



Highlights of [GAO-04-296](#), a report to Congressional requesters

DEFENSE MANAGEMENT

Issues in Contracting for Lodging and Temporary Office Space at MacDill Air Force Base

Why GAO Did This Study

Since the September 11, 2001, attacks and the beginning of Operation Iraqi Freedom, thousands of National Guard and Reserve members have been activated and mobilized to military installations across the country. Some installations, like MacDill Air Force Base in Tampa, Florida, where more than 3,000 reservists have been mobilized, have had to arrange for off-base lodging in local hotels and apartment buildings. In addition, MacDill, which serves as U.S. Central Command headquarters, has had to set up temporary office space for staffs of coalition partner nations. Public concerns have been raised about these arrangements. GAO was asked to review (1) the extent to which MacDill used cost-effective measures to provide off-base lodging for reservists and (2) whether a contract providing office space for coalition partners was adequately managed to control costs.

What GAO Recommends

GAO is recommending that the Secretary of Defense direct the Secretary of the Air Force to direct the Commander of the Air Mobility Command to emphasize to MacDill personnel the importance of adhering to sound contract management procedures. In commenting on a draft of this report, DOD partially concurred with GAO's recommendation and identified corrective actions taken or planned.

www.gao.gov/cgi-bin/getrpt?GAO-04-296.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman at (202) 512-8412 or holmanb@gao.gov.

What GAO Found

During recent mobilizations, MacDill contracting officials used two practices that effectively reduced the overall cost of off-base lodging for reservists on extended temporary duty to below that allowed by the General Services Administration's (GSA) lodging rate. Officials used a simplified acquisition procedure—Blanket Purchase Agreements (BPA)—to obtain prices that were at or below the maximum allowable GSA rate of \$93 per day for Tampa, Florida. MacDill officials obtained daily lodging rates of \$71 to \$93 per unit for two-bedroom apartments. The BPAs also provided greater flexibility in vacating units without incurring penalties. In addition, MacDill officials reduced per person lodging costs further by implementing a room-sharing policy for personnel at certain ranks. When two reservists shared a two-bedroom unit (about 600 reservists), the cost dropped by up to 55 percent of the daily GSA rate. Overall, during fiscal year 2003, MacDill reported that it saved about \$12.6 million using these practices. Our review of local rental costs showed that BPA prices were similar to those paid by corporate entities for comparable lodging units, but were lower on a per-person basis because of lodging sharing arrangements.

Comparison of Prices for Furnished Two-Bedroom, Corporate, and Military (MacDill) Apartments in Tampa, Florida

Type	Cost per day	Cost per month	Extras beyond furniture
Furnished apartment	\$20.77-\$55.17	\$623-\$1,655	None
Corporate apartment	\$46.50-\$114.60	\$1,395-\$3,438	Amenities, ^a utilities, maid service
MacDill BPA apartment-1 person	\$71-\$93	\$2130-\$2,790	Amenities, utilities, maid service
MacDill BPA apartment-2 persons	Per person \$35.50-\$46.50	Per person \$1,065-\$1,395	Amenities, utilities, maid service

Source: GAO analyses.

^a Amenities include kitchenware, linens, vacuum cleaners, microwave ovens, and cable television service.

From project initiation to settlement of the contractor's claim, the Coalition Village II contract suffered from questionable acceptance of the winning offer, poor record keeping, undocumented contracting decisions, and changes to contract requirements that were not properly coordinated with contracting officials. Although MacDill officials determined that the winning offer was received on time, only the first page of the proposal was received by the established deadline. Contract costs for the project, which was implemented under tight time constraints, increased by more than \$367,000 over the winning offer of \$142,755. However, due to the absence of proper documentation in the contract files, we were unable to fully assess the basis for additional costs paid to the contractor or the extent to which costs might have been avoided or minimized.