base | Golf course operation | Public | No | N/A |
| Moody Air Force Base | Multi-service agreement for installation support services | Unknown, no work yet conducted under this IGSA | Yes | Unknown, no work yet conducted under this IGSA |
| Moody Air Force Base | Water and wastewater treatment | Public | No | N/A |
| Naval Base San Diego | Agreement where the public partner pays the installation for trash and debris clean-up | Installation staff | No | N/A |
| Naval Base San Diego | Infrastructure improvements | Public & Private | No | N/A |
| Naval Base San Diego | Stormwater monitoring | Public & Private | Yes | Yes |
| Marine Corps Base Quantico | Multi-service agreement for procurement of materials and supplies | Public & Private | No | N/A |
| Marine Corps Base Quantico | Environmental management services | Public | Yes | Yes |
| Marine Corps Base Quantico | Multi-service agreement for procurement of materials and supplies | Public | No | N/A |
| Marine Corps Base Quantico | Multi-service agreement for procurement of materials, supplies, and services | Public & Private | Yes | No |
| Marine Corps Base Quantico | Multi-service agreement for procurement of materials, supplies, and services | Unknown, partner did not respond to GAO inquiries | Yes | Unknown, partner did not respond to GAO inquiries |
| Marine Corps Base Quantico | Multi-service agreement for procurement of materials, supplies, and services | Public & Private | Yes | Yes |

Source: Document review and interviews with public partners. | GAO-26-108092

Note: IGSAs are not subject to the SCA. This analysis is for illustrative purposes and should not be interpreted as a definitive legal conclusion. N/A indicates that we did not review any positions to determine whether they may meet qualifications as a service employee under the SCA because the IGSA does not provide for services typically covered by the SCA. See How GAO Did This Study for additional details about our methodology.

# Appendix II: Comments from the Department of Defense

OFFICE OF THE ASSISTANT SECRETARY OF WAR
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

SUSTAINMENT

Ms. Diana Maurer
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Maurer,

This letter serves as the Department of War (DoW) response to the Government Accountability Office (GAO) Draft Report GAO-26-108681, titled "ARMY DEPOT MAINTENANCE: Information on Workload, Workforce, and Challenges," August 2026 (GAO Code 108681).

I have reviewed the report and concur with it as written. I am fully committed to continuing to support the Military Departments as they work to strengthen and expand their depot workforces to meet mission requirements and deliver the best possible support to the Warfighter. For further information, please contact me at scott.a.holland4.civ@mail.mil or (571) 372-6756.

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Scott A. Holland
Director, Maintenance, Sustainment & Strategy
Deputy Assistant Secretary of War
(Materiel Readiness)

**GAO DRAFT REPORT DATED JUNE 24, 2026**
**GAO-26-10108092 (GAO CODE 108092)**

**"DOD INSTALLATION SERVICES: ACTION NEEDED TO IMPROVE OVERSIGHT OF INTERGOVERNMENTAL SUPPORT AGREEMENTS"**

**DEPARTMENT OF WAR COMMENTS TO THE GAO RECOMMENDATIONS**

**RECOMMENDATION 1**: The GAO recommends that the Secretary of the Army should develop guidance for Army installations on how to estimate potential IGSA costs and cost savings for Intergovernmental Support Agreements (IGSAs) that will provide services on a task-order basis, such as multi-installation and blanket IGSAs, including a standard method for estimating financial benefits across multiple installations.

**DEPARTMENT OF THE ARMY RESPONSE**: Concur.

**RECOMMENDATION 2**: The GAO recommends that the Secretary of the Navy should develop guidance for Navy and Marine Corps installations on how to estimate potential IGSA costs and cost savings for IGSAs that will provide services on a task order basis, such as multi installation and blanket IGSAs, including a standard method for estimating financial benefits across multiple installations.

**DEPARTMENT OF THE NAVY RESPONSE**: Partially concur. Department of Navy IGSA policy already requires Commander Navy Installations Command (CNIC) and Marine Corps Installations Command (MCICOM) to "collect and monitor information on the extent to which all implemented IGSAs have resulted in financial or nonfinancial benefits" and implementation of "a process to monitor Navy and Marine Corps installations' evaluation of opportunities for using IGSAs". Navy concurs with developing guidance to achieve more robust comparison of estimated versus actual costs of IGSA task orders to provide accurate data on overall IGSA cost-effectiveness.

**RECOMMENDATION 3**: The GAO recommends that the Secretary of the Air Force should develop guidance for Air Force and Space Force installations on how to estimate potential IGSA costs and cost savings for IGSAs that will provide services on a task-order basis, such as multi-installation and blanket IGSAs, including a standard method for estimating financial benefits across multiple installations.

