



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

COMPTROLLER

JAN 15 2015

The Honorable Charles W. Dent  
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 justification for each project is enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program Year</u>	<u>Request(\$)</u>
<u>Army</u>				
1	Fort Bliss, Texas	Control Tower	2014	4,410,000
2	Fort McCoy, Wisconsin	Family Housing	2014	8,235,000
<u>Navy</u>				
3	Fort Meade, Maryland	USMC Cyberspace Command HQ	2014	25,662,000
4	New London, Connecticut	Coastal Riverine Squad Support Facilities	2014	1,058,000

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

Sincerely,

Michael McCord

Enclosure:  
As stated

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



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United States Senate  
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Bid Expiration Date: April 3, 2015

Military Construction, Army

Reprogramming Request

Installation: Fort Bliss, Texas

Project: Control Tower

Authorization: National Defense Authorization Act for Fiscal Year (FY) 2014,  
Public Law 113-66

Estimated Cost (\$000):

Previously Appropriated	10,800
Previously Reprogrammed	-
Requested Reprogramming	4,410
Total Estimated Cost	15,210

Description: This project will construct a high-density Air Traffic Control Tower (ATCT) for Biggs Army Airfield to provide safe, efficient, and modern flight control services. It includes the control tower, airfield operations building, transmission tower, transmitter building, standby generator, and supporting infrastructure.

Justification: This reprogramming request is required due to an unfavorable bidding climate. All proposals received exceeded the \$10.8 million Program Amount (PA) as the bidding climate in the Southwest Region continues to be less favorable than in other U.S. locations. In this region, there are fewer contractors competing on the Army's military construction projects, which results in higher bids. Cost saving measures were considered; however, it was determined that the full scope of the project is required, with the tower built as designed, in order to achieve unobstructed visibility and support nighttime training operations. It is not possible to reduce scope without sacrificing safety and compromising operations. A 10 U.S.C. §2853 cost increase notification dated October 24, 2014, was sent to the congressional committees.

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>
Fort Stewart, GA Simulations Center PN 39614	2011	24,348 <sup>/1</sup>	23,848 <sup>/2</sup>	500
Fort Richardson, AK Brigade Complex, Ph 1 PN 55695	2011	55,404 <sup>/1</sup>	54,654 <sup>/3</sup>	750
Fort Richardson, AK Simulations Center PN 57369	2011	25,720 <sup>/4</sup>	25,270	450
Fort Drum, NY Transient Training Barracks PN 57712	2011	51,990 <sup>/1</sup>	51,295	695
Fort Bragg, NC Vehicle Maintenance Shop PN 67107	2011	22,969 <sup>/1</sup>	22,229 <sup>/5</sup>	740
Fort Wainwright, AK Aviation Task Force Complex, Ph 2A (Hanger) PN 67112	2011	76,599 <sup>/4</sup>	76,049	550
Fort Lee, VA Training Aids Center PN 71114	2011	5,668 <sup>/1</sup>	5,623	45
Fort Leonard Wood, MO Transient Advanced Trainee Barracks, Ph 2 PN 68721	2011	27,524 <sup>/6</sup>	27,374	150
Fort Drum, NY Training Aids Center PN 14456	2011	16,963 <sup>/1</sup>	14,014 <sup>/7</sup>	75

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Fort Knox, KY Access Corridor Improvements PN 70261	2011	3,900 <sup>/4</sup>	3,805	95
Fort Benning, GA Vehicle Maintenance Shop PN 63799	2011	39,294 <sup>/8</sup>	35,084 <sup>/9</sup>	<u>360</u>
	Total:			4,410

<sup>1</sup> The revised amount reflects a 0.2 percent across-the-board rescission as directed in Section 1119 of Public Law 112-10 and part of the FY 2014 \$200 million unobligated balance rescission in HR 3547, Section 130.

<sup>2</sup> A 10 U.S.C. §2853 cost reduction notification dated March 24, 2014, was sent to the congressional committees, reflecting an award CWE of \$20.593 million.

<sup>3</sup> A 10 U.S.C. §2853 cost reduction notification dated March 24, 2014, was sent to the congressional committees, reflecting an award CWE of \$54.310 million.

<sup>4</sup> The revised amount reflects a 0.2 percent across-the-board rescission and year- long CR as directed in Sections 1119 and 2001 of P.L. 112-10 and part of the FY 2014 \$200 million unobligated balance rescission in HR 3547, Section 130.

<sup>5</sup> A 10 U.S.C. §2853 cost reduction notification dated August 2, 2011, was sent to the congressional committees, reflecting an award CWE of \$23.265 million. The current CWE reflects the cost to complete the project.

<sup>6</sup> The revised amount reflects a 0.2 percent across-the-board rescission and year- long CR as directed in sections 1119 and 2001 of P.L. 112-10.

