



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

COMPTROLLER

JAN 28 2013

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 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>			
Fort Bragg, North Carolina	Storage Building, General Purpose	-	12,600,000
<u>Air Force</u>			
Little Rock Air Force Base, Arkansas	Pest Management Facility	-	137,000
Whiteman Air Force Base, Missouri	Force Support Squadron Facility	-	1,373,000
<u>Special Operations Command</u>			
Cannon Air Force Base, New Mexico	SOF AMU Addition (CV-22)	2010	4,283,000
<u>Washington Headquarters Services</u>			
Pentagon Reservation	Upgrade Electrical System	2010	4,719,000

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



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COMPTROLLER

JAN 28 2013

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:

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Robert F. Hale

Enclosure:
As stated

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

Bid Expiration Date: March 17, 2013

Military Construction, Army

Reprogramming Request

Installation: Fort Bragg, North Carolina

Project: Storage Building, General Purpose

Authorization: Title 10 U.S.C. § 2854, Restoration or Replacement of Damaged or Destroyed Facilities

Estimated Cost (\$000):

Previously Appropriated	-
Previously Reprogrammed	-
Requested Reprogramming	12,600
Total Estimated Costs	12,600

Description: Constructs a general purpose warehouse to replace the Troop Issue Subsistence Activity (TISA) warehouse and offices destroyed by a tornado in 2011. The project constructs a 49,894 square foot facility consisting of a high bay storage facility, cold storage (refrigeration and freezer) facilities and supporting administrative areas.

Justification: On April 16, 2011, a tornado completely destroyed Building J-1952, the Troop Issue Subsistence Activity (TISA) warehouse on Fort Bragg. Prior to pursuing a replacement military construction project, the Army conducted a review of the utilization of the installation's current warehouse space to determine if a replacement warehouse was truly required. The validation effort concluded that there is no other facility on the installation that can accommodate the mission to house troop issued foodstuffs, food preparation, and service equipment for all dining and subsistence facilities on Fort Bragg and Camp Mackall. Components for these vital functions are currently split between various on- and off-post facilities on an interim basis. Thus, a replacement facility is being pursued under the Title 10, U.S.C. Section 2854 authority, to replace the destroyed facility. The 10 U.S.C. §2854 notification was sent to the congressional committees on November 16, 2012.

Source of funds: The funds required will be provided from the following project:

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Barracks Complex Camp Henry, Korea PN 76235	2012	48,000	32,300 ¹	12,600

PN = Project Number

^{1/} A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on April 20, 2012, for PN 76235 reflecting a current working estimate of \$32.3 million. The project is currently 2 percent complete.

Bid Expiration Date: Not Applicable

Military Construction, Air Force

Reprogramming Request

Installation: Little Rock Air Force Base, Arkansas
Project: Pest Management Facility
Authorization: Title 10 U.S.C. §2854, Restoration or Replacement of Damaged or Destroyed Facilities

Estimated Cost (\$000):

Previously Appropriated	-
Previously Reprogrammed ^{1/}	1,400
Below Threshold Reprogramming	302
Requested Reprogramming	137
Total Estimated Cost	1,839

^{1/} *This project was authorized at \$1.400 million using Title 10 U.S.C. §2854, Restoration or Replacement of Damaged or Destroyed Facilities.*

Description: Using Title 10 U.S.C. §2854, Restoration or Replacement of Damaged or Destroyed Facilities authority, the Pest Management Facility is being replaced due to damage incurred during a tornado on the evening of April 25, 2011.

Justification: This replacement project was previously approved at \$1.4 million. Bids for the design-build of the new facility and demolition of the damaged facility were \$1.8 million, 31% above the amount currently authorized. The increase in cost is primarily attributable to the restricted competition pool and higher than expected design costs. Small business contractors typically do not have the in-house capability to perform design. In such cases, the work is subcontracted to an Architect-Engineer firm, which results in higher professional services and subcontractor overhead costs. The Department used below threshold reprogramming authority to fully fund the \$1.7 million design-build contract for the new facility that was awarded on August 17, 2012.

Demolition of the damaged facility was included in the approved project scope; however, it was not included in the initial contract award due to funding limitations. Based on current bids, \$137 thousand is required to demolish the existing damaged facility.

Source of Funds: The required funds are available from bid savings on the following projects:

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Hill AFB, Utah / F-22 Heavy Maintenance Facility & Composite Back Shop	2009	30,275 ¹²	28,312	128
Holloman AFB, New Mexico / F-22 Add/Alter Flight Simulator Facility	2009	3,068 ¹³	2,440	9
Total				<u>137</u>

¹² This project was appropriated at \$36 million. The amount reflected is net of a \$120 thousand general rescission pursuant to Public Law 112-74, Section 131 and a previously approved above threshold reprogramming of \$5.6 million.

³ This project was appropriated at \$3.150 million. The amount reflected is net of a \$69 thousand general rescission pursuant to Public Law 112-74, Section 131 and a previously approved above threshold reprogramming of \$13 thousand.

Bid Expiration Date: Not Applicable

Military Construction, Air Force

Reprogramming Request

Installation: Whiteman Air Force Base
Project: Force Support Squadron Facility
Authorization: Title 10 U.S.C. §2854, Restoration or Replacement of Damaged or Destroyed Facilities

Estimated Cost (\$000):

Appropriated	-
Previously Reprogrammed ^{1/}	5,000
Below Threshold Reprogramming	997
Requested Reprogramming	1,373
Total Estimated Cost	7,370

^{1/} This project was authorized at \$5.0 million using Title 10 U.S.C. §2854, Restoration or Replacement of Damaged or Destroyed Facilities.