**DEPARTMENT OF THE AIR FORCE RESPONSE**: Partially concur. Any IGSA that involves multi-service, multi-installation IGSAs, or similar are required to do a cost/benefit analysis prior to executing an IGSA and subsequent task orders. The Deputy Assistant Secretary of the Air Force for Installations (SAF/IEI) advises the field to utilize relevant base functional expertise when developing an IGSA cost/benefit analysis, including Financial Managers and

Contracting functionals, in support of analyzing cost savings or cost avoidance consistent with Department of Air Force Instruction (DAFI) processes (e.g., DAFI 65-501 and DAF Manual (DAFMAN) 65-506). DAF will distribute additional guidance, as appropriate, to the enterprise to ensure adequate cost savings/avoidance is assessed prior to approving a multi-service, multi-installation IGSA and subsequent task orders.

**RECOMMENDATION 4**: The GAO recommends that the Secretary of the Navy should develop procedures to verify the accuracy of Navy and Marine Corps installations' IGSA cost and cost savings estimates.

**DEPARTMENT OF THE NAVY RESPONSE**: Partially concur. DoDI 7041.03 Economic Analysis for Decision-making provides the policy and procedures for evaluation of cost/cost-savings determinations in IGSA task order execution. Forthcoming guidance will direct more through cost-estimate and cost-savings data collection to enable more effective assessment and back-testing of IGSA cost estimation methodologies.

**RECOMMENDATION 5**: The GAO recommends that the Secretary of the Air Force should develop procedures to verify the accuracy of Air Force and Space Force installations' IGSA cost and cost savings estimates.

**DEPARTMENT OF THE AIR FORCE RESPONSE**: Partially concur. DAF already has guidance that cost analyses should be consistent with DAFI processes (e.g., DAFI 65-501 and DAFMAN 65-506). DAF will distribute this cost estimating guidance to the enterprise. Additionally, the DAF is developing a process to annually review executing IGSAs to compare and assess actual costs of performance against the estimated costs included in the Best Interest Analysis that was the basis of the initial IGSA approval.

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## Endnotes

[1]See GAO, *DOD Installation Services: Use of Intergovernmental Support Agreements Has Had Benefits, but Additional Information Would Inform Expansion,* GAO-19-4 (Washington, D.C.: Oct. 23, 2018). The military services include the Army, Navy, Marine Corps, Air Force, and Space Force. Air Force IGSA-related policy applies to Space Force installations, which had one IGSA as of December 2025. For the purposes of this report, we will refer only to the Air Force.

[2]"Installation-support services" include those services, supplies, resources, and support typically provided by a local government for its own needs and without regard to whether such services, supplies, resources, and support are provided to its residents generally, except that the term does not include security guard or fire-fighting functions. The term also includes ordnance disposal. 10 U.S.C. § 2679(4)(f)(1).

[3]See the National Defense Authorization Act for Fiscal Year 2013, Pub. L. No. 112-239, § 331 (2013). In the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291, § 351 (2014) (codified as amended at 10 U.S.C. § 2679), Congress clarified the authority to enter into an IGSA and transferred the provision from 10 U.S.C. § 2336 to 10 U.S.C. § 2679.

[4]"Installation-support services" include those services, supplies, resources, and support typically provided by a local government for its own needs and without regard to whether such services, supplies, resources, and support are provided to its residents generally, except that the term does not include security guard or fire-fighting functions. The term also includes ordnance disposal.10 U.S.C. § 2679(4)(f)(1).

[5]Sourcewell is a service cooperative created by the Minnesota legislature as a local unit of government. Sourcewell is governed by local elected municipal officials and school board members.

[6]The Secretary may enter into an intergovernmental support agreement, on a sole source basis, with a State, local, or tribal government to provide, receive, or share installation-support services if the Secretary determines that the agreement will serve the best interests of the department by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs. 10 U.S.C. § 2679(a)(1). For multi-installation IGSAs, the agreements are entered into at the service or region level.

[7]The 119th Congress has recently considered legislative changes for IGSAs, and some changes have been enacted. Specifically, The National Defense Authorization Act for Fiscal Year 2026 extended authority for an IGSA pilot program, included ordnance disposal in the list of permissible activities under IGSAs, and permitted IGSAs with certain U.S. territories. Pub. L. No. 119-60, §§ 2843-2845, 139 Stat. 718, 1318 (2025). Additionally, proposed legislation would establish a pilot program where the military services can enter into an IGSA for a 20-year term. S. 2240, 119th Cong. (2025).

