



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

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

MAY 2 2011

Dear Mr. Chairman:

The purpose of this letter is to notify the Committee of the proposed reprogramming of funds for the projects and amounts shown below. Detailed justifications are enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Program Year</u>	<u>Request (\$K)</u>
<u>Navy</u>			
Naval Support Activity, Orlando Florida	Land Acquisition, P-015	-	4,020
Camp Lemonier, Djibouti	Telecom Facility, P-910	2009	6,860
Camp Lemonier, Djibouti	Security Fencing, P-235	2010	12,788
Camp Lemonier, Djibouti	Interior Paved Roads, P-916	2010	9,340
Camp Lemonier, Djibouti	Dining Facility, P-225	2008	11,130
Camp Lemonier, Djibouti	Fuel Farm, P-906	2008	7,720
<u>USSOCOM</u>			
Oceana Naval Air Station, Dam Neck Annex, Virginia	SOF Operations Facility, P-899	2008	3,822

A similar letter is being sent to the Chairman and Ranking Member of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee of the House Appropriations Committee. Thank you for your continued support of DoD programs.

Sincerely,

Robert F. Hale

Enclosure:
As stated

cc:
The Honorable Mark Kirk
Ranking Member



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

MAY 2 2011

The Honorable John Culberson
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 projects and amounts shown below. Detailed justifications are enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Program Year</u>	<u>Request (\$K)</u>
<u>Navy</u>			
Naval Support Activity, Orlando Florida	Land Acquisition, P-015	-	4,020
Camp Lemonier, Djibouti	Telecom Facility, P-910	2009	6,860
Camp Lemonier, Djibouti	Security Fencing, P-235	2010	12,788
Camp Lemonier, Djibouti	Interior Paved Roads, P-916	2010	9,340
Camp Lemonier, Djibouti	Dining Facility, P-225	2008	11,130
Camp Lemonier, Djibouti	Fuel Farm, P-906	2008	7,720
<u>USSOCOM</u>			
Oceana Naval Air Station, Dam Neck Annex, Virginia	SOF Operations Facility, P-899	2008	3,822

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. Thank you for your continued support of DoD programs.

Sincerely,

Robert F. Hale

Enclosure:
As stated

cc:
The Honorable Sanford D. Bishop, Jr.
Ranking Member

Bid Expiration Date: Not Applicable
Military Construction, Navy
Reprogramming Request

Installation: Naval Support Activity, Orlando, Florida

Project: Land Acquisition, P-015

Authorization: 10 U.S.C. 2663 (d) "Land Acquisition Authorities"

Estimated Cost (\$000):

Previously Appropriated	-
Below Threshold Reprogramming	-
Requested Reprogramming	4,020
Total Estimated Cost	4,020

Description: The project will acquire 86 acres of land consisting of three separate parcels, each with a separate property owner (a private owner, a limited liability corporation and the county water authority). The largest parcel, owned by a family, is 69 acres and contains Bugg Spring itself. The land, located near Leesburg, Florida, supports ship and submarine towed array test and calibration. This testing is performed by Naval Undersea Warfare Center Division Newport.

Justification: The Leesburg facility is the Navy's only dedicated location for ship and submarine towed array sonar calibration. The 69-acre lease expires on 30 June 2011. The owners will not renew the lease and want to sell the property. This property, as well as the other two parcels, provides an acoustic buffer for calibration operations such that a quiet environment down to five Hertz can be maintained. Towed arrays are clusters of sensors towed behind ships and submarines and used to calculate distance and direction of underwater sounds for threat detection, navigation, communication and ordnance systems.

Towed array calibration is very precise and dependent on a controlled test environment with constant parameters such as noise levels, water temperature, water current and reflective background. Bugg Spring provides near ideal conditions and has the size and depth (160 feet deep) to eliminate boundary reflections. Over 470 arrays were calibrated at this facility in 2009.

