



October 2018

DOD INSTALLATION SERVICES

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

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 IGSAs 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 IGSAs and (2) supported the use of IGSAs 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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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.

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Abbreviations

DOD = Department of Defense

IGSA = intergovernmental support agreement

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October 23, 2018

Congressional Committees

The Department of Defense (DOD) budgets about \$25 billion annually to operate and support its installations, which include over 160 active-duty installations in the United States.¹ To operate and support their respective installations, the military services arrange for the provision of essential services that support the mission and preserve quality of life for installation personnel and their families—for example, utility system operations, custodial services, waste management, equipment maintenance, and snow removal. Since 1997, we have designated DOD’s support infrastructure management as a high-risk area. In our 2017 update to our *High-Risk Series*, we reported that DOD needed to show measurable and sustained progress in reducing installation support costs and achieving efficiencies in installation support.²

In 2013, Congress authorized the military services to enter into intergovernmental support agreements (IGSAs) with local and state governments to receive, provide, or share installation support services.³ According to the IGSA statute (10 U.S.C. § 2679), the military services may enter into an IGSA, on a sole source basis, for installation services if they determine that the agreement will serve the best interests of the

¹This dollar figure also includes funding to operate and sustain reserve and National Guard installations.

²GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, [GAO-17-317](#) (Washington, D.C.: Feb. 15, 2017).

³See, 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. Military service officials told us the services interpreted this transfer of the authority, from the chapter of Title 10 covering general procurement to the chapter covering real property, to mean that the requirements of the Federal Acquisition Regulation did not apply to IGSAs. Officials said the transfer increased interest in using IGSAs, since the requirements of the Federal Acquisition Regulation would not apply. The law specifically authorizes the Secretaries of the Army, the Navy, which includes the Marine Corps, and the Air Force to enter into IGSAs. It further defines “installation support services” as services, supplies, resources, and support typically provided by a local government for its own needs. Hereafter, we refer to installation support services as “installation services.”

department by enhancing mission effectiveness or by creating efficiencies or economies of scale, including by reducing costs.

As of July 2018, the military services had approved 45 IGSA at 33 installations in which local and state governments provide a variety of installation services, including waste removal, grounds maintenance, stray animal control, water treatment and testing, and road maintenance.⁴ The military services estimate that these IGSA will lead to approximately \$9 million in annual financial benefits, including cost savings or cost avoidances.⁵ A cost savings can occur when an installation uses an IGSA to obtain a needed service it was already paying for at a higher price through another means. A cost avoidance can occur when an installation, due to a change in circumstances, uses an IGSA to obtain a service it was not previously paying for at a lower cost than other alternatives.

We performed our work under the authority of the Comptroller General to conduct evaluations in light of congressional interest in GAO's high-risk areas, including in DOD support infrastructure management. In this report, we (1) evaluate the extent to which the military services have realized and monitored the benefits from IGSA; (2) evaluate the extent to which the military services have supported the use of IGSA and monitored whether installations are evaluating opportunities to use IGSA; and (3) describe any challenges the military services have identified to using IGSA.

For all three of our objectives in this report, we included the Army, the Navy, the Air Force, and the Marine Corps in our review and all 45 IGSA that had been approved as of July 2018. For our first objective, we selected a nongeneralizable sample of 8 IGSA chosen in rough proportion to the number of IGSA implemented by each military service (see app. I for further details on the selected IGSA). We chose IGSA from among those the military services estimated would have the largest financial benefits, that had been in place long enough to provide information about actual costs and implementation, and that reflected a

⁴As of July 2018, the Army had approved 24 IGSA, the Air Force had approved 8 IGSA, the Navy had approved 6 IGSA, and the Marine Corps had approved 7 IGSA. All 45 of these IGSA involve local or state governments providing services to installations. Appendix I provides additional details on these 45 IGSA.

⁵These expected annual financial benefits do not include some one-time costs (e.g., renovating a stray animal facility) that installations expect to avoid as a result of implementing these IGSA.

range of installation services. We reviewed the business case analysis and supporting documents for each IGSA in our sample, and included both cost savings and cost avoidances in our evaluation of financial benefits.

For IGSA in our sample that the military services expected would result in cost savings, we assessed the reliability of the installation's cost savings estimates by comparing the estimated cost of the least expensive non-IGSA alternative identified as feasible in the business case analysis with the prior contract or historical cost data upon which the estimate was based. We found the estimated cost of these non-IGSA alternatives to be sufficiently reliable to estimate realized financial benefits. For IGSA expecting cost savings, we estimated the realized financial benefits of each by comparing the installation's estimated cost of the non-IGSA alternative with the actual first-year (or as many months as available) cost of the implemented IGSA, derived from our analysis of the local government's monthly IGSA invoices. For IGSA in our sample that the military services expected to result in cost avoidance, we found that the installations' estimates included costs that we could not verify—such as the cost of repairing or replacing facilities—and thus we could not estimate total realized financial benefits for these agreements. Finally, we reviewed IGSA documentation and interviewed installation and local government officials about any nonfinancial benefits realized from implemented IGSA, including those in our sample and other implemented IGSA. We also evaluated the services' IGSA policies and guidance to identify any documented processes the services have for monitoring the benefits, if any, realized from implemented IGSA. We assessed these policies and processes against federal internal control standards related to documenting policies used to collect and utilize quality information for evaluating program performance.⁶

For our second objective, to identify military service support to installations on implementing IGSA and any actions taken to monitor whether installations have evaluated opportunities to use IGSA, we reviewed military services' IGSA policies and procedures and interviewed

⁶GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014). Service policies we assessed include U.S. Army Installation Management Command, Operations Order 18-013, *IMCOM Intergovernmental Support Agreement (IGSA) Program* (Oct. 25, 2017); Air Force Policy Directive 90-22, *Air Force Community Partnership Program* (Aug. 25, 2016); and Commander, Navy Installation Command Memorandum, *Intergovernmental Support Agreement Policy Update* (May 2, 2017).

headquarters and installation officials. We evaluated the services' actions against the services' IGSA policies and federal internal control standards. Those standards state that management should design control activities to achieve objectives, including monitoring actual performance and comparing it with established goals and objectives, and implement those control activities through policies.⁷

For our third objective, we interviewed officials from the military services, the installations and local governments for our 8 selected IGSA, and installations that developed IGSA proposals that were not approved, to obtain information on any challenges related to using IGSA and any actions to address them. Based on that information, we also reviewed statutory requirements for IGSA to identify any restrictions or limitations on the military services' use of IGSA and analyzed IGSA proposals that were not approved.⁸ We provide a list of organizations we met with during this review in appendix II.

We conducted this performance audit from September 2017 to October 2018 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.

Background

Statutory Provisions for Entering into IGSA

The IGSA statute (10 U.S.C. § 2679) authorizes such agreements based on a determination that the agreement will serve the best interests of the department by creating efficiencies or economies of scale, including by reducing costs, or by enhancing mission effectiveness.⁹ The law also states that IGSA are not subject to other provisions of law governing the award of federal government contracts for goods and services. In addition, IGSA may be entered into on a sole source basis with a state

⁷[GAO-14-704G](#).

⁸10 U.S.C. § 2679.

⁹10 U.S.C. § 2679.

or local government and may use wage rates normally paid by that state or local government.¹⁰

At the same time, there are limitations on the use of IGSA. Specifically, any installation services obtained through an IGSA must already be provided by the state or local government for its own use, and any contract awarded by the federal government or by a state or local government pursuant to an IGSA must be awarded competitively. In addition, IGSA cannot be used to circumvent the requirements of Office of Management and Budget Circular A-76, which governs competitions to determine whether commercial activities should be performed by government employees or by private contractors.¹¹ Finally, IGSA are statutorily limited to a term of no more than 10 years, but the statute does not preclude their renewal after the initial agreement period ends.¹²

Process for Developing, Approving, and Implementing IGSA

The military services each have a process for developing, approving, and implementing IGSA. These processes generally begin with meetings between installation and state or local government officials to discuss services the installation requires that the state or local government could provide. If there is agreement that an IGSA could be beneficial to both parties, installation officials put together an IGSA proposal for obtaining the service from the state or local government.