[8]Notwithstanding any other provision of law governing the award of Federal Government contracts for goods and services, the Secretary concerned may enter into an intergovernmental support agreement, on a sole source basis, with a State, local, or tribal government to provide, receive, or share installation-support services if the Secretary determines that the agreement will serve the best interests of the department by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs. 10 U.S.C. § 2679(a)(1).

[9]An independent government cost estimate is an estimate of the expected cost of a contract or task order. Independent government cost estimates are developed by government personnel before soliciting contractor proposals or making contract awards. GAO reviewed federal agencies' use of independent government cost estimates in 2017, see GAO, *Service Contracts: Agencies Should Take Steps to More Effectively Use Independent Government Cost Estimates,* GAO-17-398 (Washington, D.C.: May 17, 2017).

[10]See GAO, *Cost Estimating and Assessment Guide,* GAO-20-195G (Washington, D.C.: Mar. 2020).

[11]See GAO-20-195G.

[12]Under federal law, an installation may enter in an IGSA when DOD determines that the agreement will serve the best interests of DOD by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs. 10 U.S.C. § 2679(a)(1).

[13]See GAO-20-195G.

[14]See GAO-20-195G. Further, federal standards for internal control dictate that agency management should use quality information to achieve objectives. See GAO, *Standards for Internal Control in the Federal Government*, GAO-25-107721 (Washington, D.C.: Mar. 2025).

[15]William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 Pub. L. No. 116-283, § 2861, 134 Stat. 3388, 4356. The pilot program was authorized from fiscal years 2021 through 2025. The National Defense Authorization Act for Fiscal Year 2026 extended authority for this pilot program through September 30th, 2030. Pub. L. No. 119-60, § 2843, 139 Stat. 718, 1318 (2025).

[16]Any contract for the provision of installation-support services awarded by the federal government or a state, local, or tribal government pursuant to an IGSA must be awarded competitively. 10 U.S.C. § 2679(a)(4). According to officials, the Air Force also requests that the public partner include a statement in their letter of intent that certifies that any contract awarded by the public partner to provide installation support services pursuant to an IGSA has been made on a competitive basis.

[17]Some incarcerated workers may also perform labor under federal contracts. For the remaining three IGSAs, one public partner did not respond to our inquiries, one public partner indicated that IGSA-related work was performed by installation staff, and the final partner indicated that no work had yet been conducted under the IGSA.

[18]Officials from DOL's Wage and Hour Division, the agency responsible for administering and enforcing the SCA, described a more thorough process for making job classification determinations for work performed on SCA-covered contracts. Specifically, officials said they considered a wide range of information including (in the context of SCA investigations) employee interviews to determine what duties an employee actually performs. However, officials said our approach appeared reasonable given the available information. Additionally, we did not analyze information on wages actually paid to employees, thus we could not determine whether anyone was actually paid a rate below the minimum hourly wage required by the SCA.

[19]For the purposes of an IGSA, the term "state" includes the District of Columbia, the Commonwealths of Puerto Rico and the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, the State of Yap of the Federated States of Micronesia, and the Republic of Palau, and any agency or instrumentality of a State. 10 U.S.C. § 2679(f)(3).

[20]This analysis was limited to IGSAs held by the five installations we included in our review. We did not include multi-installation IGSAs in this analysis as they are not specific to single installations.

[21]The Walsh-Healey Public Contracts Act, as amended, establishes minimum wage, maximum hours, and safety and health standards for work on contracts in excess of $15,000 for the manufacturing or furnishing of materials, supplies, articles, or equipment to the U.S. government or the District of Columbia. 41 U.S.C. §§ 6501–6511.

[22]The McNamara-O'Hara Service Contract Act defines a "service employee" as any employee engaged in performing a non-exempt contract made by the federal government, the principal purpose of which is to furnish services to the United States. 29 U.S.C. § 6701(3)(A). The SCA states that this does not include a bona fide executive, administrative, or professional employee who meets the exemption criteria set forth in 29 C.F.R. Part 541. 29 U.S.C. § 6701(3)(C). For a position to be exempt from the SCA, an employee must 1) be paid on a salary basis, and 2) be paid a minimum of $684 per week. Additionally, the employee must qualify as an executive, administrative, professional, or highly compensated employee. 29 C.F.R. pt. 541. For our analysis, we assumed employees were paid on a salary basis unless clearly indicated otherwise due to limited available information.

[23]The System for Award Management (SAM.gov) is the official U.S. government system for wage determinations for federal awards.

[24]See GAO-20-195G.