The age of the owner of the 69-acre parcel, the desire of the heirs to sell the property and increasing pressure from local land developers to buy the land combine to create an urgency to acquire this property before it and the capabilities it provides are lost to the Navy. The Navy has significant infrastructure on the property including 12 buildings on the property and the test barge and access catwalk facilities in the spring itself. The replacement value of the infrastructure is over \$1.3 million. The Navy (NAVSEA) uses five other facilities for in-water acoustic RDT&E including: Seneca Lake, NY; Dodge Pond, CT; Lake Pend Oreille, ID; Panama City, FL; and AUTECH Bahamas. None of these locations has the physical environment needed to achieve the levels of array testing provided by the Leesburg facility.

The consequences of not acquiring this property would be severe. Array testing would be disturbed, creating a backlog of certified arrays for Fleet ships and submarines. The cost of acquiring or leasing a similar body of water (assuming one is available), constructing new test and support facilities and moving the test equipment could approach \$40 million.

Source of Funds: Bid savings will fund this requirement.

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>(Dollars in Thousands)</u>		
		<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
MCAS Miramar ^{VI} San Diego, CA Hangar Modifications P-925	2008	26,760	21,644	2,000
MCS Camp ^{VI} Lejeune, NC Landfill (Phase 3) P-1046	2008	14,170	10,002	<u>2,020</u>
			Total	<u>4,020</u>

^{VI} A Title 10 USC 2853 cost variation notification was submitted on September 17, 2009.

Bid Expiration Date: Not Applicable
Military Construction, Navy
Reprogramming Request

Installation: Camp Lemonnier, Djibouti
Project: Telecom Facility, P-910
Authorization: National Defense Authorization Act for FY 2009 (P.L. 110-417)

Estimated Cost (\$000):

Previously Appropriated	3,330
Below Threshold Reprogramming	-
Requested Reprogramming	6,860
Total Estimated Cost	10,190

Description: The project will construct a 340 m² (3,660 SF) telecommunications facility consisting of a pre-engineered metal building with insulated exterior walls and roof. The site will be secured by a 3.6 meter (12 ft) fence topped with razor wire. The building will have raised access computer flooring with a Government owned cable entry way. All command, control, communication, computers and intelligence (C4I) equipment and associated building systems are required to be supported by uninterruptible power supply (UPS) and emergency power generators.

The facility provides a non-secure internet protocol router network, secret internet protocol router network, combined enterprise regional information exchange system, phone service for the camp and is the utility company service point for Djibouti telecommunications. It provides critical support for units deployed downrange in support of the Combined Joint Task Force Horn of Africa, housing C4I functions, 24 information technology staff, 78 equipment racks and a high security vault. Due to the critical nature of its mission the facility will operate on a 24/7 schedule.

Justification: The design-build construction contract was awarded 20 May 2009 in the amount of \$2,690,050. Unanticipated market conditions and technical deficiencies realized during the design phase of the construction contract have significantly affected project cost.

The budgeted cost estimate assumed basic building materials and some amount of skilled labor could be acquired locally or from neighboring countries. However, few materials

other than concrete and aggregate are suitable for local procurement. Concrete has proven to cost more than double the estimated cost and the local aggregate has been found to have an alkaline silicate reaction to water, requiring pretreatment prior to use. All other building materials, even steel reinforcing bars do not meet U.S. standards and must be imported. Nearly all skilled labor is being imported from other countries, primarily Turkey. The local labor market lacks the training and skill to perform all but the most basic and rudimentary construction tasks.

The following technical issues were not identified at the time of construction contract award but are required to meet the operational requirements of the supported commander:

- 1) Back-Up Generators & Parallel Switch Gear (\$3,751,000)
The back-up power requirements established in the request for proposals (RFP) did not accurately predict the final design requirements for the facility. The RFP required one generator to satisfy the estimated critical power loads. Subsequent engineering calculations based on actual critical power loads, harsh environmental conditions and critical nature of the mission determined that three generators are required to meet the design criteria. It has also been determined that a 48-hour generator run time is required due to the critical nature of the facility and importance of maintaining communications. This results in a need for larger fuel storage capacities for each generator as well as fuel scrubbing systems.
- 2) Anti-Static Flooring (\$46,800)
The RFP contained the requirement for vinyl composition tile floor finish for the raised access computer flooring. Due to the critical nature of the mission and equipment being utilized in the facility, Naval Network Warfare Command (NETWARCOM) requires static dissipative tile to prevent electrostatic discharge, a characteristic that standard vinyl flooring does not have.
- 3) 11- kV Primary & 1500 kV Transformers (\$898,900)
The proposed facility was scheduled to receive electrical power from the existing G22 substation. During the design phase of the construction contract it was determined the station did not have ample capacity to satisfy the required demand. This was in part due to an increase in demand from other camp development as well as an excessive power drop due to the long run between the existing substation and the proposed site. The additional electrical equipment is required to provide an adequate and reliable power supply for the facility. The work includes the substation, 4-way switch, switchboard, transformers, distribution line, concrete encased duct-bank and manholes.
- 4) Network Infrastructure Re-Routing (\$1,649,000)
The site initially proposed was immediately adjacent to the terminus point for the camp networking and communications infrastructure. Relocating the

facility due to operational restrictions requires pulling communication fiber and copper wire to the new site. In order to reduce impact and minimize costs, a rerouting assessment has been produced which analyzed the camp's available network infrastructure resulting in implementation of the recommendations made by the rerouting assessment. This will maximize the use of the camp's existing network infrastructure and allow less disruption to camp operations and provide required platforms to meet mission objectives.

5) Additional Soil Import (\$220,300)

The relocated facility location requires that additional soil be imported and placed in order to raise the site and provide adequate storm water drainage compliance with design code and criteria. Proper storm water management will reduce risk of damage to facility or infrastructure due to flooding.

6) Electronic and Communication (\$294,000):

During the design phase and after further investigation it was identified that the telecom facility required a more enhanced UPS system than was originally estimated to support essential communications during transfer from primary power to emergency back-up generation in the event of a power outage. The work includes the cost differences of the UPS unit, providing and installing an outdoor enclosure for the system as well as associated components. Other mission essential items not included within the original contract include providing a greater number of individual communication drops to account for anticipated growth of the camp and resultant increased communication system requirements.

The project to be constructed is the minimum needed for a complete and useable facility; NETWARCOM does not support any reduction in facility area or equipment racks.

Source of Funds: Bid savings will fund this requirement.

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
MCB Camp Lejeune, ^{VI} NC Consolidated Messhall- Hadnot Point P-882	2009	25,000	12,085	6,860

^{VI} A Title 10 USC 2853 cost variation notification was submitted on September 17, 2009.

Bid Expiration Date: Not Applicable
Military Construction, Navy
Reprogramming Request

Installation: Camp Lemonnier, Djibouti

Project: Security Fencing 1, P-235

Authorization: National Defense Authorization Act for FY 2010 (P.L. 111-84)

Estimated Cost (\$000):

Previously Appropriated	8,109
Below Threshold Reprogramming	-
Requested Reprogramming	12,788
Total Estimated Cost	20,897

Description: The Navy has acquired land which expands the boundaries of Camp Lemonnier to the east. The annexed property requires perimeter security in accordance with U.S. Africa Command anti-terrorism force protection criteria. The project will construct a perimeter security system to detect, deter and assess potential intrusions around the camp's annexed property. The security system's cross section includes (from exterior to interior of the camp): an anti-vehicle ditch lined with erosion control mats, galvanized chain link fence topped with concertina wire, a gravel perimeter patrol road and an anti-vehicle berm. The project also includes three security towers, four vehicular and two pedestrian access gates, pole-mounted perimeter lighting with camera mounts, storm water drainage, electrical utilities and demolition of some existing fencing.

Justification: Unanticipated market conditions and technical deficiencies identified during the field investigation and design have significantly affected the cost of the project.