Description: Using Title 10 U.S.C. §2854, Restoration or Replacement of Damaged or Destroyed Facilities authority, the Force Protection Squadron Facility is being replaced due to damage incurred during a 23 inch snow storm that occurred in February 2011.

Justification: This replacement project was previously approved at \$5.0 million. Bids for the design-build of the new facility and demolition of the damaged facility were \$7.4 million, 48 percent more than the amount authorized. The increase in cost is primarily attributable to restricted competition, underestimating the complexity relocating utilities and reskinning one side of the building, and demolition. The Department used below threshold reprogramming authority to fully fund the \$6.0 million design-build contract for the new facility that was awarded in August 2012.

Demolition of the damaged facility was included in the approved project scope; however, it was not included in the initial contract award due to funding limitations. Based on current bids, \$1.4 million is required for demolition.

Source of Funds: The required funds are available from bid savings on the following project.

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Joint Base Elmendorf- Richardson, Alaska / Brigade Combat Team (Light) Complex (480 room)	2012	97,000	77,835	1,373

Bid Expiration: Not Applicable

Military Construction, Defense-Wide (USSOCOM)

Reprogramming Request

Installation: Cannon AFB, New Mexico

Project: SOF AMU Addition (CV-22), Project Number CZQZ063035

Authorization: National Defense Authorization Act for Fiscal Year 2010, P.L. 111-84

Estimated Cost (\$000):

Previously Appropriated	11,595
Previously Reprogrammed	-
Requested Reprogramming	4,283
Total Estimated Cost	15,878

Description: Alter an existing F-16 Hangar (B/208) at Cannon AFB to receive CV-22 aircraft. Reconfigure mechanical, electronic and electrical systems; provide new finishes such as painting, floor covering, and fixtures; and upgrade supporting utilities, pavements, and communications. The alteration project was 95% complete when structural members were observed flexing during the installation of new equipment (HVAC, fire suppression, and rigid rail fall restraint system). The building cannot be used until the identified structural corrections are funded and completed.

Justification: The structural shortfalls in Hangar 208 discovered during construction were the result of an engineering error by the Architect-Engineer (A-E) firm for the project. The A-E firm incorrectly assumed that the structure could support the additional structural loads (i.e., Fire Suppression Foam units, and Maintenance Personnel Fall Restraint systems) that contributed to the unacceptable deflection of existing structural members. The firm determined that their original design was insufficient and redesigned a retrofit that calls for welding steel plates to key structural members in Hangar 208.

The U.S. Army Corps of Engineers is pursuing an A-E responsibility claim against the A-E firm to recoup costs incurred by the government to correct design deficiencies on the project. Resolution of this claim is not expected until August 2013.

Funds are needed by February 1, 2013 to continue the critical structural modification work for this project, otherwise the contractor will incur additional delay costs. Failure to complete the

required structural modifications will render Hangar 208 unusable.

Source of Funds: Bid savings from the following projects are available to fund this requirement:

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Cannon AFB, NM SOF Squadron Operations Facility	2012	17,300	11,959	3,953
Hurlburt Field, FL SOF Simulator Facility MC-130	2010	8,156	6,428	330
Total				4,283

Bid Expiration Date: February 28, 2013

Military Construction, Defense-Wide (Washington Headquarters Services)

Reprogramming Request

Installation: Pentagon Reservation

Project: Upgrade Electrical System

Authorization: National Defense Authorization Act for Fiscal Year 2010, P.L.111-84

Estimated Cost (\$000):

Previously Appropriated	19,272
Previously Reprogrammed	-
Requested Reprogramming	4,719
Total Estimated Cost	23,991

Description: Primary facility is a new electrical substation housed in a partially underground reinforced concrete enclosure, a 69 kV utility supply feeder, 69 kV/13.8 kV transformer, 13.8 kV switchgear, and 13.8 kV electrical service to the Pentagon Reservation. The 69 kV supply feeder will be contracted through Dominion Virginia Power (DVP-local electric utility) to design and install the 69 kV transmission lines and 69 kV switchgear. Remaining distribution will be constructed by a separate contractor who will design and install the 69 kV/13.8 kV transformer, 13.8 kV switchgear and distribution, and substation enclosure. This back-up feeder will enable Pentagon operation in conjunction with existing emergency capacity should normal commercial power be lost.

Justification: Congress authorized and appropriated this project in FY 2010 for \$19.272 million. The project was initially bid in FY 2010, but the DVP utility cost came in roughly double the amount appropriated for the project. At project conception either of two available DVP 69 kV feeders had adequate capacity to meet projected Pentagon Reservation and Rosslyn, VA. loads. However, the Rosslyn load has grown rapidly such that a single feeder can no longer supply the Pentagon and Rosslyn loads. DVP's bid doubled because they needed to reconfigure two substations for dual feeders and split the Pentagon load between both 69 kV feeders.

Washington Headquarters Services (WHS) and DVP have now worked out a solution to fit the projected Pentagon Reservation load onto a single feeder and keep the project cost closer to the original appropriated funding level.

These variations in cost could not have been reasonably determined when WHS submitted this project to Congress for approval. This reprogramming is required to award the project in January 2013 and to meet mission requirements.

Source of Funds: Bid savings from the following projects (including Planning and Design savings) are available to fund this requirement:

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Pentagon Hazardous Materials Response Facility	2009	16,401	15,964	437
Power Plant Modernization Phase 2 (Fuel Storage Facility)	2009	15,572	15,372	200
Secondary Uninterruptible Power Source	2010	8,400	8,100	300
Planning & Design	2011	6,257	2,475	3,782
Total				4,719