¹⁰Under 41 U.S.C. §§ 6701-6707, the Service Contract Act of 1965, as amended, contractors and subcontractors under any prime contractor are required to pay wages to employees providing services to the federal government in accordance with prevailing wage rates for such employees in the locality. State and local governments may set their own wage rates, which can differ from the rates required under this law for federal contracts.

¹¹Office of Management and Budget Circular No. A-76, *Performance of Commercial Activities* (May 29, 2003). According to this circular, public-private competitions must be performed to determine if government personnel should perform commercial activities that are required by an agency. Further, 10 U.S.C. § 2461 states that no function of the DOD that is performed by civilian employees may be converted to performance by a contractor unless based on a public-private competition that follows a detailed list of requirements under that statute. Currently, however, DOD is prohibited from conducting such competitions; see, National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84, § 325 (Oct. 28, 2009) and Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs Memorandum, *Update on OMB Circular A-76 Public-Private Competition Prohibitions - FY 2018* (May 17, 2018).

¹²The term limit for IGSA was increased from 5 years to 10 years by the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, § 2813 (Dec. 12, 2017).

Proposals are required to include a business case analysis showing the proposed IGSA is expected to provide a financial or nonfinancial benefit. For example, Army Regulation 5-9, *Installation Agreements*, states that an Army installation must submit a proposal and a cost benefit analysis that demonstrates the IGSA will bring financial benefits.¹³ Similarly, a memorandum from the Assistant Secretary of the Navy for Energy, Installations, and Environment requires that Navy and Marine Corps installations include material describing the IGSA's risks and benefits, including financial benefits and enhanced mission effectiveness.¹⁴ Air Force guidance requires that IGSA proposals include a business case analysis and meet the purpose of 10 U.S.C. § 2679 by either bringing financial benefits or enhancing mission effectiveness.¹⁵

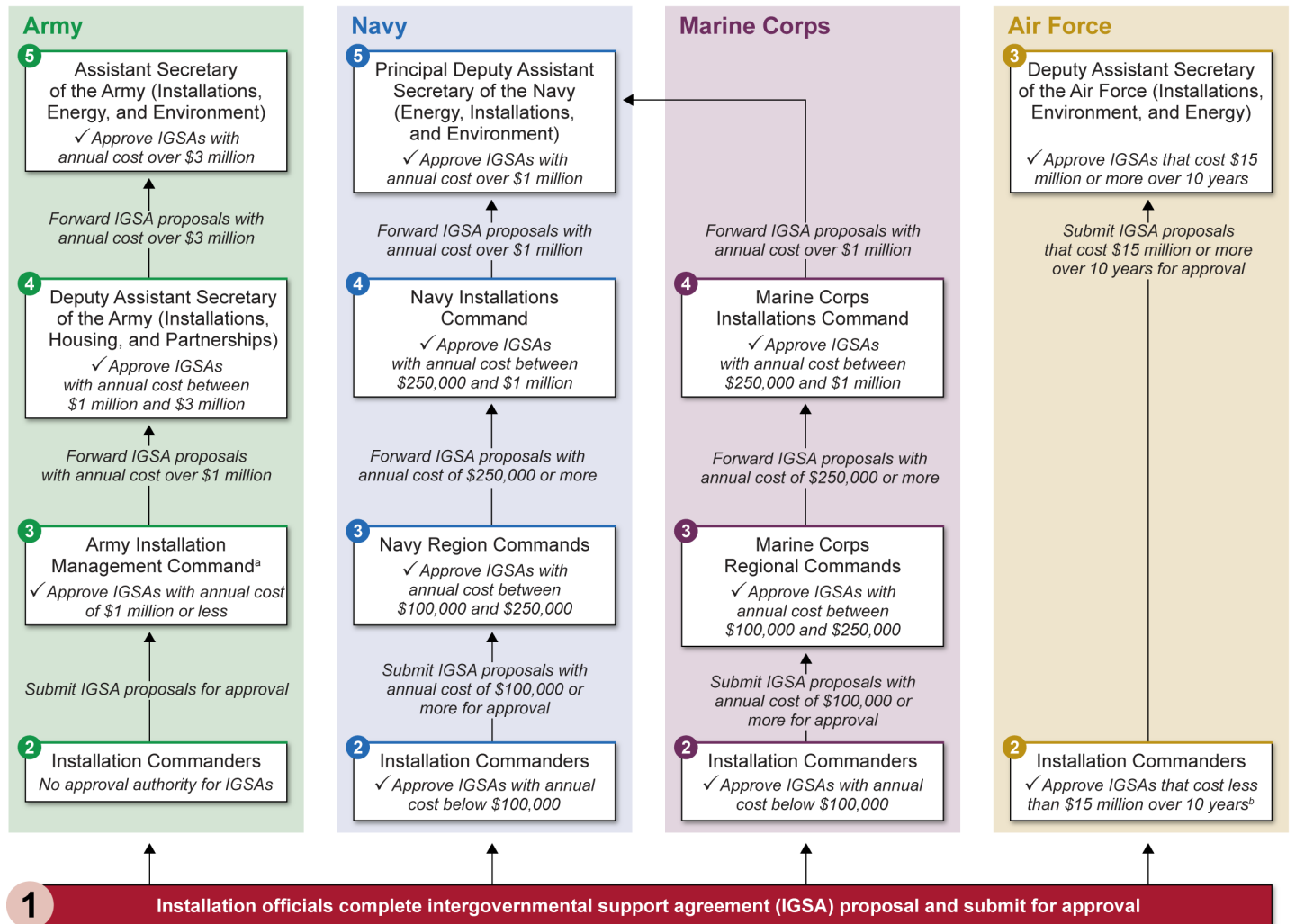
Once an IGSA proposal is complete, installation commanders either approve it or submit it to a higher command for review and approval, according to certain dollar thresholds. Figure 1 shows the office within each military service that reviews the proposed IGSA for approval, based on the dollar thresholds.

¹³Army Regulation 5-9, *Installation Agreements* (Apr. 17, 2018).

¹⁴Assistant Secretary of the Navy for Energy, Installations, and Environment Memorandum, *Intergovernmental Support Agreements with State and Local Governments* (Nov. 23, 2015).

¹⁵Deputy Assistant Secretary of the Air Force for Installations Memorandum, *Delegation of Authority for Installation Support Services: Intergovernmental Support Agreements (IGSAs)* (Jan. 30, 2018).

Figure 1: Military Services' Approval Processes for Intergovernmental Support Agreements



Source: GAO analysis of military service documents. | GAO-19-4

^aThe Army's other land-holding commands—the Army Materiel Command, the Army Reserves, and the Army National Guard—have the same dollar threshold approval authority for IGSA at their installations.

^bAccording to Air Force policy, installation commanders cannot approve an IGSA to obtain installation services that are currently obtained under the AbilityOne Program, regardless of the IGSA's cost. All such IGSA proposals must be submitted for approval to the Deputy Assistant Secretary of the Air Force (Installations). Under the AbilityOne Program, certain listed products and services required by a federal entity must be procured from qualified nonprofit agencies for those who are blind or have significant disabilities, if the product or service is available in a timely manner through such agencies.

Once a proposed IGSA is approved, installation officials draft the agreement in coordination with state or local government officials. When finalized, representatives of the military service and the state or local government sign the agreement. For Army, Navy, and Marine Corps IGSAs, the installation commander has authority to sign the IGSA, while Air Force IGSAs must be signed by an installation contracting officer. The IGSA is then implemented.

Military Services Have Benefitted from Selected IGSAs but Are Not Fully Monitoring the Benefits of Implemented IGSA

Military Services Have Realized Financial and Nonfinancial Benefits from Selected IGSA

Our analysis of a sample of 8 implemented IGSA, and interviews with officials about these and other IGSA, found that the military services have realized financial (i.e., cost savings and cost avoidances) and nonfinancial (e.g., enhanced mission effectiveness) benefits from these agreements.