The Djibouti construction market fails to meet fundamental standards of an industrialized society. The original cost estimate assumed basic building materials and some amount of skilled labor could be acquired locally or from neighboring countries. However, few materials other than concrete and aggregate are suitable for local procurement. Concrete has proven to cost more than double the estimated cost and the local aggregate has been found to have an alkaline silicate reaction to water, requiring pre-treatment prior to use. All other building materials, even steel reinforcing bars, do not meet U.S. standards and must be imported. Nearly all skilled labor is being imported from other countries, primarily Turkey. The local labor market lacks the training and skill to perform all but

the most basic and rudimentary construction tasks. The cost of importing a disproportionately high percentage of skilled labor was not anticipated.

Deficient items, along with item justification, as found during the design phase of construction are provided as follows:

- 1) Drainage Improvements (\$223,700)
Drainage improvements were included but underestimated. The original estimate assumed minimal drainage requirements to convey storm water flows from the primary outfall ditch through the perimeter security system to the Gulf of Aden. However, it was determined during design that a more extensive system is required to drain the area properly. The proposed system requires a more elaborate network of culverts, pipes and security features as it extends outside the secure confines of the camp and terminates at an outfall at the Gulf of Aden.
- 2) Electrical Utilities (\$7,685,300)
Electrical power distribution lines run the entire length of the proposed fence to service the guard towers, lights and cameras which are an integral part of the perimeter security system. During design it was determined that the electrical distribution system must be placed underground and encased in a concrete ductbank to comply with the exterior electrical power distribution security requirements. The electrical distribution system estimated assumed above ground conduits bolted directly to the fence posts, which violates the facilities criteria and is unacceptable to security criteria. The high price of concrete ductbank was not anticipated. Transformers, control devices, manholes, raceways and underground electrical conductors were omitted from the original estimate.
- 3) Guard Towers (\$799,000)
The proposed perimeter security system includes three guard towers. The guard towers are pre-engineered structures placed on a concrete pad specially designed to resist the effects of a blast or seismic event. The original estimate included the cost of the towers but omitted the cost for the fortified concrete pads. It also did not include the required utility connections to the camp's electrical and communications distribution systems.
- 4) Security Fence/Gates (\$544,400)
The labor and materials required to construct the fencing and gates were estimated as locally procured items. However, these materials are not available locally in the quantities required and they do not meet U.S. building construction standards. The cost of importing the materials and skilled trades to perform the work exceeds the local costs estimated.

5) Anti-Terrorism/Force Protection (\$3,535,600)

The project must comply with U.S. Africa Command anti-terrorism force protection requirements. The camp utilizes an anti-vehicle ditch to meet these requirements and the proposed construction matches the existing system already in place. The new ditch is gabion lined, 2,742 meters in length and 1.75 meters deep. The current government estimate for this work is vastly higher than the unit cost included in the original estimate.

Source of Funds: Bid savings will fund this requirement.

(Dollars in Thousands)				
<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
MCAS Cherry Point, NC Bachelor Enlisted Quarters P-135	2009	30,100	26,522	1,900
NAVSTA Great Lakes, IL RTC Special Programs Barracks P-744	2009	62,940	55,710	4,600
NAWC NON-NIF, ^{VI} Lakehurst, NJ Advanced Arresting Gear Test Site P-251	2009	15,440	10,859	4,500
NAS Whidbey ^{VI} Island, WA Academic Fire Instruction Facility P-206	2009	6,160	3,707	<u>1,788</u>
			Total	<u>12,788</u>

^{VI} A Title 10 USC 2853 cost variation notification was submitted on September 17, 2009.

Bid Expiration Date: Not Applicable
Military Construction, Navy
Reprogramming Request

Installation: Camp Lemonnier, Djibouti

Project: Interior Paved Roads, P-916

Authorization: National Defense Authorization Act for FY 2010 (P.L. 111-84)

Estimated Cost (\$000):

Previously Appropriated	7,275
Below Threshold Reprogramming	-
Requested Reprogramming	9,340
Total Estimated Cost	16,615

Description: The project will upgrade and pave 73,440 m² (790,508 SF) of existing gravel roads located within the perimeter security fence. The project also includes the paving of a six-foot-wide shoulder and associated drainage improvements.

