



AIR FORCE CIVIL ENGINEER SUPPORT AGENCY

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AIR FORCE AUDIT AGENCY MOST EFFICIENT ORGANIZATION PERFORMANCE REVIEWS

SYNOPSIS:

Air Force Instruction (AFI) 38-203, *Commercial Activities Program*, requires an annual 20 percent audit of Most Efficient Organizations (MEOs). As a result, the Air Force Audit Agency recently conducted audits of six MEOs (Patrick AFB, Hanscom AFB, Kirtland AFB, Robins AFB, Altus AFB, and Columbus AFB) to determine whether in-house organizations (MEOs) were implemented in a timely manner, whether they operated within the in-house cost estimate, and if they performed work as stated in the statement of work (SOW).

The audit reports showed that the Air Force implemented MEOs in a timely fashion and completed the restructuring necessary to achieve expected efficiencies. However, two of the six organizations reviewed did not operate within the in-house cost estimate or perform work as stated in the SOW.

SUMMARY:

All restructuring needed to achieve expected efficiencies was completed within six months after selection, and in some cases as quickly as six weeks. For example, the communications shop at Patrick AFB completed the MEO restructuring about six weeks after selection.

Four of the six activities achieved expected savings. However, two MEOs exceeded estimated operating costs by 14

and 45 percent. If continued, this cost increase would consume the total projected savings of \$4.1 million and cost an additional \$1.5 million to continue operations for the next four years. During the first performance period (May through September 1998), operating costs for Hanscom AFB Transportation exceeded the original estimate by over \$127,000. This occurred because transportation officials did not include in the MEO estimate the cost of five individuals performing transportation related work, including supervision. Hanscom created a functional area support organization outside the MEO to perform these duties.

Two of the six activities did not accomplish all of the work specified in the SOW. The result was that the Air Force did not receive the level of effort detailed in the MEO. At Kirtland AFB, the Precision Measurement Equipment Laboratory (PMEL) function performed 28 percent less work than required in the SOW. At Patrick AFB, the communications activity did not maintain work related data to assess compliance with the SOW. These two instances were the direct result of installation officials not fully understanding MEO management responsibilities or the requirement to use the Quality Assurance Surveillance Plan (QASP) to assess compliance with the SOW.

CONCLUSION:

For the most part, MEO activities are

performing as required by their SOWs. However, organizations are not fully aware of the responsibilities and requirements of the cost comparison process. More training is needed at the unit level to assure that functional personnel are aware of the requirements of the MEO organization and the need for keeping accurate workload data and performing the tasks in accordance with the QASP. For more information on these audits call the AFCESA A-76 Help Desk or log onto the Air Force Audit Agency's web site at www.afaaf.af.mil.

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