Cost Savings

In 5 of the 8 IGSA in our sample, we found that the actual cost of each IGSA during its first year of implementation was lower than the expected cost of obtaining the installation service through an alternative contract, as shown in the respective business case analysis for each IGSA. Table 1 provides each installation's estimated cost for obtaining the installation service through an alternative contract and the estimated cost for obtaining the installation service through an IGSA; the actual cost paid by the installation to the local government for the first year of each IGSA, based on our analysis of monthly invoices; and our calculation of the estimated realized cost savings achieved from using the IGSA, relative to the alternative.

Table 1: Estimated First-Year Cost Savings Realized by Installations through Selected Intergovernmental Support Agreements (IGSAs)

(In dollars)

Installation	Installation service	Installation's non-IGSA cost estimate	Installation's IGSA cost estimate	Our determination of actual IGSA cost	Our estimate of realized cost savings
Fort Polk, Louisiana	Waste removal	4,500,000	2,600,000	2,609,466	1,890,534
Moody Air Force Base, Georgia	Water and wastewater treatment	642,359	435,514	371,566	270,793
Luke Air Force Base, Arizona	Waste management services	318,336	258,831	249,245	69,091
Fort Bragg, North Carolina	Museum custodial services	157,000	60,000	87,960	69,040
Marine Corps Logistics Base Barstow, California ^a	Water testing and analysis	115,095	52,223	46,700	68,395

Source: GAO analysis of military installation information. | GAO-19-4

Notes: Amounts are rounded to the nearest dollar.

Non-IGSA and IGSA cost estimates are from the respective installation's business case analysis for each IGSA. The non-IGSA cost estimate used by each installation was based on historical cost data, the cost of an existing contract for the support service being considered for conversion to an IGSA after expiration or in lieu of renewal, or both.

Actual IGSA costs are based on our analysis of monthly invoices provided to installations from the local government for the first year (or for as many months as available) of the IGSA. Estimated realized cost savings are based on a comparison of our determination of actual IGSA costs with the non-IGSA cost estimate in the installation's business case analysis.

^aThe non-IGSA and IGSA cost estimate dollar amounts for Marine Corps Logistics Base Barstow and our estimated realized cost savings are pro-rated based on the 9 months that the IGSA had been in effect as of June 2018. Actual IGSA costs are based on our analysis of monthly invoices for services provided from October 2017 through June 2018.

Overall, we found that the estimated cost savings realized by these 5 IGSAs totaled about \$2.4 million during the first year of implementation. For example:

- Fort Polk realized an estimated \$1.9 million in cost savings by implementing an IGSA for waste removal with its local government. Specifically, installation officials estimated that a private contract would have cost the installation about \$4.5 million from June 2017

through May 2018, while we found that the implemented IGSA cost about \$2.6 million for the same period.¹⁶

- Moody Air Force Base realized an estimated \$270,000 in savings in fiscal year 2017 by implementing an IGSA for water and wastewater treatment. In the IGSA's business case analysis, officials estimated that continuing to obtain this service from their existing contractor would have cost about \$642,000, while the implemented IGSA cost was about \$372,000, according to our analysis.
- Marine Corps Logistics Base Barstow realized an estimated \$68,000 in cost savings during the first 9 months of its IGSA for water testing and analysis with the local government. Specifically, installation officials estimated that renewing the previous contract would have cost about \$153,000 for 1 year, or about \$115,000 for 9 months, while we found that the actual cost under the implemented IGSA was about \$47,000 for 9 months.

Cost Avoidances

The other 3 IGSA's in our sample resulted in cost avoidances, according to installation officials. First, officials at Fort Sill, Oklahoma, told us that the Army Medical Command and the Army Public Health Command had previously provided stray animal control without cost to the installation. When this arrangement ended, Fort Sill had to find an alternative. Officials stated that implementing an IGSA with the city of Lawton, Oklahoma, allowed the installation to avoid the higher costs of a private contractor or of renovating facilities and hiring civilians to perform these duties. Second, Fort Bragg, North Carolina, implemented an IGSA for stray animal control with Cumberland County, North Carolina, that, according to its proposal documentation, allowed the installation to avoid the cost of replacing its stray animal control facility, which was inadequate and sub-standard. Finally, after 2 years with no contract in place, Fort Bragg implemented an IGSA with the city of Fayetteville, North Carolina, for maintenance services at the Airborne and Special Operations Museum that allowed the installation to avoid the overhead costs and fee involved in securing the services through a contract with the Army Corps of Engineers.

¹⁶The waste removal IGSA between Fort Polk and Vernon Parish, Louisiana, was signed in January 2017, but the implementation of the IGSA was delayed until June 2017. Specifically, Vernon Parish awarded a contract to a private company for providing the waste removal services to Fort Polk, but the incumbent contractor that had previously provided the services to Fort Polk brought legal actions in various federal and state forums, to include a bid protest at GAO (see, GAO, Red River Waste Solutions, Inc., B-414367 (Washington, D.C.: Mar. 21, 2017)). For various reasons, all the legal actions failed or were dropped, and the IGSA took effect in June 2017.

Nonfinancial Benefits

According to officials from all four services, achieving financial benefits has been a primary purpose for utilizing IGSAs, but IGSA can also provide nonfinancial benefits—such as enhanced mission effectiveness and readiness, reduced administrative time, and greater flexibility.

- **Enhanced mission effectiveness and readiness.** Military service officials cited examples of IGSA that led to enhanced mission effectiveness and readiness. For example, according to its IGSA proposal package, Fort Polk was using military personnel to conduct grounds maintenance, which was contrary to the Army's guidance that military personnel, while at Fort Polk, should be training for their mission.¹⁷ Officials told us that once the IGSA was implemented military personnel were no longer assigned to grounds maintenance duty, thus potentially enhancing mission effectiveness. In addition, an official in the Army Partnerships Office told us that the IGSA at the Presidio of Monterey, California, for various installation services enabled the installation to obtain a work order for flood damage to a satellite component within a matter of minutes. Direct contact between installation officials and the local government, he stated, provides a quicker response time and has a significant impact on installation readiness.¹⁸
- **Reduced administrative time and greater flexibility.** Installation officials stated that IGSA had reduced the time personnel spent on managing the services being provided. For example, Marine Corps Logistics Base Barstow officials stated that the installation's IGSA with the city of Barstow, California, for water testing and analysis had eliminated the time that installation personnel had to use to manage

¹⁷Army guidance states that tasking soldiers with duties outside their normal duties usually will directly affect unit readiness and thus should be made as beneficial as possible by matching the individual's occupational specialty to required needs. See Army Regulation 570-4, *Manpower Management* (Feb. 8, 2006). In 2015, we found that the Army did not have complete and accurate data on its use of borrowed military personnel, and thus could not identify the extent to which this use had impacts on training and readiness. We recommended, among other things, that the Army develop guidance on approving the use of soldiers for positions or functions outside their occupational specialty. The Army partially concurred with this recommendation and noted that it was revising its guidance. See GAO, *Military Personnel: Army Needs a Requirement for Capturing Data and Clear Guidance on Use of Military for Civilian or Contractor Positions*, [GAO-15-349](#) (Washington, D.C.: June 15, 2015).

¹⁸The official also noted that the quick approval of the work order avoided additional repair costs that would have accrued if the installation had to get approval through other contract processes.

the previous contract. At the time of our review, they were considering further IGSA's, such as one for tree-trimming, that they said would likely not bring cost savings, but that would provide flexibility and ease of managing due to reduced administrative time and regular communication with city officials. Similarly, officials at Fort Polk and Fort Bragg stated that managing their IGSA's is easier than managing other contracts for services, as they can make any needed changes to the IGSA by working directly with the local government.

- **Other benefits.** Installation officials also cited benefits such as improved relations with the local government, better quality of service, and the local community's stronger commitment to working with the installation, compared with contractors. For example, Moody Air Force Base officials noted that the installation's IGSA for water and wastewater treatment has been positive because the local government cares about the overall good of the installation, due to its importance to the community.

