



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

COMPTROLLER

DEC 17 2012

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. A detailed justification is enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
<u>Army</u> Wiesbaden Air Base, Germany	Sensitive Compartmented Information Facility	2011	33,782,000
<u>Army National Guard</u> Ft. Carson, Colorado	Regional Training Institute	2010	9,300,000
Unspecified Worldwide	Unspecified Minor Military Construction	2009	4,755,000
Unspecified Worldwide	Unspecified Minor Military Construction	2010	6,129,000

A similar letter is being sent to the Chairman of the Senate Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Additional details will be provided separately. 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



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

DEC 17 2012

COMPTROLLER

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

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. A detailed justification is enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
<u>Army</u> Wiesbaden Air Base, Germany	Sensitive Compartmented Information Facility	2011	33,782,000
<u>Army National Guard</u> Ft. Carson, Colorado	Regional Training Institute	2010	9,300,000
Unspecified Worldwide	Unspecified Minor Military Construction	2009	4,755,000
Unspecified Worldwide	Unspecified Minor Military Construction	2010	6,129,000

A similar letter is being sent to the Chairman of the House Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Additional details will be provided separately. Thank you for your continued support of DoD programs.

Sincerely,

Robert F. Hale

Enclosure:  
As stated

cc:  
The Honorable Mark Kirk  
Ranking Member

Bid Expiration Date: January 20, 2013

Military Construction, Army

Reprogramming Request

Installation: Wiesbaden Air Base, Germany

Project: Sensitive Compartmented Information Facility

Authorization: The Ike Skelton National Defense Authorization Act for Fiscal Year (FY) 2011, Public Law (PL) 111-383

Estimated Cost (\$000):

Previously Appropriated	90,818*
Previously Reprogrammed	-
Requested Reprogramming	33,782
Total Estimated Cost	124,600

*\* Includes 0.2% rescission directed in Section 1119 of Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriations Act, 2011*

Description:

This project constructs a Sensitive Compartmented Information Facility (SCIF) to enable the consolidation of tactical, theater, and national intelligence functions in support of the United States European Command (USEUCOM), United States Africa Command (USAFRICOM), and United States Army Europe (USAREUR). The SCIF is essential to meeting the missions of the USEUCOM, USAFRICOM, and USAREUR, and to providing required intelligence reach-back capability. This project positions intelligence assets in close proximity with the USAREUR Command and Battle Center, permits closure of the Dagger Complex in Darmstadt, and eliminates the daily commute for Soldiers from Wiesbaden to the Dagger Complex. This project includes a Consolidated Intelligence Center (CIC) with operations center, operations/intelligence collaboration space, personnel support space, and a standby generator; a parking garage; and relocation of a recreational field within the footprint of the project. The construction contract will be awarded at 92% of Congressionally-approved scope. The Army aggressively reviewed the requirement to ensure we are constructing the minimum scope necessary to accomplish the mission. This review enabled the Army to reduce the scope of the project by 8% and minimize the project cost.

Justification:

This reprogramming action adds \$33.782 million to the cost authorized for the project because new standards for construction of SCIFs were issued after the project was submitted to Congress for authorization and appropriation in February 2010. The Office of the Director of National Intelligence issued Intelligence Community Standard (ICS) 705-1, Physical and Technical Security Standards for SCIFs, on September 17, 2010, specifying the technical specifications for the facility to receive accreditation for its intended use as a SCIF. The ISC 705-1 standards apply to all future SCIFs, as well as those in the pipeline awaiting award or under construction as of the effective date of the standard.

The new standards mandate the use of cleared U.S. construction contractors, the use of U.S.-manufactured equipment and materials, and the employment of special security measures to safeguard construction activities. Security measures include the need to secure the construction site 24/7 using cleared American guards; utilization of top secret-cleared and specially trained construction surveillance technicians; the presence of a full-time site security manager to manage all security aspects during construction; the institution of special inspection and storage procedures for all construction materials brought on site; and the special handling and secure shipping of materials from the production site to the construction site.

