



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON DC 20301-1100



NOV 30 2007

The Honorable Chet Edwards
Chairman, Subcommittee on Military Construction,
Veterans Affairs and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The purpose of this letter is to notify the Committee of the proposed reprogramming of funds for the project and amount shown below. This request replaces the request I forwarded to you on September 12, 2007. Detailed justification is enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Fiscal Program</u>	<u>Reprogramming Request</u>
<u>Army</u> Albuquerque, New Mexico	Readiness Center Add/Alter ARNG Division Redesign Study (ADRS)	2004	\$2,167,000

A similar letter is being sent to the Chairman and Ranking Member of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee of the Senate Appropriations Committee.

Sincerely,


Tina W. Jonas

Enclosure:
As stated

cc:
The Honorable Roger Wicker
Ranking Member





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The Honorable Tim Johnson
 Chairman, Subcommittee on Military Construction,
 Veterans Affairs and Related Agencies
 Committee on Appropriations
 United States Senate
 Washington, DC 20510

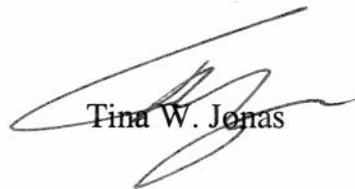
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cc:
 The Honorable Kay Bailey Hutchison
 Ranking Member



Bid Expiration Date: January 1, 2008
 Military Construction, Army National Guard
 Reprogramming Request

Installation: Albuquerque, New Mexico

Project: Readiness Center Add/Alt ARNG Division Redesign Study (ADRS)

Authorization: 10 USC 18233a

Estimated Cost:

Previously Appropriated	\$2,533,000
Previous Reprogramming	\$0
Requested Reprogramming	\$2,167,000
Total Estimated Costs	\$4,700,000

Description: This project provides a readiness center to support the administrative, training, and maintenance requirements of five Army National Guard units with a required strength of 291 personnel.

Justification: This project was initially bid in September 2005. Bids greatly exceeded the amount appropriated. The State reviewed its options, including redesign and value engineering. The State concluded that the only viable option for providing a complete and usable facility was to re-solicit. There was no change in scope of work and the project was re-bid June 2007. The revised cost estimate is now \$4.7 million. The increase in construction costs is driven by significant increases in labor, material and fuel costs experienced in the region after the effects of Hurricanes Rita and Katrina and the general cost increase experienced industry-wide. The State has exhausted all options for completing this project within the amount appropriated.

Source of Funds: Planning and design funds are made available to fund this project.

<u>Project/Location</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Planning and Design	2007	\$57,140	\$54,973	\$2,167