<sup>7</sup> A 10 U.S.C. §2853 cost reduction notification dated March 24, 2014, was sent to the congressional committees, reflecting an award CWE of \$14.014 million. Additional savings on this project were used to support below threshold reprogrammings.

<sup>8</sup> The revised amount reflects 0.2 percent across-the-board rescission as directed in Section 1119 of Public Law 112-10 and part the FY 2014 \$200 million unobligated balance rescission in HR 3547, Section 130, and a reprogramming action in the amount of \$3.850 million to the Aviation Battalion Complex at Fort Wainwright, AK.

<sup>9</sup> A 10 U.S.C. §2853 cost reduction notification dated September 26, 2011, was sent to the congressional committees, reflecting an award CWE of \$37.681 million. Additional savings on this project are being used to fund other prior approval reprogrammings.

Bid Expiration Date: March 20, 2015  
Family Housing Construction, Army  
Reprogramming Request

Installation: Fort McCoy, Wisconsin  
Project: Family Housing New Construction  
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2014, Public Law 113-66

Estimated Cost (\$000):

Previously Appropriated	23,000
Previously Reprogrammed	-
Requested Reprogramming	8,235
Total Estimated Cost	31,235

Description: This project will provide 56 single Family Housing units. It includes neighborhood amenities, walkways, roads, utilities, environmental measures required by law and associated supporting infrastructure. It is required to provide adequate on-post housing for Soldiers and their Families currently living in inadequate rental units. The local economy has insufficient three and four bedroom homes available for rent.

Justification: Due to proposals coming in higher than anticipated, the Army awarded a base contract with options on July 31, 2014 at 81 percent of the project's scope (42 units) for \$24.5 million. This reprogramming is required to construct 14 additional units, recreational areas, utility infrastructure and provide 100 percent of project scope.

The increased cost is due to the following factors:

- (a) The local economy in this rural area is now stronger than in previous years, thereby reducing competition. As in previous years, solicitation was restricted to Small Business.
- (b) Energy savings requirements to achieve ENERGY STAR Qualified Homes Version 3 certification. The contractor must be ENERGY STAR partner approved and the HVAC sub-contractor must be stringently credentialed. These requirements increase costs and reduce the number of interested contractors.
- (c) New regulations requiring fire sprinkler systems throughout the homes including basements.

A 10 U.S.C §2853 cost increase notification dated October 9, 2014 was sent to the congressional committees.

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

(Dollars in Thousands)

<u>Location &amp; Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Fort Wainwright, AK PN 75305 Family Housing Replacement Construction	2011	20,958 <sup>1</sup>	18,110	1,350
Illesheim, GE PN 78841 Family Housing Improvements	2012	41,000	24,474 <sup>2</sup>	<u>6,885</u>
	Total:			8,235

<sup>1</sup> The appropriated amount reflects a 0.2 percent rescission and the year-long Continuing Resolution as directed in P.L. 112-10, Sections 1119 and 2001.

<sup>2</sup> The 10 USC 2853 Congressional Notification of Cost Reduction was submitted on July 15, 2014 with an Award CWE of \$23,893K. Subsequent changes have driven the CWE higher.

Bid Expiration: 25 February 2015

Military Construction, Navy

Reprogramming Request

Installation: Fort Meade, Maryland  
Project: MARFORCYBERCOM HQ-OPS Building (P001)  
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2014  
Public Law 113-66

Estimated Cost (\$000):

Previously Appropriated	83,988
Previously Reprogrammed	0
Requested Reprogramming	25,662
Total Estimated Cost	109,650

Description: This project will construct a multi-story, sensitive compartmented information facility (SCIF) to provide a command headquarters and cyberspace operations building for the U.S. Marine Corps Cyberspace Command. This project will also construct a multi-level parking facility as a modular addition to an existing parking facility. The command currently leases space in Columbia, MD approximately 12 miles from Fort Meade. Their mission is expected to grow from 211 personnel in Fiscal Year (FY) 12 to more than 800 personnel in FY16, requiring additional space to accommodate this expansion.

Justification: The government estimate at the time proposals were initially requested did not adequately factor in the following:

a) Construction market conditions (+ \$13,813,000):

When this project's pricing was finalized in 2012, conditions in the national construction market were extremely favorable. However, current construction demand in the Washington DC/Baltimore area has produced a marketplace much less favorable. In particular, there are a number of construction projects at Fort Meade which affect workforce availability.

The volume of major construction projects underway at Fort Meade has placed competitive demands on a labor workforce which meets NSA's stringent security standards, resulting in increased costs.

b) Power Capacity Requirements (+\$6,500,000):



During project design development, the mission critical generator capacity in support of the requirement for 100% facility redundancy (inclusive of life safety system and mission critical functions), was not accurately determined. The originally planned generator at the building site was undersized to meet the complete requirement. This increased capacity meets the complete requirement and is required to maintain full operations in the event of power failure.