To optimize acquisition and minimize project cost, the project was solicited as three separate bid packages: (1) the SCIF, (2) the Construction Surveillance Plan (CSP) (required by the new ICS 705-1 standard), and (3) the parking garage and recreational field. This acquisition strategy is tied to separating the SCIF and non-SCIF portions of the project because having a contractor with SCIF capabilities/expertise construct non-SCIF items would be unnecessary for ICS 705-1 compliance and increase overall cost. It was also determined that the Space and Naval Warfare Systems Command (SPAWAR), with a core competency of executing CSPs worldwide, is best suited to fulfill the technical requirements of the CSP. A title 10 U.S.C. §2853 cost variation report was sent to the congressional committees on August 20, 2012.

Source of Funds: Funds for this increase will be provided from the following projects:

Location/Project	Fiscal Year	(Dollars in Thousands)		
		Amount Appropriated	Current Estimate	Proposed Reprogramming
Schofield Barracks, HI Battalion Complex PN 68822	2009	27,000	11,600 <sup>/1</sup>	12,682
Fort Sam Houston, TX Warrior in Transition Complex PN 69936	2009	87,000 <sup>/2</sup>	71,000 <sup>/3</sup>	16,000

Location/Project	Fiscal Year	(Dollars in Thousands)		
		Amount Appropriated	Current Estimate	Proposed Reprogramming
Fort Riley, KS Battalion Complex Phase 1 PN 65714	2011	30,938 <sup>4</sup>	25,264 <sup>5</sup>	<u>5,100</u>
Total				<u>33,782</u>

PN = Project Number

<sup>1/</sup> A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on April 14, 2011, for PN 68822 reflecting a Current Working Estimate (CWE) of \$11.6 million. This project is only 19% construction complete, so the Army does not want to reprogram the full expected savings at this time.

<sup>2/</sup> Funding for the Warrior in Transition Complex was appropriated in the Supplemental Appropriations Act, 2009 (P.L. 111-32) and remains available until September 30, 2013.

<sup>3/</sup> A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on April 22, 2010, for PN 69936 reflecting an Award CWE of \$72.0 million. Beneficial occupancy has been reached, and thus, the current CWE reflects the total revised funds required for this project.

<sup>4/</sup> The appropriated amount reflects the 0.2 percent recession directed in Section 1119 of Public Law 112-10.

<sup>5/</sup> A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on July 18, 2011, for PN 65714 reflecting an Award CWE of \$25.264 million. Additional savings from this project has been used to offset other program requirements.

Bid Expiration Date: N/A  
Military Construction, Army National Guard  
Reprogramming Request

Installation: Fort Carson, Colorado

Project: Regional Training Institute, Project Number 080067

Authorization: The Ike Skelton National Defense Authorization Act for Fiscal Year (FY) 2011, Public Law (PL) 111-383

Estimated Cost (\$000):

Previously Appropriated	39,920*
Requested Reprogramming	9,300
Total Estimated Cost (CWE)	49,220

*\* Includes 0.2% rescission directed in Section 1119 of Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriations Act, 2011*

Description: A specially designed Regional Training Institute (RTI) facility consisting of administration space; education areas; dining facility; staff and students billets. The Colorado Army National Guard (CO ARNG) requires a self-contained, educational facility with billets and dining facility to train and house a student load of 215 students. The RTI directly supports a multi-component partnership between the CO ARNG and Fort Carson and that provides Warrior Leader Course training to Active Component soldiers stationed at Fort Carson and National Guard soldiers. This expanded mission created a greater need for student billeting based on annual Soldier throughput.

The project was solicited with full and open competition and was awarded in August 2011 to a Historically Underutilized Business (HUB) Zone contractor in accordance with Federal Acquisition Regulations. A 10 percent HUB Zone preference was applied to the winning bidder's proposed pricing which resulted in a contract award to lowest evaluated price, not to the lowest proposed price. The addition of the 10 percent HUB Zone preference prevented the award of the optional bid items that included the remaining programmed billeting requirement. The total contract award price was \$39,700,000.

Justification: This reprogramming action provides additional funds to construct the required remaining programmed billeting needed to support the transient housing requirement of the RTI.

Additional funds are requested to restore the programmed billeting that could not be awarded because of compliance with Federal Acquisition Regulations. Specifically, compliance with a

HUB Zone award and the application of the 10 percent HUB Zone preference to proposal pricing which resulted in award to the lowest evaluated price, not to the lowest proposed price. This prevented the award of the optional bid items that included the remaining programmed billeting requirement.