Justification: Significant costs for the roads and support items not included in the original cost estimate have been identified during the field investigation and design phase of the project. The omitted requirements are integral to the authorized scope of work and necessary for permanent roadway construction. The original estimate was prepared based on the assumption that drainage work would be minimal. While minimal drainage improvements were understandable for expeditionary gravel roads, permanent impervious paved roadways require engineered drainage systems to mitigate flooding and to ensure long term stabilization of the roadbed. It also did not take into account the unexpected large number of utility interferences discovered during the field investigation. Many years of expeditionary construction have resulted in the camp being blanketed with undocumented and expeditiously buried utility lines. Extensive effort is now required to mitigate utility conflicts.

1) Road Drainage Improvements (\$5,050,000)

The original plan for drainage improvements called for an open ditch design with minimal culverts under roadways. The detailed site investigation and drainage calculations determined a more extensive design solution is required. Soil conditions and land topography cause major flooding in critical areas of the camp. The existing soil percolates poorly, causing water to pool at the

surface during rain events. Pooling is amplified by the nearly flat topography of Camp Lemonnier. Flood water remains stagnant until it evaporates, disrupting camp operations for days at a time.

The camp has only two main east-west roads. When flooded, transportation on one of the roads is almost completely blocked. Living quarters are located in an area that experiences major flooding, making worse already harsh daily living conditions. Few privately owned vehicles are allowed on camp and troops traverse the camp almost exclusively on foot. Flooding is a major quality of life and operational issue.

The proposed design solution utilizes an inverted crown pavement cross section and a closed drainage system to manage storm water runoff. It includes drainage culverts, two storm water retention ponds and approximately 2,800 meters of new pipe.

2) Utilities Conflicts (\$4,290,000)

Over several years of expeditionary construction, utility placement and documentation of as-built conditions were not accomplished with the diligence customary for enduring military installations. Over 500 documented conflicts must be addressed during construction. In addition to known conflicts, a high percentage of unforeseen conditions are anticipated, as we transition to permanent and enduring facilities.

Design is nearly complete and ready for advertisement. The construction contract strategy is design-bid-build.

Source of Funds: Bid savings will fund this requirement.

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>(Dollars in Thousands)</u>		
		<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
MCB Camp Lejeune NC Bachelor Enlisted Quarters (Camp Johnson) P-1011	2009	38,230	34,495	2,570

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
MCB Camp Lejeune, ^{vi} NC Bachelor Enlisted Quarters (Hadnot Point P-1104	2009	42,950	38,407	3,875
MCB Camp Lejeune, NC Bachelor Enlisted Quarters (New River) P-632	2009	36,740	33,231	<u>2,895</u>
			Total	<u>9,340</u>

^{vi} A Title 10 USC 2853 cost variation notification was submitted on September 17, 2009.

Bid Expiration Date: Not Applicable
Military Construction, Navy
Reprogramming Request

Installation: Camp Lemonnier, Djibouti

Project: Dining Facility, P-225

Authorization: Supplemental Appropriations Act 2008 (P.L. 110-252)

Estimated Cost (\$000):

Previously Appropriated	20,780
Below Threshold Reprogramming	-
Requested Reprogramming	11,130
Total Estimated Cost	31,910

Description: This project will construct a 2,264 m² (24,369SF) dining facility for use by the camp personnel, which includes electrical and mechanical distribution systems, cooling systems, fire protection and a telephone network. Site work includes site preparation, paving and a parking area. The project includes demolition of Building # T-300 (2,323 m²/25,000 SF) upon completion of construction.

Justification: The design-build construction contract was awarded on 26 September 2008 in the amount of \$12,549,546. Unanticipated market conditions, technical deficiencies and site constraints realized during the design phase of the construction contract in this remote, austere and climatically hostile environment have all significantly affected project cost.

The budget cost estimate assumed basic building materials and some amount of skilled labor could be acquired locally or from neighboring countries. However, few materials other than concrete and aggregate are suitable for local procurement. Concrete has proven to cost more than double the estimated cost and the local aggregate has been found to have an alkaline silicate reaction to water, requiring pretreatment prior to use. All other building materials, even steel reinforcing bars, do not meet U.S. standards and must be imported. Nearly all skilled labor is being imported from other countries, primarily Turkey. The local labor market lacks the training and skills to perform all but the most basic and rudimentary construction tasks.

