



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JAN 30 2014

COMPTROLLER

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>Navy</u>			
1	Naval Submarine Base Kings Bay, Georgia	Waterfront Restricted Area (WRA) Land/Water Interface	2012	22,715,000
	<u>SOCOM</u>			
2	Fort Bragg, North Carolina	SOF Sustainment Brigade Complex	2013	4,305,000
	<u>Army National Guard</u>			
3	Camp Gruber, Oklahoma	Operations Readiness Training Complex	2013	5,004,000

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

JAN 30 2014

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 projects and amounts shown below. A detailed justification is enclosed.

<u>#</u>	<u>Service/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request(\$)</u>
	<u>Navy</u>			
1	Naval Submarine Base Kings Bay, Georgia	Waterfront Restricted Area (WRA) Land/Water Interface	2012	22,715,000
	<u>SOCOM</u>			
2	Fort Bragg, North Carolina	SOF Sustainment Brigade Complex	2013	4,305,000
	<u>Army National Guard</u>			
3	Camp Gruber, Oklahoma	Operations Readiness Training Complex	2013	5,004,000

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: June 28, 2014
Military Construction, Navy
Reprogramming Request

Installation: Naval Submarine Base Kings Bay, Georgia
Project: Waterfront Restricted Area (WRA) Land/Water Interface (P-636)
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2012,
Public Law 112-81

Estimated Cost (\$000):

Previously Appropriated	33,150
Sequestration	<u>-1,809</u>
Revised Appropriated	31,341
Previously Reprogrammed	0
Requested Reprogramming	22,715
Total Estimated Cost	54,056

Description:

This project constructs land to water boundaries as part of the security required for the Kings Bay waterfront restricted area. The land to water boundaries will be a steel sheet pile bulkhead abutment to which moveable connections will be attached. The connections will be supported by concrete piles to permit adjustments to rising and lowering water levels. Site work includes utilities, site preparations, special construction features due to security requirements and special foundation features.

Justification:

The project, as originally conceived, included costs associated with special structural requirements, security requirements, and operational interruptions. During design development, the project's cost increased significantly due to larger than planned costs for interruptions in construction activities due to waterfront operations, additional security barrier requirements, additional special foundation requirements, and additional site preparation requirements.

The construction site is outside the waterfront restricted area, however, equipment and material will need to be moved through the restricted area. All construction activities will be required to stop during road closures, security drills, alerts and ordnance movements related to nearby operations. The cost impacts of these interruptions on construction activities will be greater than originally planned. Design analysis uncovered a need to increase the interface width to accommodate multiple anchor dolphins to secure the port security barriers. Additionally, rip-rap

along the north and south land/water interfaces is required to provide erosion control. Site surveys and soil analysis performed as part of the design of the land bridges determined that additional foundation preparation including a drain and surcharge system will be required. This increases costs for the surcharge system and causes an eight month increase for construction.

Cost savings alternatives were investigated. However, attempts to offset the additional cost increase with additional scope reductions have been unsuccessful. Without this reprogramming the Naval Submarine Base will continue to be non-compliant with nuclear weapons security requirements.

Source of Funds: Bid savings on the following projects will fund this requirement.

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated^{1/}</u>	<u>(Dollars in Thousands)</u>	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Yuma, AZ MCAS Auxiliary Landing Field (JSF) (Aux 2 Range) (P-575)	2012	40,749	29,475	5,128
Jacksonville, FL NAS P-8A Training Fac (P-624)	2012	25,403	14,194	10,000
Bremerton, WA NAVBASE Waterfront Restricted Area Vehicle Barriers (Bangor) (P-985)	2012	17,322	9,338	7,587
TOTAL				22,715

^{1/} Reflects the Budget Control Act of 2011 (Sequestration) deductions

Bid Expiration: May 29, 2014
Military Construction, Defense-Wide (USSOCOM)
Reprogramming Request

Installation: Fort Bragg, North Carolina
Project: SOF Sustainment Brigade Complex, Project Number 69493
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2013,
Public Law 112-239

Estimated Cost (\$000):

Previously Appropriated*	24,660
Sequestration	<u>-1,904</u>
Revised Appropriated	22,756
Previously Reprogrammed	-
Requested Reprogramming	4,305
Total Estimated Cost	27,061

*Reflects Section 3001 and 3004 rescissions in P.L. 113-6.

Description:

Construct a support brigade complex facility of approximately 81,700 square feet. The complex will consist of a brigade headquarters, a company operations building, and a tactical equipment maintenance facility. All facilities support the 528th Special Operations Sustainment Brigade at Fort Bragg, North Carolina. There is no change to the original scope.

Justification:

A reprogramming is necessary to allow the award of the sustainment brigade complex project. The best and final proposals were all higher than expected and exceeded the funding authorization. The additional cost drivers include an increase to labor wage rates after the initial government estimate, material cost increases, and contractor unfamiliarity with the latest update to Intelligence Community Directive (ICD) 705, Sensitive Compartmented Information Facilities led to increased proposals. The revised, more stringent technical specifications for construction and management of Sensitive Compartmented Information Facilities altered contractor security requirements, work processes, material handling, and inspections. Bid prices were increased to mitigate the risk of working under the new guidelines of ICD 705.

Scope reductions cannot be made to adjust for the additional cost and still provide a complete and useable facility that meets user requirements.

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

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>(Dollars in Thousands)</u>	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Fort Bragg, NC SOF Preparation and Conditioning Course (PN 60833)	2010	24,088 ^{1/}	17,512	4,305

^{1/} Reflects the Budget Control Act of 2011 (Sequestration) deductions

Bid Expiration Date: March 31, 2014
Military Construction, Army National Guard
Reprogramming Request

Installation: Camp Gruber, Oklahoma
Project: Operations Readiness Training Complex
Authorization: National Defense Authorization Act, Fiscal Year (FY) 2013,
Public Law 112-239

Estimated Cost (\$000):

Previously Appropriated*	24,967
Sequestration	<u>-786</u>
Revised Appropriated	24,181
Previously Reprogrammed	0
Requested Reprogramming	5,004
Total Estimated Cost	29,185

*Reflects Section 3001 and 3004 rescissions in P.L. 113-6.

Description:

This project will construct an Operations Readiness Training Complex (ORTC) at Camp Gruber, Oklahoma. The battalion-sized facilities include general administration building, billeting, and multi-purpose classroom and dining areas. Supporting facilities include utilities, site improvement, and anti-terrorism/force protection measures.

Justification:

An increase in general construction activity in the south central region of the United States is driving up market costs for construction materials and labor. In response to the higher than expected bids, the Army National Guard awarded the critical component of the project (battalion headquarters) in order to begin construction within the authorized amount of \$24.1 million plus a \$2 million below threshold reprogramming. The 10 U.S.C. §2853 cost increase notification was sent to the congressional committees on November 20, 2013, reflecting a current working estimate of \$29.2 million. Additional funds in the amount of \$3.004 million are required to award the remaining authorized scope of the project which includes billeting and maintenance shelter.

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

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>(Dollars in Thousands)</u>	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Wichita, KS Field Maintenance Shop PN: 200090	2011	23,579 ¹	13,243 ²	5,004

PN = Project Number

^{1/} The appropriated amount reflects a 0.2% rescission directed in Section 1119 of Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriations Act, 2011 and the Budget Control Act of 2011 (Sequestration) deduction of \$0.373 million.

^{2/} A 10 U.S.C. §2853 cost reduction notification was sent to congressional committees on February 10, 2012, reflecting an award Current Working Estimate (CWE) of \$13.243 million. This project is 55% complete.