Source of Funds: Bid savings from the following projects 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>
Gowen Field, ID Combined Arms Collective Training Facility <sup>1</sup> PN 160120	2010	16,100	8,204	6,000
Santa Fe, NM Army Aviation Support Facility Facility PN 350043	2010	39,000	33,591	<u>3,300</u>
Total				<u>9,300</u>

PN= Project Number

<sup>1/</sup> The 10 USC § 2853 Cost Reduction notification for the Combined Arms Collective Training Facility (PN 160120) was sent to the Congressional Committees on 17 June 2010.

Bid Expiration Date: NA  
 Military Construction, Army National Guard  
 Reprogramming Request

Installation: Various Locations

Project: Unspecified Minor Military Construction

Authorization: Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Public Law 110-417

Estimated Cost (\$000):

Previously Appropriated	19,020
Previously Reprogrammed	0
Requested Reprogramming	4,755
Total Estimated Cost	23,775

Description: The Army National Guard has identified a number of low-cost but compelling unspecified minor military construction (UMMC) requirements to satisfy existing mission needs.

Justification: This action reprograms available funds from major construction projects to the UMMC account to fund new construction projects with an estimated cost ranging from more than \$750 thousand to \$2 million. The required UMMC projects will provide various facilities that are critical for installation missions, emergency preparedness, and security.

UMMC will be used for the following projects:

<u>State</u>	<u>Location</u>	<u>Project</u>	<u>Amount</u>
MD	Glen Arm	Automated Qualification / Training Range PN 240194	1,984
ND	Camp Grafton	Bank Stabilization PN 380123	1,900
PA	Annville	Sensitive Compartment Information Facility PN 420542 <sup>1</sup>	<u>871</u>
TOTAL			<u>4,755</u>

<sup>1</sup> Split funded between FY 2009 and FY 2010

Source of Funds: Funds for this request will be provided from the following projects:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Lawrence, IN Readiness Center PN 180116	2009	20,009	15,785	755
Salisbury, MD Readiness Center Add / Alt PN 240031	2009	9,800	7,731	1,000
Arden Hills, MN Readiness Center PN 270260	2009	14,413	12,859	1,000
Camp Rapid, SD Barracks / Dining / Admin & Parking Complex PH 1 PN 460132	2009	13,801	11,943	1,000
Tullahoma, TN Readiness Center PN 470043	2009	9,818	7,937	<u>1,000</u>
Total				<u>4,755</u>

PN = Project Number

Bid Expiration Date: NA  
 Military Construction, Army National Guard  
 Reprogramming Request

Installation: Various Locations  
Project: Unspecified Minor Military Construction  
Authorization: National Defense Authorization Act for Fiscal Year 2010, Public Law 111-84

Estimated Cost (\$000):

Previously Appropriated	29,682
Previously Reprogrammed	0
Requested Reprogramming	6,129
Total Estimated Cost	35,811

Description: The Army National Guard has identified a number of low-cost but compelling unspecified minor military construction (UMMC) requirements to satisfy existing mission needs.

Justification: This action reprograms available funds from major construction projects to the UMMC account to fund new construction projects with an estimated cost ranging from more than \$750 thousand to \$2 million. The required UMMC projects will provide various facilities that are critical for installation missions, emergency preparedness, and security.

UMMC will be used for the following projects:

<u>State</u>	<u>Location</u>	<u>Project</u>	<u>Amount</u>
PA	Annville	Sensitive Compartment Information Facility PN 420542 <sup>1</sup>	1,029
PR	Juana Diaz	Sewer Waste Line PN 430622	1,600
RI	East Greenwich	Access Control Point PN 440053	1,500
WI	Portage	Readiness Center Add / Alt PN 550161	<u>2,000</u>
TOTAL			<u>6,129</u>

<sup>1/</sup> Split funded between FY 2009 and FY 2010

Source of Funds: Funds for this replacement will be provided from the following project:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Barrigada, Guam Readiness Center PN 140300 <sup>2</sup>	2010	30,000	21,952	<u>6,129</u>
Total				<u>6,129</u>

PN = Project Number

<sup>2/</sup> The 10 USC §2853 Cost Reduction notification for the Readiness Center (PN 140300) was sent to the Congressional Committees on 24 March 2010