Deficient items along with item justification as found during the design phase of construction are provided as follows:

- 1) Site improvements, foundations, and roadways (\$710,000): The cost estimate did not adequately address construction site constraints due to adjacent existing facilities to provide for access by emergency vehicles, dining facility food and supply delivery, which require additional paved and temporary road detours to keep the existing dining facility operational. The site drainage requirements were not adequately addressed and were significantly impacted by the construction of the full length taxiway and other adjacent construction projects requiring additional fill and drainage improvements. The project scope did not anticipate spread footings foundation.
- 2) Inadequate food/supply storage and increase in camp population (\$1,030,000): The cost estimate did not adequately provide for storage of fresh/frozen food or dry goods deliveries in a remote and climatically hostile environment. Food and supplies are delivered by air or sea and arrive 24 hours a day, seven days a week. The building design could not accommodate complete storage requirements while meeting the necessary kitchen design and personnel seating. The building was designed and situated on the constrained site to accommodate exterior storage and for future expansion of the kitchen, food storage and seating for the increasing camp population. The design will allow construction of a future addition without impacting operation of the dining facility. Site constraints and compliance with U.S. Africa Command additional anti-terrorism construction design standards significantly increased facility construction cost.
- 3) Mechanical systems and energy management system (\$530,000): The cost estimate did not adequately address the mechanical and energy management systems (auto-air recover-chillers, kitchen ventilation, extensive variable volume control, heat recovery and solar hot water panel system) for a sustainable design of the dining facility in a climatically hostile environment.
- 4) Unforeseen underground utilities and electrical site utilities deficiencies (\$630,000): The cost estimate did not adequately address the electrical utility requirements and relocation of numerous unforeseen underground utilities. The existing electrical substation was inadequate for electrical loads of a dining facility in a climatically hostile environment. Costs associated with relocating high and low voltage electrical lines in addition to other miscellaneous utilities were not addressed in the cost estimate.
- 5) Increased cost of demolition of T-300, 2,323 m² (\$460,000): The cost estimate did not adequately address demolition costs associated with the existing dining facility foundation and utilities. Foundations must be removed

and abandoned utilities must be physically terminated/capped at the point of connection to the supplying utility and to a minimum of five feet beyond the existing building footprint.

- 6) Material procurement, unanticipated shipping, and insufficient subcontractor pool (\$7,770,000): The cost estimate assumed some locally available materials and equipment and did not anticipate shipping cost. A far greater proportion of equipment and materials are imported than assumed in the cost estimate. Escalating concrete and reinforcing prices, the use of special cement, and pretreatment of aggregate to address the alkaline silicate reaction have resulted in significant cost increases for concrete construction. The cost estimate did not adequately address the quantity of imported labor forces. Transition from expeditionary to a more permanent base requires facilities construction methods and materials that meet all U.S. codes. This has proved extremely difficult in the austere environment of Djibouti. Four subcontractors have had to be terminated for performance due to continuous lack of quality control in materials and construction methods. The procurement of new subcontractors has added significantly to the cost and time of this project.

Cost savings were realized by reuse of some of the existing kitchen equipment and associated shipping cost. Attempts to off-set the \$11,130,000 cost increase with additional scope reduction have been unsuccessful. Mission growth at Camp Lemonnier has significantly exceeded projections made at the time the project was developed. Any additional reduction in facility will significantly impact the ability to feed camp personnel.

Source of Funds: Bid savings will fund this requirement.

<u>Location/Project</u>	<u>(Dollars in Thousands)</u>			
	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
NAVSTA San Diego, CA Replace Child Development Center (Dryside) P-101	2008	17,930	15,701	2,130

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
MCB Camp Lejeune, ¹¹ NC Child Development Center (Basewide) P-1157	2008	16,000	9,772	5,500
MCRD Parris Island, ¹¹ SC Additional Third Battalion Barracks P-386	2008	25,360	18,856	<u>3,500</u>
Total				<u>11,130</u>

¹¹ A Title 10 USC 2853 cost variation notification was submitted on September 17, 2009.

