



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

JAN 29 2016

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

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 the project is enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Army</u>			
1	Fort Detrick, Maryland	Entry Control Point	2014	1,000,000
2	Fort Hood, Texas	Vehicle Maintenance Facility	2012	3,400,000
3	Rock Island Arsenal, Illinois	Family Housing New Construction	2015	7,650,000
	<u>Army Reserve</u>			
4	Fresno, California	Army Reserve Center/ Area Maintenance Support Activity	2015	4,339,000

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 Defense programs.

Sincerely,

Michael McCord

Enclosures:
As stated

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



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WASHINGTON, DC 20301-1100

COMPTROLLER

JAN 29 2016

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

Dear Mr. Chairman:

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Sincerely,

Michael McCord

Enclosures:
As stated

cc:
The Honorable Jon Tester
Ranking Member

Bid Expiration Date: June 13, 2016

Military Construction, Army

Reprogramming Request

Installation: Fort Detrick, Maryland

Project: Entry Control Point

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

Estimated Cost (\$000):

Previously Appropriated	2,500
Previously Reprogrammed	-
Requested Reprogramming	1,000
Total Estimated Cost	3,500

Description: Project will construct an entry control point to support the National Interagency Bio-defense Campus (NIBC). Project includes security screening area, queuing area, waiting area, search area, security office, guard room, equipment storage room, visitor center with badging counter, meeting room, building information systems, installation of an intrusion detection system and connections to an energy monitoring and control system. Supporting facilities include utilities, fire protection and alarm systems, information systems, site improvement, and walkways.

Justification: This project was originally solicited in May 2014. While there was significant competition, all bids were above the Army's authority to award. The product delivery team considered alternatives to reduce project cost, but determined it was not possible to reduce cost or scope without sacrificing safe and secure access. The project was then bundled into a single contract action with an adjacent DoD medical military construction project to maximize contract efficiencies and potential savings. This reprogramming request represents the lowest, technically acceptable offer from the second solicitation.

A Title 10 USC 2853 notification was submitted to the Congress on October 21, 2015.

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>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Fort Campbell, KY Vehicle Maintenance Facility PN 18646	2012	13,710 ¹	12,978	732
Fort Campbell, KY Scout Reconnaissance Gunnery Range PN 71703	2012	11,290 ²	10,424 ³	<u>268</u>
Total:				1,000

¹ The revised amount reflects a rescission of \$1.9 million as part of the unobligated balances rescission in H.R. 3547, Section 130 and the request to reprogram \$440,000 to the Organizational Readiness Training Center at Fort Hood, TX in the prior approval reprogramming request approved by Congress on July 10, 2015.

² The revised amount reflects a rescission of \$4.6 million as part of the unobligated balances rescission in H.R. 3547, Section 130 and the request to reprogram \$2.1 million to the Fire Station at Fort Carson, CO that was sent to Congress on September 17, 2015.

³ A 10 U.S.C. §2853 cost reduction notification dated June 22nd, 2012 was sent to the committees reflecting an award CWE of \$10.5 million.

Expiration Date: May 31, 2016
Military Construction, Army
Reprogramming Request

Installation: Fort Hood, Texas
Project: Vehicle Maintenance Facility
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2012,
Public Law 112-81

Estimated Cost (\$000):

Previously Appropriated	18,500
Previously Reprogrammed	-
Requested Reprogramming	3,400
Total Estimated Cost	21,900

Description: This project constructs standard design company operations and vehicle maintenance facilities to support a Terminal High Altitude Area Defense Battery at Fort Hood, TX. It includes covered hardstand, entrance control point, vehicle parking, organizational storage, hazardous material storage, security fence, roads and other supporting infrastructure.

Justification: The Vehicle Maintenance Facility was awarded using three separate contracts. The Vehicle Maintenance Shop (VMS), Company Operations Facility (COF) and the Entry Control Point (ECP) were each awarded during March 2012. The VMS was completed without incident. However, in August 2013, the contractor for the COF defaulted. Due to a multi-party agreement between the Army and the surety, a new contractor assumed the COF work that caused an increase to the Current Working Estimate (CWE). In August 2014, the Prime Contractor for the ECP filed for bankruptcy and that contract was terminated for default. An additional \$3.4 million is required for the replacement contract for the ECP, the increased cost for the COF, and remaining mandatory modifications necessary to ensure the overall Vehicle Maintenance Facility is a complete and useable project. The CWE is \$21.9 million and construction is 82 percent complete.