Military Services Are Not Fully Monitoring the Benefits of Implemented IGSA's

As part of the approval process for IGSA's, the military services collect information on IGSA's' potential expected benefits, which are estimated prior to IGSA implementation. However, once IGSA's are implemented, the services do not fully monitor whether these IGSA's are resulting in actual financial and nonfinancial benefits. *Standards for Internal Control in the Federal Government* states that management should design processes, and document them in policy, to obtain relevant, accurate information that it can use to evaluate the entity's performance in achieving key objectives and make informed decisions about any needed changes.¹⁹ The standards also state that management communicates such information throughout the entity to support achieving those key objectives.

Following are descriptions of the status of each military service's approach and plans for monitoring the benefits of implemented IGSA's.

- Army headquarters collects data on the expected financial benefits of IGSA's, based on information provided in the IGSA's' business case analyses. These data reflect the financial benefits that the installations expect to achieve by using IGSA's, which are estimated prior to IGSA

¹⁹[GAO-14-704G](#)

implementation.²⁰ Army headquarters does not, however, currently monitor whether financial or nonfinancial benefits are actually realized from IGSA after implementation. Army officials told us in May 2018 that they were drafting guidance that likely will assign responsibility for tracking both the realized financial and nonfinancial benefits of IGSA, on an annual basis, to the Army's four land-holding commands.²¹ They noted, however, that they have not yet decided what specifically to track or finalized a process for monitoring IGSA benefits and evaluating program performance, but stated that their goal was to have a process in place by the end of 2018.

- Navy headquarters collected information on the expected benefits of the IGSA it has thus far approved. In addition, in May 2018, the Navy Installations Command chose 12 high-priority IGSA opportunities identified by its regional commands to focus on for implementation and monitoring.²² According to the Navy Installations Command official who oversees the Navy's IGSA efforts, this effort is in the very early stages. The official also stated that the expected financial benefits for these 12 will likely be tracked by the Navy Installations Command, but any monitoring of realized financial benefits after the IGSA are implemented would be left to the regional commands. On the other hand, the official stated that nonfinancial benefits are very subjective and the Navy has not yet determined what information will be collected.
- Marine Corps headquarters officials stated that they collect information on the expected benefits of IGSA, but they are not currently monitoring the actual performance of implemented IGSA because few are in place and existing IGSA are less than 2 years old.²³ They added that the Marine Corps plans to establish a process

²⁰An Army official responsible for Army partnership agreements also told us that the Army encourages installations to include expected nonfinancial benefits, if any, in their IGSA proposals.

²¹The Army's land-holding commands are the Army Installation Management Command; the Army Materiel Command; the Army Reserve; and the Army National Guard. Officials also stated in July 2018 that the Army's payment database had been updated to allow visibility over payments made under IGSA, which will allow them to determine costs and thus any financial benefits realized through implemented IGSA. However, the officials added that the Army was not yet utilizing this functionality and that they do not have a process for doing so.

²²Navy Installations Command has 11 regions that are comprised of 71 installations worldwide.

²³Marine Corps Logistics Base Barstow's IGSA for water testing and analysis, the first implemented IGSA in the Marine Corps, took effect in October 2017.

to track and analyze the realized financial benefits of IGSA's, but the headquarters official with lead responsibility for IGSA's did not provide a timeline for doing so. He added that the process will likely task the regional installation commands with tracking cost savings, with headquarters officials collecting and maintaining consolidated regional data.²⁴ In addition, he did not indicate that the Marine Corps plans to monitor whether nonfinancial benefits are realized by implemented IGSA's.

- In addition to collecting data on the expected benefits of IGSA's prior to their implementation, Air Force headquarters has taken some steps to monitor the benefits realized by the 8 implemented IGSA's it had in place as of July 2018. Specifically, Air Force Community Partnership Program officials have taken the initiative to request information at the beginning of each fiscal year from Air Force installations on any actual financial benefits realized from their implemented IGSA's, including cost savings and cost avoidance. However, officials stated that submitting information is voluntary for installations, and some installations do not always provide timely information. For example, two installations with IGSA's in place beginning in fiscal year 2015 did not provide information in response to the fiscal years 2016 and 2017 data requests. Officials with the partnerships office also noted that they plan to monitor nonfinancial benefits to use for lessons learned and program talking points, but that information on any nonfinancial benefits from implemented IGSA's was currently being collected anecdotally.

The military services generally are not monitoring whether all of their IGSA's are bringing financial and nonfinancial benefits because they have not established formal processes to obtain this information and documented them in their policies or procedures, as called for in *Standards for Internal Control in the Federal Government*.²⁵ Specifically, the Army, Navy, and Marine Corps IGSA policies do not include processes for monitoring the degree to which expected benefits from IGSA's were actually realized after implementation. The military services also differ in regard to the types of benefits they plan to monitor in the future. In addition, the informal process used by the Air Force to collect

²⁴At the time of our review, a Marine Corps Installation Command East official had taken the initiative to require that the region's installations report on any financial benefits realized from implemented IGSA's at the end of the first year of implementation.

²⁵[GAO-14-704G](#)

some data on realized IGSA benefits is not documented in Air Force policy or procedures.

Officials from all four services stated that they are still in the early stages of developing their IGSA processes. In addition, officials from the Army and the Air Force told us that they believed that it may be premature to monitor IGSA performance because the authorization to use IGSA has only been in use for 3 years and only a limited number of IGSA have been approved. We recognize the use of IGSA is relatively new, but developing and documenting formal processes to collect and monitor information on the benefits realized through implemented IGSA now, as the services continue to refine their IGSA programs, could assist the services in at least two ways. First, it would provide the services with information they could use to assess the performance of IGSA in comparison with the expected benefits outlined in the IGSA's business case analyses. An accurate assessment of actual performance would provide decision makers with important context when reviewing individual IGSA for possible renewal, and could inform the services' decisions on developing and implementing similar agreements in other locations. Second, developing formal processes to monitor the performance of implemented IGSA would provide information that the military services could communicate internally to their installations as part of their outreach efforts to increase awareness of and, when beneficial, expand the use of IGSA as a means of achieving financial benefits or enhancing mission effectiveness.

Military Services Have Supported IGSA Use but Not Fully Monitored Whether Installations Are Evaluating IGSA Opportunities

Military Services Have Developed Approaches for Supporting Installations' Use of GSAs

The military services have developed various approaches for supporting their installations' use of GSAs. These include issuing policies on the use of GSAs; issuing procedures and templates for GSA development and approval; and providing headquarters-level support, such as facilitating meetings between installation and state and local government officials. The following are descriptions of these approaches for supporting installations' use of GSAs.

- **Policies.** The services have issued GSA policies that, among other things, either direct their installations to evaluate opportunities for using GSAs to obtain installation services or to implement mutually beneficial partnerships that include GSAs. Army Installation Management Command policy states that installations are to explore opportunities to enter into GSAs with state or local governments, and it directs installations to review current, soon-to-expire installation support contracts for possible transition to an GSA.²⁶ Similarly, Navy Installations Command and Marine Corps Installations Command policies direct regional commands and installations to investigate and identify existing and potential services that could be provided by the state or local governments surrounding their installations.²⁷ While Air Force policy does not specifically direct its installations to evaluate

²⁶U.S. Army Installation Management Command, *Operations Order 18-013: IMCOM Intergovernmental Support Agreement (IGSA) Program (U)* (Oct. 25, 2017).

²⁷Commander, Naval Installations Command Memorandum, *Intergovernmental Support Agreement Policy Update* (May 2, 2017); Marine Corps Installations Command Memorandum, *Intergovernmental Support Agreements with State and Local Governments* (Jan. 21, 2014).

opportunities for using IGSA, it does direct Air Force installations to implement mutually beneficial partnerships with their local communities.²⁸

- **Procedures and templates.** Each of the military services has issued procedures for its installations to follow in order to develop, obtain approval for, and implement IGSA. For example, the Marine Corps has issued an IGSA handbook that provides information on the roles and responsibilities of installation and headquarters officials in the IGSA process. The handbook also outlines a process installations can follow to develop an IGSA, which includes identifying a need that an IGSA could address, meeting with potential state and local partners, developing a draft and final IGSA, and signing and implementing the IGSA.