Bid Expiration Date: Not Applicable
Military Construction, Navy
Reprogramming Request

Installation: Camp Lemonnier, Djibouti
Project: Fuel Farm, P-906
Authorization: Supplemental Appropriations Act 2008 (P. L. 110-252)

Estimated Cost (\$000):

Previously Appropriated	4,000
Below Threshold Reprogramming	-
Requested Reprogramming	7,720
Total Estimated Cost	11,720

Description: This project will construct a permanent fuel tank farm. This facility includes four prefabricated 40,000-gallon, steel, fuel tanks with an additional area for four more similarly sized tanks. Two of the proposed tanks will contain aviation fuel and two will contain diesel fuel. Each tank includes foundations, earthwork berms capable of containing potential spills, appropriate pumps, double walled piping and valves and security fencing around the exterior of the tank berms. A transfer facility for offloading supply tanker trucks located outside the security fencing of the camp is included. An additional transfer pad located within the camp adjacent to the tank farm is included to load tank trucks for aircraft refueling.

Justification: The design-build construction contract was awarded on 30 September 2008 in the amount of \$4,394,799. Unanticipated market conditions and technical deficiencies, site constraints and airfield security requirements realized during the design phase of the construction contract have significantly affected the cost of the contract. The original cost estimate did not address aviation refueling demands to meet mission operational tempo which required separate and redundant fixed truck loading and unloading facilities and expanded the project site.

The cost estimate assumed basic building materials and some amount of skilled labor could be acquired locally or from neighboring countries. However, few materials other than concrete and aggregate are suitable for local procurement. Concrete has proven to cost more than double the estimated cost and the local aggregate has been found to have an alkaline silicate reaction to water requiring pretreatment prior to use. All other

building materials, even steel reinforcing bars, do not meet U.S. standards and must be imported. Nearly all skilled labor is being imported from other countries, primarily Turkey. The local labor market lacks the training and skills to perform all but the most basic and rudimentary construction tasks.

Deficient items along with item justification as found during the design phase of construction are provided as follows:

- 1) Site drainage improvements and roadways (\$1,566,850): The cost estimate did not address drainage improvements. The site requires approximately two feet of fill to provide positive drainage and tie into the existing full length taxiway, hangar and apron. The magnitude of site fill volumes, storm drainage requirements and relocation of existing drainage structures significantly increased site improvement costs. Site constraints and aviation refueling demand require separate fixed truck load and unload facilities with redundancy to meet aircraft operational refueling requirements. Physical separation of the truck load and unload facilities has increased the site work, roadway paving and earthwork volumes.
- 2) Fuel farm containment area, separate fixed truck load and unload facilities, oil water separator and roadways (\$1,817,860): Separate fixed truck load and unload facilities have increased material and installation cost for equipment, mechanical piping and fittings (stainless steel and carbon steel) and electrical distribution system. Vehicle movement studies for separate facilities require additional space between the loading stations and unloading stations to provide adequate clearance for safe movement of vehicles and, therefore, require additional concrete and bituminous paving. The cost estimate did not address the need for an oil/water separator in the fuel tank containment dike.
- 3) Material procurement, subcontract re-procurement and unanticipated shipping cost (\$4,335,290): The cost estimate did not address non-standard shipping cost for the four fuel storage tanks and assumed locally available building materials. A far greater proportion of materials are imported than assumed in the cost estimate. Escalating concrete prices, the use of special cement and pretreatment of aggregate to address the alkaline silicate reaction have resulted in significant cost increases for concrete construction of the truck load and unload facilities and fuel tank spill containment structures. The transition from expeditionary construction methods to permanent construction codes, criteria, quality assurance and safety standards has lead to termination of poor performing subcontractors for lack of production, quality and adherence to safety requirements. Re-procurement efforts with the limited pool of subcontractors have resulted in significant cost increases.