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>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Joint Base Elmendorf - Richardson, AK Brigade Complex, Phase 2 PN 72270	2012	68,460 ¹	63,462 ²	1,260
Fort Knox, KY Battalion Complex PN 65293	2012	48,000	44,908	1,000
Fort Bragg, NC Battle Command Training Center PN 76958	2012	23,000	21,430	1,140
Total				3,400

^{1/} The revised amount reflects a rescission of \$5.5 million as part of the FY 2014 unobligated balance rescission in Section 130 of Public Law 113-76, Division J.

^{2/} A 10 U.S.C. §2853 cost reduction notification dated November 21, 2012 was sent to the congressional committees, reflecting an award CWE of \$60.3 million. Current CWE reflects cost to complete the project.

Bid Expiration Date: June 30, 2016
Family Housing Construction, Army
Reprogramming Request

Installation: Rock Island Arsenal, Illinois
Project: Family Housing New Construction
Authorization: National Defense Authorization Act for Fiscal Year 2015,
Public Law 113-291

Estimated Cost (\$000):

Previously Appropriated	19,500
Previously Reprogrammed	-
Requested Reprogramming	7,650
Total Estimated Cost	27,150

Description: This project provides 33 single Family housing units for Colonels (6 units), Lieutenant Colonels, (6 units), Majors (19 units), and Senior Non-Commissioned Officers (2 units). Supporting features include utility and supporting infrastructure, paving, site improvements and demolition, and applicable antiterrorism measures.

Justification: The project was awarded on September 30, 2015 and provided 22 of the 33 required housing units. Fluidity in the bid environment and increases in construction costs led to solicitations that were higher than anticipated. The majority of this additional funding is for construction of the remaining 11 housing units to achieve full project scope. The original cost estimates for the FY 2015 project did not account for unforeseen site conditions such as thicker than expected rock depth that required additional excavation. In addition, cost increases resulting from omissions in the original DD 1391 included information systems installation and construction costs, the need for non-standard design, and more stringent sustainability criteria (Leadership in Energy and Environmental Design-Housing).

A Title 10 USC 2853 notification was submitted to the Congress on November 20, 2015.

Source of Funds: Bid savings from the following project are available to 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>
Illesheim, Germany Family Housing Improvements PN 79097	2012	40,000	23,633 ¹	7,650

¹ Additional changes that occurred after the initial award caused the current working estimate to increase from \$21.633 million to \$23.633 million.

Bid Expiration Date: March 29, 2016
Military Construction, Army Reserve
Reprogramming Request

Location: Fresno, California
Project: Army Reserve Center/Area Maintenance Support Activity
Authorization: National Defense Authorization Act (NDAA) for Fiscal Year 2015,
Public Law 113-291

Estimated Cost (\$000):

Previously Appropriated	22,000
Previously Reprogrammed	-
Requested Reprogramming	4,339
Total Estimated Cost	26,339

Description: This project will provide an Army Reserve Center (ARC) training building, Area Maintenance Support Activity (AMSA), unheated storage building, and Privately Owned Vehicle (POV) parking. Buildings will be of permanent construction with reinforced concrete foundations, concrete floor slabs, structural steel frames, masonry veneer walls, standing seam metal roof, and energy-saving technologies will be incorporated into the facility. The new facility will comply with the Energy Policy Act of 2005.

Justification: This reprogramming is required to address shortfalls resulting from an improved construction sector and higher than expected project costs. This project was advertised as a full and open solicitation for a base bid (the ARC) and six options, resulting in four proposals. The lowest acceptable proposal with a current working estimate of \$26.4 million provides 97 percent of the original scope. The award will include construction of the ARC and contract options for the AMSA, a vehicle wash rack, an unheated storage facility, asphalt paving for the POV parking lot, and site work for the AMSA.

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>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Ft Sheridan, IL Army Reserve Center PN 67659	2013	25,937 ¹	24,182	1,755
Joint Base Lewis-McCord, WA Army Reserve Center PN 67715	2013	37,052 ²	34,468	<u>2,584</u>
Total:				4,339

¹ The appropriated amount reflects a reduction of \$2.063 million as directed in Public Law 112-25, the Budget Control Act of 2011.

² The appropriated amount reflects a reduction of \$2.948 million as directed in Public Law 112-25, the Budget Control Act of 2011.