Additionally, the Army and the Air Force have provided templates of required documents to help installations through the IGSA approval process. For example, Army Installation Management Command's IGSA procedures include templates and examples of documents installations are to develop, such as a memorandum from the installation commander describing the IGSA proposal; a business case analysis that demonstrates the benefits of the proposed IGSA; and the IGSA document to be signed by the installation and the state or local government. Similar to the Army and the Air Force, one of the Navy's regional commands has included templates along with their region-specific IGSA procedures, and a Navy Installation Command official told us that the Navy may adapt those procedures and templates for Navy-wide use.

- **Headquarters support.** The Army and the Air Force have established partnership offices within their headquarters that serve as resources to support installations interested in using IGSA. Support includes facilitating meetings between installation and state and local government officials to identify IGSA opportunities. For example, the Army facilitated such meetings at Fort Polk in late 2016, during which officials identified the IGSA opportunity between Fort Polk and Vernon Parish, Louisiana, for waste removal that was implemented in June 2017. The Air Force partnership office also provides periodic training

²⁸Air Force Policy Directive 90-22, *Air Force Community Partnership Program* (Aug. 25, 2016). According to military service officials, installations can also use other types of partnership agreements with local and state governments for installation services, to include memorandums of agreement or memorandums of understanding. DOD Instruction 4000.19, *Support Agreements* (Nov. 30, 2017) provides policy on other partnership agreements.

on IGSA and other topics, as well as a website with various resources for installations to use in developing IGSA. Marine Corps Installations Command officials stated that they provide headquarters support to installations for developing IGSA—to include facilitating meetings between installation and local and state officials—but as a collateral duty to other responsibilities. Navy Installation Command officials said that their regions and installations are to take the lead on IGSA development but that they have offered assistance to regions, as needed. Service officials added that representatives from each military service meet quarterly to discuss their IGSA programs, including best practices and lessons learned.

Military Services Have Not Fully Monitored Whether Installations Are Evaluating Opportunities to Use IGSA

Officials from all four military services told us that they are not fully monitoring whether all of the services' installations are complying with their respective service policies to evaluate opportunities to use IGSA to reduce costs or enhance mission effectiveness.

- Army headquarters officials told us that their efforts to date have been focused on raising awareness of IGSA at installations and removing any obstacles that prevent IGSA from being approved. However, Army officials stated that they currently do not monitor whether Army installations are evaluating opportunities to use IGSA, but they said that installations may need greater encouragement from higher headquarters to use IGSA. Thus, Army officials said they are planning to revise Army IGSA policy to include a process for obtaining information from installation officials on whether they evaluated expiring contracts for transition to IGSA, as well as any reasons for not doing so, and expect it to be complete by the end of 2018. Additionally, Army officials said they plan to review installation contracts for waste removal services to determine whether IGSA can be used instead, and that additional installation services will be identified for review in the future.
- The Navy Installations Command has, as discussed previously, collected a list of IGSA opportunities from the Navy's regional commands and plans to focus on implementing 12 of them, according to the Navy Installation Command official who oversees the Navy's IGSA efforts. However, the official said that the Navy Installations Command does not know how the regions identified these IGSA opportunities, and it has not directed the Navy regions to monitor whether each of their installations are evaluating opportunities to use IGSA going forward. The Navy official said that asking each installation whether it identified any IGSA opportunities would be a fair question in order to avoid missing any potential IGSA opportunities.

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- Marine Corps Installation Command officials said they monitor the efforts of installations that are already in the process of developing an IGSA or that have already implemented an IGSA, but they do not monitor the efforts of other installations in the Marine Corps to identify IGSA opportunities. However, a Marine Corps Installation Command official said that such monitoring could help expand the use of IGSA in the Marine Corps.
 - Officials in the Air Force partnerships office told us that beginning in fiscal year 2018 they had begun to monitor whether some of their installations are evaluating IGSA opportunities for certain installation services that are needed at all Air Force installations—specifically, waste management, grounds maintenance, and pavement maintenance. Air Force officials stated that they are in the process of contacting installations that have volunteered for the Air Force’s community partnership program—which includes most, but not all, installations for active-duty personnel—to determine whether they have evaluated IGSA as a means to obtain these services.

As of July 2018, the military services had approved 45 IGSA at 33 installations (see app. I). Opportunities for more IGSA—and thus opportunities to achieve more financial and nonfinancial benefits similar to those we found in our analysis of 8 selected IGSA—may exist at the services’ installations, including their more than 160 active-duty installations. Recognizing this potential, the services have directed their installations to evaluate IGSA opportunities or to implement mutually beneficial partnerships with local communities, which can include IGSA.

However, the military services do not know the extent to which their installations are evaluating opportunities for IGSA because service IGSA policies and procedures do not include a process for monitoring whether these evaluations are occurring or for obtaining information on the outcome of any such evaluations.²⁹ *Standards for Internal Control in the Federal Government* states that management should design control activities to achieve objectives, such as monitoring actual performance and comparing it with established goals and objectives. Additionally,

²⁹Installations may not enter an IGSA with a local government due to a variety of reasons. For example, a local government may not be interested in partnering with the installation, or the local government may be unable to provide an installation service at a lower cost.

those standards state that management should implement those control activities by, for example, documenting responsibilities in policies.³⁰

Army, Navy, and Marine Corps IGSA policies and procedures do not include a process for monitoring whether installations are complying with service directives to evaluate IGSA opportunities, or for obtaining information on the outcome of those evaluations. Additionally, the process that the Air Force is currently using to monitor whether some of its installations are evaluating opportunities to use IGSA for specific types of installation services is not documented in Air Force policy or procedures. As a result, it is uncertain whether these and any other monitoring efforts will continue beyond the current leadership of the Air Force partnerships office.

Without establishing, implementing, and documenting a process to monitor whether installations are evaluating opportunities to use IGSA and obtain information on the outcome of those evaluations, which may also identify challenges that could hamper the ability to use IGSA, the military services do not fully know whether their installations are conducting these evaluations, and thus may be missing opportunities to reduce costs or enhance mission effectiveness.³¹

Military Services Have Identified Statutory, Review Time, and Financial Incentive Challenges to Using IGSA

Statutory-Related Challenges to Using IGSA

Air Force and Army officials identified instances in which they did not implement an IGSA because of provisions in the IGSA statute on the term limit for IGSA—which was originally 5 years and is currently 10 years—

³⁰[GAO-14-704G](#).

³¹We discuss below some challenges the services have already identified.

and on the prohibition against contracting for services that are designated for federal civilians to provide.

- **Term limits.** Buckley Air Force Base, Colorado, and Fairchild Air Force Base, Washington, did not use IGSAs to obtain firing range services because of the IGSA term limit, according to Air Force headquarters and installation officials.³² In both cases, the installations were considering using IGSAs in which local governments would construct new firing ranges that would be shared by the installation and those local governments. Air Force officials told us that in each case the local governments planned to fund the new construction costs with municipal bonds; however, the repayment periods for those bonds would have been longer than the IGSA term limit, and thus the Air Force would not have been able to sign an IGSA that would have covered the entire term of the repayment periods. For example, an official at Fairchild Air Force Base told us that the local government would not sign an IGSA with a term limit of fewer than 20 years because the local government wants to ensure they receive sufficient funding to repay their bond.