- c) Limited contractor laydown areas, planning and management costs (+\$5,349,000):  
The amount of available laydown area is limited due to less acreage for supporting construction activities resulting in execution inefficiencies that were not fully anticipated during the project's design development.

Without this reprogramming, MARFORCYBER would continue to operate at reduced readiness and operational capability, with inadequate anti-terrorism/force protection measures resulting in a higher risk security posture. MARFORCYBER would continue to use costly leased facilities, while also requiring additional leased spaces as the unit expands to meet threats. Current leased facilities do not meet ATRP requirements, and newly leased facilities will require substantial funds in order to fulfill the requirements for new Secure Compartmented Intelligence Facility space. The leased spaces do not allow for physical co-location of MARFORCYBER with USCYBERCOM, its parent command, and other partnering agencies. Without this reprogramming, integration and operations are, and will continue to be, significantly degraded.

A 10 U.S.C §2853 cost increase notification dated October 22, 2014 was sent to the congressional committees.

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

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>(Dollars in Thousands)</u>		
		<u>Amount Appropriated</u> <sup>1/</sup>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
MCAS Camp Pendleton, CA MALS-39 Maintenance Hangar Expansion (P111)	2011	47,070	34,000	12,329
MCAS Camp Pendleton, CA CNATT/FRS - Aviation Training and BEQ (P109)	2011	52,630 <sup>3/</sup>	48,000 <sup>2/</sup>	4,630
MCAS Yuma, AZ Utilities Infrastructure Upgrades (P546)	2011	39,873	36,994	2,879
MCAS Yuma, AZ Simulator Facility (P533)	2011	26,212	24,315	1,897

MCB Camp Lejeune, NC BEQ - Courthouse Bay (P1254)	2011	39,699	38,278	1,421
MCB Camp Lejeune, NC 2nd Intel Bn Maintenance/ Operations Complex (P1034)	2011	87,590	84,938	1,292
MCB Camp Lejeune, NC BEQ - Courthouse Bay (P1251)	2011	41,267	40,578	689
MCAS Yuma, AZ Intermediate Maintenance Activity Facility (P573)	2011	20,733	20,208	<u>525</u>
	Total:			25,662

<sup>1/</sup> Reflects FY 2013 sequestration reductions, FY 2011 spend plan and 0.2% rescission in P.L. 112-10.

<sup>2/</sup> A 10 U.S.C. §2853 cost reduction notification dated September 30, 2014 was sent to the congressional committees.

<sup>3/</sup> Reflects a revised PA of \$52.63M as a result of reductions for: the FY 2013 sequestration, \$5.0M prior approval reprogramming approved by Congress in February 2013 and a \$6.3M reprogramming approved by Congress in July 2013.

Bid Expiration Date: N/A  
 Military Construction Navy and Marine Corps Reserve Program  
 Reprogramming Request

Installation: New London, CT  
Project: P-664 CORIVRON 8 Reserve HVU Det Support Facilities  
Authorization: 10 U.S.C. §2805 Unspecified Minor Construction (UMC)

Estimated Cost: (\$000)

Previously Appropriated (FY 2011 UMC)	2,194
Previously Appropriated (FY 2012 UMC)	1,947
Requested Reprogramming	1,058

Description: The requested reprogramming will realign funds from the major construction budget activity to the UMC budget activity enabling construction of a UMC project for a permanent floating small craft dock, repairs and upgrades an existing boat ramp, and constructs an operational storage shed addition to Building 574.

Justification: Coastal Riverine Squadron Eight (CORIVRON 8) stood up to take over the submarine and other high value vessels escort mission from the U.S. Coast Guard (USCG) on 1 Oct 2013. Adequate and efficient facilities are required to support the CORIVRON 8 High Value Unit (HVU) detachment new mission at Naval Submarine Base New London, CT. This is a new mission and existing facilities cannot support it. A 10 U.S.C §2805 cost increase notification dated November 6, 2014 was sent to the congressional committees.

Source of Funds: Bid savings from the following construction projects will fund the increase.

<u>Location &amp; Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated <sup>1/</sup> (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
NWS Yorktown VA Navy Ord Cargo Logistics Trng Complex (Cheatham) (P-743)	2011	21,050 <sup>2/</sup>	17,427	558
Mechanicsburg NAVSUPACT PA Armed Forces Reserve Center (Pittsburgh) (P-860)	2012	13,567	12,033	<u>500</u>
	Total:			1,058

<sup>1/</sup> Reflects FY 2013 sequestration reductions

<sup>2/</sup> Reflects FY 2011 0.2% rescission in P.L. 112-10