



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

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

FEB 18 2015

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</u>	<u>Request(\$)</u>
	<u>Defense Logistics Agency</u>			
1	Arnold AFB, Tennessee	Fueling Facility (Fac)	2014	1,900,000
2	Tinker AFB, Oklahoma	Fuel Distribution Fac	2014	5,200,000
	<u>U.S. Special Operations Command</u>			
3	Fort Bragg, North Carolina	Engineer Training Fac	2014	2,896,000

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

FEB 18 2015

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.

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3	Fort Bragg, North Carolina	Engineer Training Fac	2014	2,896,000

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 Jon Tester
Ranking Member

Bid Expiration Date: June 1, 2015

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: Arnold Air Force Base, Tennessee

Project: Replace Ground Vehicle Fueling Facility

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

Estimated Cost (\$000):

Previously Appropriated	2,200
Requested Reprogramming	1,900
Total Estimated Cost	4,100

Description: This project provides a ground fuels facility consisting of five self-contained aboveground tanks (45.4 kiloliters (kL)/12,000 gallons each) and integral receipt and dispensing stations with four outlets. Work includes an emergency shower, fuel filters, fuel piping, emergency stop switch, site work and utilities. Project includes the demolition of two existing gasoline underground fuel storage tanks (113.6 kL/30,000 gallon each), and one underground diesel tank (56.8 kL/15,000 gallon).

Justification: Congress authorized and appropriated this project in FY 2014 for \$2.2 million. The current working estimate is \$4.1 million. Based on two separate competitive bids received to date, an additional \$1.9 million is needed to award this project. The U.S. Army Corps of Engineers (USACE) has concluded that the market conditions in obtaining qualified bidders for a project of this size and scope at Arnold AFB is the cause for the higher than expected bids. The limited pool of qualified contractors resulted in a current offer that is 187 percent above the Programmed Amount. These variations in cost were unknown when the project was originally programmed. A Title 10 Section 2853 cost increase notification, dated November 18, 2014, was sent to the congressional committees.

Source of Funds: The following completed project was awarded below the appropriated amount due to the receipt of favorable bids.

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u> ^{1/}	(Dollars in Thousands)	
			<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Craney Island, VA Replace Fuel Pier	2011	43,442	37,035	1,900

^{1/} Reflects reduction associated with the FY 2013 sequestration.

Bid Expiration Date: May 5, 2015
 Military Construction, Defense-Wide (Defense Logistics Agency)
 Reprogramming Request

Installation: Tinker Air Force Base, Oklahoma
Project: Replace Fuel Distribution Facilities
Authorization: National Defense Authorization Act for Fiscal Year 2014, Public Law 113-66

Estimated Cost (\$000):

Previously Appropriated:	36,000
Requested Reprogramming:	5,200
Total Estimated Cost:	41,200

Description: This project constructs a 2,400 gallon per minute pumphouse, provides 23 new aircraft hydrant fuel outlets, upgrades two 10,000 barrel aircraft fuel aboveground operating tanks and the associated pipeline. It also constructs a Military Ground Vehicle Service Station to include two covered islands, fuel dispensers, four 45.4 kiloliter (12,000 gallon) aboveground storage tanks and a controls building at Tinker Air Force Base.

Justification: Congress authorized and appropriated this project in FY 2014 for \$36.0 million. Based on competitive bids received to date, an additional \$5.2 million is needed to award this project. The higher than expected bids are driven by the general economic market conditions, higher than anticipated costs for airfield pavements work, and the phased construction necessary to accommodate aircraft operations during construction.. The full extent of the cost impacts of these items was unknown when the project was originally programmed.

A Title 10 Section 2853 cost increase notification, dated December 5, 2014, was sent to the congressional committees.

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

(Dollars in Thousands)

<u>Location/ Project</u>	<u>Fiscal Year</u>	<u>Appropriated Amount ^{1/}</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Misawa, Japan Hydrant Fuel System	2011	30,622	28,021	2,601

(Dollars in Thousands)

<u>Location/ Project</u>	<u>Fiscal Year</u>	<u>Appropriated Amount ^{1/}</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Point Loma, CA Replace Fuel Storage Facilities Inc. 3	2011	18,842	17,457	1,385
Craney Island, VA Replace Fuel Pier	2011	43,442	37,035	1,214
Total				5,200

^{1/} Reflects reduction associated with the FY 2013 sequestration order.

Bid Expiration Date: April 5, 2015

Military Construction, Defense-Wide (U.S. Special Operations Command)

Reprogramming Request

Installation: Fort Bragg, North Carolina

Project: Special Operations Force Engineer Training Facility, Project Number 68526

Authorization: National Defense Authorization Act for Fiscal Year 2014, Public Law 113-66.

Estimated Cost (\$000):

Previously Appropriated	10,419
Requested Reprogramming	2,896
Total Estimated Cost	13,315

Description: Construct an engineer training facility of approximately 27,200 square feet and a general purpose storage facility of approximately 17,500 square feet. The facilities will consist of administrative space, classrooms, and general purpose storage. The facility supports the U.S. Army John F. Kennedy Special Warfare Center and School and the 1st Special Warfare Training Group (Airborne) at Fort Bragg, North Carolina.

Justification: Based on competitive bids received to date, an additional \$2.896 million is needed to award this project. Full consideration was given to reduce scope, value engineer, and re-solicit the project, but there are no viable options to award this project through a re-solicitation with a lesser scope. The higher than anticipated bids are the result of current market conditions. Labor and material costs have increased. These variations in cost were unknown when the project was programmed.

A Title 10 Section 2853 cost increase notification, dated December 5, 2014, was sent to the congressional committees.

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

<u>Location/ Project</u>	<u>Fiscal Year</u>	<u>Appropriated Amount ^{1/}</u>	(Dollars in Thousands)	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Ft. Bragg, NC SOF Group Headquarters (PN 71224)	2012	25,627	22,013	2,896

^{1/} Reflects reduction associated with the FY 2013 sequestration order.