As a result, that official from Fairchild Air Force Base told us that the Air Force has continued to use its existing firing range for training, but it needs to be replaced because of ventilation problems and limitations on the types of weapons that can be fired at the range. At Buckley Air Force Base, an official told us that the installation received military construction appropriation funding in fiscal year 2017 to build a new firing range at a cost of \$10.5 million—approximately \$2 million more than the estimated cost of the IGSA. Air Force officials added that they had discussed increasing the IGSA term limit with Members of Congress.³³

- **Prohibition against contracting for services designated for federal civilians.** According to Army officials, two Army installations—Aberdeen Proving Ground, Maryland, and Fort Leonard Wood, Missouri—decided not to use IGSAs for grounds maintenance

³²Buckley Air Force Base and Fairchild Air Force Base developed business case analyses for their potential IGSA in 2014 and 2017, respectively.

³³In the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Congress has included language requiring each of the military services to conduct a study of the feasibility and desirability of entering into IGSA with term limits of 20 years, and to submit those studies to the congressional defense committees within 180 days after the legislation was enacted. Pub. L. No. 115-232, § 2825 (Aug. 13, 2018).

because of legal concerns regarding the IGSA statute's prohibition on using IGSA to circumvent the requirements of *Office of Management and Budget Circular A-76* regarding public-private competitions.³⁴ According to those requirements, public-private competitions must be performed to determine if government personnel should perform commercial activities that are required by an agency. Further, 10 U.S.C. § 2461 states that no function of DOD that is performed by civilian employees may be converted to performance by a contractor unless based on a public-private competition that follows a detailed list of requirements under that statute. Currently, however, DOD is prohibited from conducting such competitions.³⁵

Army officials told us that Aberdeen Proving Ground submitted an IGSA proposal in 2016 for grounds maintenance that they expected to result in a cost savings of approximately \$1 million annually. However, those services had previously been provided by temporary Army civilian employees. Because of this and based on the Army's interpretation of the IGSA statute, Army officials said the IGSA proposal was not approved. Additionally, Army officials told us that Fort Leonard Wood also considered using an IGSA for grounds maintenance services in 2017 because it had unfilled civilian positions and was using military personnel instead, which took those personnel away from their primary mission. However, officials said that the installation did not submit an IGSA proposal because officials did not think it would be approved, due to the existing civilian positions.

Army officials told us they worked with the Office of the Secretary Defense to try to address some of the legal concerns within the Army regarding these types of IGSA proposals. Specifically, language was included in a May 2018 memorandum from the Assistant Secretary of Defense for Manpower and Reserve Affairs stating that even though DOD is prohibited from conducting Circular A-76 public-private competitions, this does not preclude the use of an IGSA as long as

³⁴Office of Management and Budget Circular No. A-76, *Performance of Commercial Activities* (May 29, 2003).

³⁵See, National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84, § 325 (Oct. 28, 2009); and Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs Memorandum, *Update on OMB Circular A-76 Public-Private Competition Prohibitions - FY 2018* (May 17, 2018).

the IGSA is not used to circumvent Circular A-76 requirements.³⁶

Although the memorandum does not provide any further details, an official with the Army Partnerships Office stated that the memorandum may provide more support for the use of IGSA during internal legal reviews of IGSA proposals and could result in additional IGSA being approved. If not, Army officials plan to communicate to Congress the effects of the current language in the IGSA statute and make any appropriate recommendations to address those effects.

Review Time-Related Challenges to Using IGSA

Officials from each of the 6 installations we met with during our review told us that the length of time to review and approve IGSA was a challenge, in part due to the multiple levels of review required before an IGSA is approved. For example:

- Marine Corps Logistics Base Barstow officials told us that their IGSA proposal for water testing and analysis took approximately 1 year to be reviewed and approved—first at the installation level, then at Marine Corps Installation Command-West (a regional command), and finally at Marine Corps Installation Command headquarters. As a result, officials said they had to continue to pay their contractor for an additional year to perform those services, which they estimate cost them approximately \$80,000 more than if the IGSA had been approved and in place. The officials added that IGSA are a new way to obtain installation services within the Marine Corps, and this IGSA was the Marine Corps' first, which likely contributed to the long review time.
- In July 2017, Fort Polk submitted an IGSA proposal for both facility maintenance and repair services and also grounds maintenance services, which would be provided by a local government. However, Fort Polk officials said that approval of the proposal was delayed at Army headquarters because there was concern by those headquarters officials about replacing the existing AbilityOne contractor at Fort Polk, which was providing facility maintenance and

³⁶Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs Memorandum, *Update on OMB Circular A-76 Public-Private Competition Prohibitions - FY 2018* (May 17, 2018).

repair services for the installation.³⁷ As a result, Fort Polk re-submitted an IGSA proposal only for the grounds maintenance services, and this narrower IGSA was approved in March 2018—8 months after the original IGSA proposal was submitted.

The military services have delegated responsibility to approve IGSA to lower levels, which could decrease the review and approval time for IGSA. For example, in January 2018 the Air Force delegated approval authority to installation commanders for IGSA that cost less than \$15 million over a 10-year time frame—with the exception of any IGSA that obtain installation services currently obtained from an AbilityOne contractor.³⁸

Financial Incentive-Related Challenges to Using IGSA

An installation may lack a financial incentive to use IGSA because that installation's military service may choose to use any realized cost savings for service-level priorities elsewhere. As discussed earlier, we found that 5 installations in our sample realized cost savings from their implemented IGSA. Three of those installations—Fort Polk, Luke Air Force Base, and Marine Corps Logistics Base Barstow—were able to retain those savings to apply to other installation needs that were not funded, according to installation officials. For example, Fort Polk officials stated that they were able to reallocate savings from the waste removal IGSA to repair landing strips at the installation, and Luke Air Force Base officials told us that the ability to retain IGSA cost savings was an incentive for them to put in the effort to implement an IGSA. Officials at the other 2 installations with IGSA cost savings—Moody Air Force Base and Fort Bragg—told us that those savings were retained by the installations' higher headquarters.

The military services are at various stages in deciding how IGSA cost savings are to be used, according to service officials. Air Force officials said they are considering letting their installations retain IGSA cost savings to incentivize the use of IGSA. Army officials stated that they do

³⁷Under the AbilityOne Program, certain listed products and services required by a federal entity must be procured from qualified nonprofit agencies for those who are blind or have significant disabilities, if the product or service is available in a timely manner through such agencies. The AbilityOne Program is one of the sources listed under Federal Acquisition Regulation § 8.002, which prescribes the use of certain government sources in a descending order of priority for supplies and services to satisfy agency requirements.

³⁸All Air Force IGSA proposals to obtain installation services that are currently obtained under the AbilityOne Program must be submitted for approval to the Deputy Assistant Secretary of the Air Force (Installations).

not yet have a policy on using IGSA savings, but their commands are responsible for contributing resources to supporting readiness, which may include the use of IGSA cost savings. Marine Corps officials similarly told us that they have not yet developed a policy, but added that IGSA cost savings will be retained within Marine Corps Installation Command. Finally, Navy officials told us that they have not yet considered a policy that would allow installations to retain any cost savings, although they added that Navy Installations Command does not intend to recoup any IGSA cost savings achieved by an installation or a region.

Conclusions

DOD budgets about \$25 billion annually to operate and support its installations, and our analysis shows that IGSA have provided opportunities for the military services to reduce some of those costs. However, the services could improve the visibility they have over the performance of IGSA after implementation. Specifically, developing processes to monitor any benefits being realized from implemented IGSA and documenting these processes in policies or procedures would enhance the military services' ability to evaluate the performance of these agreements and provide lessons learned that could inform their efforts to encourage greater use of IGSA. In addition, the military services have already taken steps to direct and facilitate the use of IGSA. However, without a process to monitor whether their installations are evaluating opportunities to use IGSA and obtain explanations of the outcomes of such evaluations, the military services do not have visibility over whether their installations are considering the use of IGSA, as directed in guidance. Consequently, the services may be missing opportunities to reduce costs or enhance mission effectiveness. Furthermore, by documenting their processes in policies or procedures, the military services will increase the likelihood that such oversight will endure beyond the initiatives of current leadership and officials. Taking these actions would support the military services' oversight of IGSA and could potentially expand interest in and the use of IGSA.

