



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

AUG 17 2021

The Honorable Debbie Wasserman Schultz
Chairwoman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

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 projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Army</u>			
1	Soto Cano Air Base, Honduras	Aircraft Maintenance Hangar	2020	10,200,000
	<u>Army Reserve</u>			
2	Starkville, Mississippi	Army Reserve Center	2015	545,000

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.

Michael McCord

Enclosures: As stated

cc:

The Honorable John Carter
Ranking Member



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AUG 17 2021

The Honorable Martin Heinrich
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. Detailed justification for the projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
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	<u>Army Reserve</u>			
2	Starkville, Mississippi	Army Reserve Center	2015	545,000

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

Michael McCord

Enclosures: As stated

cc:

The Honorable John Boozman
Ranking Member

Bid Expiration Date: December 15, 2021

Military Construction, Army

Reprogramming Request

Installation: Soto Cano Air Base, Honduras

Project: Aircraft Maintenance Hangar

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020,
Public Law 116-92

Estimated Cost (\$000):

Previously Appropriated	34,000
Previously Reprogrammed	0
Requested Reprogramming	10,200
Total Estimated Cost	44,200

Project Description: This project will construct a modified Army Standard Design General Support Aviation Battalion operations and maintenance hangar for rotary-wing aircraft. Project includes aircraft maintenance bays with overhead cranes, aviation life support equipment maintenance and storage, aviation unit operations area, aircraft parking, a covered hardstand for Aviation Ground Support Equipment, and a hazardous materials storage facility.

Justification: An additional \$10.2 million is required to award the project at full scope. All received proposals came back higher than expected. The project has no bid options as it was budgeted to have the minimum functions for sustainability and operation. The increase in cost is attributed to the delay in solicitation schedule due to COVID-19 adding additional material and labor costs. Another factor is the increased rate to import structural steel from U.S. to Honduras. This cost exceeded the predicted escalation used at the time of project was budgeted and overall construction costs have outpaced predicted escalation factors.

A 10 U.S.C. §2853 cost variation notification dated July 29, 2021 was submitted to Congress.

Source of Funds: 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 Working Estimate</u>	<u>Proposed Reprogramming</u>
Fort Campbell, KY General Purpose Maintenance Shop	2020	51,000	41,873 ^{1/2/}	3,150
Anniston Army Depot, AL Weapons Maintenance Shop	2019	5,200	0 ^{3/}	2,800
Clay Kaserne, GY Controlled Humidity Warehouse Shop	2017	16,500	270 ^{4/}	4,250
Total				10,200

^{1/} While the General Purpose Maintenance Shop, Fort Campbell, KY was appropriated at \$51 million, the Army reprogrammed \$3.092 million to the Live Fire Shootouse, Camp Williams, UT (June 2020).

^{2/} A 10 U.S.C. §2853 cost variation notification dated April 29, 2020 was submitted to Congress

^{3/} A 10 U.S.C. §2853 cancelation notification dated July 21, 2021 was submitted to Congress.

^{4/} A 10 U.S.C. §2853 cancelation notification dated May 17, 2021 was submitted to Congress.

Bid Expiration Date: N/A

Military Construction, Army Reserve

Reprogramming Request

Installation: Starkville, Mississippi

Project: Army Reserve Center (ARC)

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2015,
Public Law 113-291

Estimated Cost (\$000):

Previously Appropriated	9,300
Previously Reprogrammed	1,755 ^{1/}
Requested Reprogramming	545
Total Estimated Cost	11,600

^{1/} The Previously Reprogrammed amount is the result of below threshold reprogramming actions.

Project Description: Construct a 100-member Army Reserve Center comprised of a Training Building, Vehicle Maintenance Shop and Unheated Storage Building.

Justification: This contract was awarded in September 2019. Since that time, a number of mandatory contract modifications have occurred, which have exhausted contingency funding. Unsuitable soil conditions on the site have been treated as unforeseen site conditions requiring additional fill and site development changes. Additional modifications to correct design deficiencies with the electrical, mechanical, and lighting systems of the Unheated Storage Building are necessary, which will exceed the below threshold reprogramming authority. These modifications are attributable to contractual antecedent liabilities. There is insufficient expired funding to cover the increased cost as an account adjustment. It is permissible to use unexpired FY 2018 funds for this purpose. This reprogramming is required to fulfill existing contract obligations.

A 10 U.S.C. §2853 cost variation notification is not required.

Source of Funds: Savings from the following project will fund this requirement:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Worldwide Various Planning & Design	2018	26,887	N/A	545
Total				545