Attempts to off-set the \$7,720,000 cost increase with scope reductions have been unsuccessful.

Source of Funds: Bid savings will fund this requirement.

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
MCB Quantico, VA ^{vi} Aircraft Parking Apron - Green P-495A	2009	36,280	17,209	7,720

^{vi} A Title 10 USC 2853 cost variation notification was submitted on September 17, 2009.

Bid Expiration Date: Not Applicable
Military Construction, Defense Wide (USSOCOM)
Reprogramming Request

Installation: Oceana Naval Air Station, Dam Neck Annex, Virginia
Project: SOF Operations Facility (Project Number P-899)
Authorization: FY 2008 National Defense Authorization Act (P.L. 110-181)

Estimated Cost (\$000):

Previously Appropriated	94,217
(FY 2008 – Increment 1)	(47,250)
(FY 2009 – Increment 2)	(31,000)
(FY 2010 – Increment 3)	(15,967)
Previously Reprogrammed	-
Requested Reprogramming	3,822
Total Estimated Cost	98,039

Description: The SOF Operations Facility will provide operations space and troop storage space for the Naval Special Warfare Development Group (NSWDG).

Justification: During the design phase, it was determined that the exiting sanitary sewer system was already at capacity. As a result, this project is unable to tie into the existing line as is. A pump station must be installed and the line size upgraded from its point of connection downstream in order to discharge the building's effluent. Failure to perform this work will result in the building's bathrooms, showers, mudrooms, and other drains to back up and flood the building, rendering the building inoperable and unable to be occupied.

Mission growth that has occurred since the initial award in FY 2008 has made it operationally critical that key members of multiple Tactical Development Squadrons (TACDEVRON) be housed within this building. Existing internal square footage intended for operational storage will be modified to incorporate technical workbench areas in addition to operational storage. Interior modifications within the current footprint of the building is necessary to collocate Explosive Ordinance Disposal (EOD), Technical Surveillance Element (TSE), and Information Operations (IO) personnel with the Sea, Air, and Land (SEAL) TACDEVROns they support. The NSWDG Commander has deemed the separation of these enablers from their parent units as an unacceptable mission impact and has directed that collocation occur in order to ensure that the required consolidated planning and execution of the TACDEVRON mission is successful and the required level of mission effectiveness within his command to conduct operations is achieved. Failure to complete this work will result in a fragmented organizational structure that prevents efficient planning and execution of the command's mission and significant reduction in mission effectiveness in the field. The inclusion of the members of Tactical Development Squadrons within the current footprint of the facility is within the original scope and purpose of the facility.

In addition, sufficient language defining the proper level of building alarms, security systems, access control, surveillance cameras, and intrusion detection system (IDS) equipment necessary to meet the security level requirements of the facility was not included in the original Request for Proposal (RFP). The facility is being constructed within a Level III secure perimeter per OPNAVINST 5300.14E and contains a sensitive compartmented information facility (SCIF) in excess of 100,000SF that will process Secret, Top Secret, Sensitive Compartmented Information (SCI), and Special Access Program (SAP) level information, vital to conducting the NSWDC mission. As such there are numerous IDS requirements (cameras, motion sensors, intrusion detection, alarms, locks, etc) that are required per instruction to be in place in order to achieve certification by the Defense Intelligence Agency and other sub-accrediting agencies. The facility must be adapted to accommodate these devices (e.g., additional conduit to contain the cables for the security cameras, additional electrical receptacles to power the cameras and sensors, etc.) The actual devices (cameras, sensors, alarms, etc.) are not funded by Military Construction, but rather are paid out of other funding streams. Failure to install the required IDS and force protection measures will not allow the facility to be utilized as a SCIF and thus not be complete and useable to meet mission operations.

Source of Funds: Bid savings from the following project will fund this requirement:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
JEB Little Creek-Ft Story, VA/SOF Support Activity Operations Facility	2010	18,669	13,385	<u>3,822*</u>

* The remaining \$1.462 million of bid savings will be used to cover cost increases on four FY 2008 USSOCOM projects in Qatar.