Recommendations for Executive Action

We are making the following eight recommendations to DOD:

The Secretary of the Army should (a) finalize and implement a process to collect and monitor information on the extent to which all implemented IGSA have resulted in financial and nonfinancial benefits and (b) complete documentation of that process in Army IGSA policy or procedures. (Recommendation 1)

The Secretary of the Navy should (a) establish and implement a process to collect and monitor information on the extent to which all implemented IGSA's have resulted in financial and nonfinancial benefits and (b) document that process in Navy IGSA policy or procedures. (Recommendation 2)

The Commandant of the Marine Corps should (a) establish and implement a process to collect and monitor information on the extent to which all implemented IGSA's have resulted in financial and nonfinancial benefits and (b) document that process in Marine Corps IGSA policy or procedures. (Recommendation 3)

The Secretary of the Air Force should (a) establish and implement a formal process to collect and monitor information on the extent to which all implemented IGSA's have resulted in financial and nonfinancial benefits and (b) document that process in Air Force IGSA policy or procedures. (Recommendation 4)

The Secretary of the Army should (a) finalize and implement a process to monitor whether Army installations are evaluating opportunities for using IGSA's and to obtain explanations from installations on the outcome of their evaluations and (b) complete documentation of that process in Army IGSA policy or procedures. (Recommendation 5)

The Secretary of the Navy should (a) establish and implement a process to monitor whether Navy installations are evaluating opportunities for using IGSA's and to obtain explanations from installations on the outcome of their evaluations and (b) document that process in Navy IGSA policy or procedures. (Recommendation 6)

The Commandant of the Marine Corps should (a) establish and implement a process to monitor whether Marine Corps installations are evaluating opportunities for using IGSA's and to obtain explanations from installations on the outcome of their evaluations and (b) document that process in Marine Corps IGSA policy or procedures. (Recommendation 7)

The Secretary of the Air Force should document in Air Force IGSA policy or procedures its process for monitoring whether Air Force installations are evaluating opportunities for using IGSA's. (Recommendation 8)

Agency Comments and Our Evaluation

We provided a draft of this report to DOD for comment. DOD provided written comments, which are reproduced in appendix III.

DOD concurred with six recommendations and non-concurred with two recommendations, but DOD's response indicates that the department plans to implement all of the actions we recommend.

DOD concurred with our six recommendations to the Army, the Navy, and the Air Force. DOD did not concur with our two recommendations to the Marine Corps, stating that the Marine Corps is one of two military services within the Department of the Navy and that the recommendations are unnecessary. While we understand that the Marine Corps is within the Department of the Navy, we made recommendations to the Marine Corps because we learned during the course of our review that the Marine Corps had developed service-specific IGSA processes. For our two recommendations to the Navy, DOD stated that the Deputy Assistant Secretary of the Navy (Installations and Facilities) will issue policy by November 30, 2018, directing the Chief of Naval Operations and the Commandant of the Marine Corps to implement our recommendations. We believe that implementing these actions will meet the intent of our recommendations to the Marine Corps.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Secretaries of the Army, the Navy, and the Air Force; and the Commandant of the Marine Corps. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-4523 or leporeb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix IV.

A handwritten signature in black ink, reading "Brian Lepore". The signature is written in a cursive style with a large, prominent "B" and "L".

Brian J. Lepore
Director, Defense Capabilities and Management

List of Committees

The Honorable James M. Inhofe
Chairman

The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Richard Shelby
Chairman

The Honorable Dick Durbin
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Mac Thornberry
Chairman

The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Kay Granger
Chairwoman

The Honorable Pete Visclosky
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Appendix I: Military Services' Intergovernmental Support Agreements Approved as of July 2018

Table 2 shows the military service, installation, state or local government, and type of installation service for each of the 45 intergovernmental support agreements that have been approved within the military services as of July 25, 2018.

Table 2: Military Services' Intergovernmental Support Agreements (IGSAs) Approved as of July 2018

Installation	State or local government	Installation service	IGSA selected for review
Army			
Fort Benning, Georgia	Auburn University, Georgia	Ecological forest monitoring	-
Fort Bliss, Texas	El Paso, Texas	Stray animal control	-
Fort Bragg, North Carolina	Fayetteville, North Carolina	Custodial services for Airborne and Special Operations Museum	✓
	Cumberland County, North Carolina	Stray animal control	✓
	Fayetteville, North Carolina	Maintenance services for Airborne and Special Operations Museum	✓
	Harnett County, North Carolina	Stray animal control	-
Fort Campbell, Kentucky	Montgomery County, Kentucky	Stray animal control	-
Fort Carson, Colorado	Douglas County, Colorado	Pre-trial confinement services	-
Fort Detrick, Maryland	Frederick County, Maryland	Computer-aided dispatch	-
	Frederick County, Maryland	Solid waste disposal	-
Fort Drum, New York	Development Authority of the North Country, New York	Composting services	-
Fort Huachuca, Arizona	Sierra Vista, Arizona	Ambulance services	-
Fort Leonard Wood, Missouri	Waynesville, Missouri	Stray animal shelter operation	-
Fort Polk, Louisiana	Vernon Parish, Louisiana	Waste removal	✓
	Leesville, Louisiana	Grounds maintenance and tree removal	-
	Rosepine, Louisiana	Custodial services	-
	Beauregard Parish, Louisiana	Inmate confinement	-
Fort Riley, Kansas	Manhattan, Kansas	Bulk salt purchasing	-

**Appendix I: Military Services'
Intergovernmental Support Agreements
Approved as of July 2018**

Installation	State or local government	Installation service	IGSA selected for review
Army			
Fort Sill, Oklahoma	Lawton, Oklahoma	Stray animal control	✓
Fort Wainwright, Alaska	Fairbanks, Alaska	Computer-aided dispatch	-
	University of Alaska	Archaeological and paleontological curation	-
Joint Base Lewis-McChord, Washington	Thurston County, Washington	Stray animal control	-
	Pierce County, Washington	Computer-aided dispatch	-
Presidio of Monterey, California	Monterey, California / Seaside, California	Various installation services (e.g., facilities maintenance, street maintenance, and grounds maintenance)	-
Air Force			
Altus Air Force Base, Oklahoma	Altus, Oklahoma	Refuse and recycling services	-
Beale Air Force Base, California	Gridley, California	Emergency power pole replacement	-
Eielson Air Force Base, Alaska	Alaska Department of Transportation and Public Facilities	Pavement marking	-
Hanscom Air Force Base, Massachusetts	Bedford, Massachusetts	Proactive salt brine application	-
Homestead Air Reserve Base, Florida	Homestead, Florida	Engineer training	-
Luke Air Force Base, Arizona	Glendale, Arizona	Waste management services	✓
Moody Air Force Base, Georgia	Lowndes County, Georgia	Water and wastewater treatment	✓
Peterson Air Force Base, Schriever Air Force Base, Cheyenne Mountain Air Force Station, and Air Force Academy, Colorado	El Paso County, Colorado	Snow and ice treatment chemicals	-
Navy			
Naval Base Ventura County, California	Ventura County, California	Large vehicle maintenance	-
Naval Weapons Station Earle, New Jersey	Monmouth County, New Jersey	Snow removal	-
	Monmouth County, New Jersey	Storm drainage services	-
	Monmouth County, New Jersey	Traffic signal maintenance	-

**Appendix I: Military Services'
Intergovernmental Support Agreements
Approved as of July 2018**

Installation	State or local government	Installation service	IGSA selected for review
Navy			
Naval Weapons Station Earle, New Jersey	Monmouth County, New Jersey	Unimproved road maintenance	-
Navy Brig Charleston, South Carolina	Trident Technical College, South Carolina	Prisoner training	-
Marine Corps			
Camp Lejeune, North Carolina	Jacksonville, North Carolina	Traffic light management and maintenance	-
Camp Lejeune and Marine Corps Air Station New River, North Carolina	Onslow County, North Carolina / Jacksonville, North Carolina	Aerial mapping of the installations	-
Marine Corps Logistics Base Albany, Georgia	Albany, Georgia	Utility repairs and maintenance	-
	Albany, Georgia	Mosquito spraying	-
	Albany, Georgia	Canal maintenance	-
	Albany, Georgia	Waste management	-
Marine Corps Logistics Base Barstow, California	Barstow, California	Water testing and analysis	✓

Source: GAO analysis of Department of Defense information. | GAO-19-4

Appendix II: Organizations We Met with During This Review

We met with officials from the following offices, installations, and local governments during this review. Unless otherwise specified, these organizations are located in or near Washington, D.C.

