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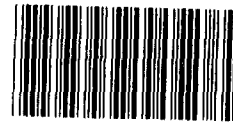
PROCUREMENT, LOGISTICS,  
AND READINESS DIVISION

B-206492

RELEASED

FEBRUARY 26, 1982

The Honorable Pat Williams  
House of Representatives



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Dear Mr. Williams:

Subject: Evaluation of an Air Force Decision to  
Use In-house Employees to Accomplish Certain  
Modification Work at the Wing I Minuteman  
Complex in Montana (PLRD-82-49)

Your letter of August 27, 1981, asked us to evaluate the Air Force's decision to use civil service employees instead of contracting out for the modification of brine chillers at the Minuteman Wing I Missile Complex, Malmstrom Air Force Base, Montana. You also asked that we consider the Air Force decision in light of the Executive Branch's policy of reliance on the private sector for goods and services as set out in Office of Management and Budget (OMB) Circular A-76.

Based on the results of our evaluation, we believe the Air Force's decision to use in-house resources to accomplish the brine chiller modification work is consistent with OMB Circular A-76 and implementing Department of Defense (DOD) and Air Force policies and procedures.

OBJECTIVE, SCOPE, AND METHODOLOGY

In responding to your request, we interviewed Air Force officials at the Ogden Air Logistics Center, obtained and analyzed pertinent records and documents, and reviewed applicable legislation and regulations, including OMB Circular A-76. Our objective was to determine whether the Air Force's decision was appropriate when considering the Executive Branch's general policy of relying on private enterprise for the products and services it needs. Our review was performed in accordance with GAO's current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

While we considered the applicability of Circular A-76 to the brine chiller modification work, we did not challenge (1) a joint DOD/OMB policy that it is necessary for DOD to maintain an in-house maintenance production base in support of mission-

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essential material and (2) the Air Force's identification of the Minuteman weapon system as high priority mission essential.

#### RESULTS OF OUR EVALUATION

OMB Circular A-76 recognizes that some functions will be performed by Government personnel to support national defense. Further, Public Law 95-79 directed the Secretary of Defense and the Director of OMB to jointly conduct a complete and comprehensive review of the criteria used in determining whether DOD commercial or industrial-type functions should be performed by DOD personnel or by private contractors. Their December 31, 1977, report to the Committees on Armed Services of the Senate and House of Representatives stated that it is necessary for DOD to maintain an in-house flexible maintenance production base to support mission-essential requirements.

Mission-essential material is that material assigned to combat and combat support forces which would be immediately employed to destroy the enemy or his capacity to continue war. Designation of a system as mission essential means that all components of that system are also designated mission essential. The Air Force's designation of the Minuteman weapon system as mission essential means that the brine chillers, which are critical to maintaining the weapon in an alert status, are also mission essential.

All workload in support of the Minuteman weapon system, while in the custody of the operating command, the Strategic Air Command (SAC), is designated as direct combat support and is required to be performed with in-service (military and/or civil service) personnel. Only in instances when in-service skills are not and cannot be made available to perform the workload can commercial sources be utilized.

SAC is required to perform work on the Minuteman weapon system to the extent of its capability and capacity. When such work is beyond SAC's capability and capacity, it is obliged to seek assistance from the Ogden Air Logistics Center. Such work is to be performed to the greatest extent possible without removing the weapon from alert status. If the work cannot be performed while the weapon is in the alert status, then it is placed in a near-alert status. While in this status, the weapon normally remains targeted because it can be reconfigured to alert status in a relatively short period of time. In the case of the brine chiller modification, the weapon remains on alert.

Air Force Regulation 35-99 also requires that only DOD personnel are to be assigned to perform duties with nuclear weapons or weapons systems, or critical components, unless the Air Force Inspection and Safety Center specifically authorizes

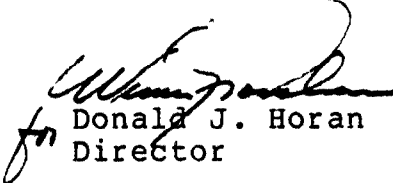
such duties by a DOD contractor. Contractors are designated only when performance by DOD personnel is not feasible.

Work required in support of the Minuteman weapon system when it has been withdrawn from SAC's custody, or when it is in an off-alert status, is performed either in-house or under contract based on established criteria. Major modification and hardness programs are examples of this kind of work which were performed under contract.

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As instructed by your office, we did not obtain agency comments on the matters discussed in this report. Further, as arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

  
for Donald J. Horan  
Director