Office of the Secretary of Defense

- Office of the Assistant Secretary of Defense for Energy, Installations, and Environment

Department of the Army

- Office of the Assistant Chief of Staff for Installation Management, Army Partnerships Office
- Army Installation Management Command, Fort Sam Houston, Texas
- Aberdeen Proving Ground, Maryland
- Fort Bragg, North Carolina
- Fort Polk, Louisiana
- Fort Sill, Oklahoma

Department of the Air Force

- Office of the Assistant Secretary of the Air Force for Installations, Environment, and Energy, Air Force Community Partnership Program
- Buckley Air Force Base, Colorado
- Fairchild Air Force Base, Washington
- Luke Air Force Base, Arizona
- Moody Air Force Base, Georgia

Department of the Navy

- Office of the Assistant Secretary of the Navy for Energy, Installations, and Environment
- Commander, Naval Installations Command
- Navy Brig Charleston (Joint Base Charleston), South Carolina
- Marine Corps Installation Command
- Marine Corps Installation Command—East
- Marine Corps Installation Command—West
- Marine Corps Logistics Base Barstow, California

Local Governments

- Barstow, California
- Cumberland County, North Carolina
- Fayetteville, North Carolina
- Glendale, Arizona
- Lawton, Oklahoma
- Leesville, Louisiana
- Lowndes County, Georgia
- Vernon Parish, Louisiana

Appendix III: Comments from the Department of Defense



ASSISTANT SECRETARY OF DEFENSE
3400 DEFENSE PENTAGON
WASHINGTON, DC 20301-3400

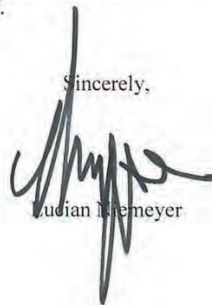
03 October 2018

Mr. Brian J. Lepore
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Lepore:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-19-4, "DOD INSTALLATION SERVICES: Use of Intergovernmental Support Agreements Has Had Benefits, but Additional Information Would Inform Expansion," dated August 23, 2018 (GAO Code 102327). Detailed comments on the report recommendations are enclosed.

Sincerely,



Audian Memeyer

Enclosure:
As stated

**GAO DRAFT REPORT DATED AUGUST 23, 2018
GAO-19-4 (GAO CODE 102327)**

**“DOD INSTALLATION SERVICE: USE OF INTERGOVERNMENTAL SUPPORT
AGREEMENTS HAS HAD BENEFITS, BUT ADDITIONAL INFORMATION WOULD
INFORM EXPANSION”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION 1: The GAO recommends that the Secretary of the Army should (a) finalize and implement a process to collect and monitor information on the extent to which all implemented IGSAAs have resulted in financial and nonfinancial benefits and (b) complete documentation of that process in Army IGSA policy or procedures.

DoD RESPONSE: Concur. The Army Assistant Chief of Staff for Installation Management will update policy guidance issued in Army Regulation 5-9 that establishes monitoring, management, and implementation regarding the financial and non-financial benefits of IGSAAs. This guidance will be sent to the field by January 31, 2019.

RECOMMENDATION 2: The GAO recommends that the Secretary of the Navy should (a) establish and implement a process to collect and monitor information on the extent to which all implemented IGSAAs have resulted in financial and nonfinancial benefits and (b) document that process in Navy IGSA policy or procedures.

DoD RESPONSE: Concur. The Deputy Assistant Secretary of the Navy (Installations and Facilities) will issue policy by November 30, 2018, directing the Chief of Naval Operations and the Commandant of the Marine Corps to: (a) establish a process by April 1, 2019, to collect and monitor information on the extent to which all implemented IGSAAs have resulted in financial and nonfinancial benefits; and (b) implement the process and document that process in Navy and Marine Corps IGSA policy or procedures by June 30, 2019.

RECOMMENDATION 3: The GAO recommends that the Commandant of the Marine Corps should (a) establish and implement a process to collect and monitor information on the extent to which all implemented IGSAAs have resulted in financial and nonfinancial benefits and (b) document that process in Marine Corps IGSA policy or procedures.

DoD RESPONSE: Non-Concur. The Marine Corps is one of two military services within the Department of the Navy. Recommendation 3 is unnecessary.

RECOMMENDATION 4: The GAO recommends that the Secretary of the Air Force should (a) establish and implement a formal process to collect and monitor information on the extent to which all implemented IGSAAs have resulted in financial and nonfinancial benefits and (b) document that process in Air Force IGSA policy or procedures.

DoD RESPONSE: Concur. The Assistant Secretary of the Air Force (Installations, Environment and Energy) intends to: (a) develop an appropriate process for collecting and monitoring benefits

resulting from implemented IGSA at Air Force installations; and (b) document that process in pertinent IGSA policy or procedures. The estimated completion date for implementing this recommendation is March 2019.

RECOMMENDATION 5: The GAO recommends that the Secretary of the Army should (a) finalize and implement a process to monitor whether Army installations are evaluating opportunities for using IGSA and to obtain explanations from installations on the outcome of their evaluations and (b) complete documentation of that process in Army IGSA policy or procedures.

DoD RESPONSE: Concur. The Army Assistant Chief of Staff for Installation Management will update policy guidance issued in Army Regulation 5-9 that establishes monitoring, management, and implementation regarding the financial and non-financial benefits of IGSA. This guidance will be sent to the field by January 31, 2019.

RECOMMENDATION 6: The GAO recommends that the Secretary of the Navy should (a) establish and implement a process to monitor whether Navy installations are evaluating opportunities for using IGSA and to obtain explanations from installations on the outcome of their evaluations and (b) document that process in Navy IGSA policy or procedures.

DoD RESPONSE: Concur. The Deputy Assistant Secretary of the Navy (Installations and Facilities) will issue policy by November 30, 2018, directing the Chief of Naval Operations and the Commandant of the Marine Corps to: (a) establish a process to monitor whether Department of the Navy installations are evaluating opportunities for using IGSA and to obtain explanations from installations on the outcome of their evaluations; and (b) implement the process and document that process in Navy and Marine Corps IGSA policy or procedures by June 30, 2019.

RECOMMENDATION 7: The GAO recommends that the Commandant of the Marine Corps should (a) establish and implement a process to monitor whether Marine Corps installations are evaluating opportunities for using IGSA and to obtain explanations from installations on the outcome of their evaluations and (b) document that process in Marine Corps IGSA policy or procedures.

DoD RESPONSE: Non-Concur. The Marine Corps is one of two military services within the Department of the Navy. Recommendation 7 is unnecessary.

RECOMMENDATION 8: The GAO recommends that the Secretary of the Air Force should document in Air Force IGSA policy or procedures its process for monitoring whether Air Force installations are evaluating opportunities for using IGSA.

DoD RESPONSE: Concur. The Assistant Secretary of the Air Force (Installations, Environment and Energy) intends to document its process for monitoring whether Air Force installations are evaluating opportunities for using IGSA. Estimated completion date for implementing this recommendation is March 2019.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Brian J. Lepore, (202) 512-4523 or leporeb@gao.gov

Staff Acknowledgments

In addition to the contact named above, individuals who made key contributions to this report include Maria Storts (Assistant Director), Whitney Allen, Vincent Buquicchio, Michele Fejfar, Mae Jones, Amie Lesser, Geoffrey Peck, Ophelia Robinson, Jack Wang, and Erik Wilkins-McKee.

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