



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

JUN 14 2010

COMPTROLLER

The Honorable Chet Edwards
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 justifications are enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Fiscal Program</u>	<u>Reprogramming Request (\$)</u>
<u>Army National Guard</u> Various Locations	Unspecified Minor Construction	2006	2,533,000 ✓ ✓
<u>Navy Reserve</u> Miramar, California	Squadron Headquarters	2008	2,596,000 ✓ ✓
Camp Pendleton, California	Combat Vehicle Maintenance Shop	2008	8,022,000 ✓ ✓
<u>Air Force Reserve</u> Various Locations	Unspecified Minor Construction	2008	3,200,000 ✓ SAC DENIED

A similar letter is being sent to the Chairman and Ranking Member of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee of the Senate Appropriations Committee.

Sincerely,

Robert F. Hale

Enclosure:
As stated

cc:
The Honorable Zach Wamp
Ranking Member



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COMPTROLLER

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

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cc:

The Honorable Kay Bailey Hutchison
Ranking Member

Bid Expiration Date: N/A
Military Construction, Army National Guard
Reprogramming Request

Installation: Various Locations

Project: Unspecified Minor Military Construction, Army National Guard

Authorization: National Defense Authorization Act for Fiscal Year 2006,
Public Law 109-163

Estimated Cost (\$000):

Previously Appropriated	15,160
Previously Reprogrammed	-
Requested Reprogramming	2,533
Total Estimated Cost	17,693

Description: This reprogramming increases the Unspecified Minor Military Construction, Army National Guard account by \$2,533 thousand to fund the Dining Facility Renovation project, project number 300230, located at Fort Harrison, Montana. This project corrects multiple safety and health deficiencies cited by local regulators.

Justification: The State Fire Marshall, Occupational Safety and Health Administration, Technical Bulletin Medical 530, and the State Occupational State Nurse identified multiple deficiencies in the current dining facility, which was built in 1963. These health and safety deficiencies include inadequate space for hand washing, food and cleaning supplies are stored in the same pantry, and lavatories are inadequate. Other kitchen-related citations include the fact that the same sink is used for food preparation, cleaning kitchen utensils, and other purposes. Kitchen equipment is considered hazardous and unsafe. Exhaust hoods do not have adequate fire suppression devices and the griddles have inadequate grease collection devices. The dumpster pad is too close to the facility and represents a health hazard.

Project scope includes an addition to and alteration of the existing dining facility to provide the space required to comply with health and safety regulations. The dumpster will be relocated and the delivery/parking area will be reconfigured. The project will also incorporate energy efficiency improvements, such as, efficient Heating Ventilation and Air Conditioning systems and efficient windows and doors. Physical security measures

will also be incorporated into the design. This project will be awarded by the fund expiration date of September 30, 2010.

Source of Funds: The following canceled project will fund this requirement.

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>(Dollars in Thousands)</u>		
		<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Townsend, Montana QTR-Automated PN: 300126 ¹	2006	2,533	0	2,533

¹ The Army submitted a Title 10, United States Code, Section 2853, Authorized Cost Variation Notification on March 22, 2010. The FY 2006 Qualification Training Range project located in Townsend, Montana has been canceled because Montana Army National Guard is unable to obtain a license for that property. The project will be placed on the Montana Long Range Construction Plan and resubmitted when the Bureau of Land Management resolves the issues related to this project.

Note: This project was authorized in P.L. 109-114 at \$2,558 thousand. The current funding level of \$2,533 thousand reflects the rescission required by P.L. 109-148.

Bid Expiration Date: Not Applicable
Military Construction, Navy Reserve
Reprogramming Request

Installation: MCAS Miramar, California

Project: Squadron Headquarters, P-306

Authorization: Title 10 USC Section 18233

Estimated Cost (\$000):

Previously Appropriated	-
Previously Reprogrammed	-
Requested Reprogramming	2,596
Total Estimated Cost	2,596

Description: This reprogramming action provides Military Construction, Navy Reserve funds to construct a two-story, masonry administrative building and a single-story masonry building addition to Building 6009 for warehouse/storage and administrative space. The project encloses the existing portion of Building 6009; installs roll-up doors, lighting, ventilation, and fire protection; and modernizes the existing shop, administrative and storage spaces in Buildings 6008 and 6028 to meet current requirements. This project supports three Marine Corps Reserve air wing units that are currently spread throughout the Miramar Air Station. Total reserve strength is 583 and 16 permanent party personnel.

Justification: A contract was awarded in September 2008 for a repair, renovation and construction contract obligating FY 2008 Operation and Maintenance, Marine Corps Reserve (O&M, MCR) funds. At time of award, the activity had classified the construction as involving several minor construction efforts. Construction was started and invoices were paid prior to discovery that the use of O&M, MCR funds was not proper and that use of military construction appropriations is required. The contract was suspended on May 20, 2009.

This reprogramming request provides the necessary FY 2008 Military Construction, Navy Reserve (MC, NR) funds for the proper payment for the work already completed and costs for extended overhead associated with the suspension of work. The existing contract will be terminated for the convenience of the government. The Marine Corps intends to fund a project to complete the facility using FY 2010 MC, NR funds provided for "critical unfunded requirements". An Anti-Deficiency Act (ADA) investigation is

being conducted. This project cost estimate is based on a negotiated settlement with the contractor.

Source of Funds: The sources of funds for this requirement follow:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal</u> <u>Year</u>	<u>Amount</u> <u>Appropriated</u>	<u>Current</u> <u>Estimate</u>	<u>Proposed</u> <u>Reprogramming</u>
NAS JRB Fort Worth, Austin, Texas / Marine Corps Reserve Center (MCNR P-051) ^{VI}	2008	6,490	-	2,596

^{VI} P-051: The Marine Corps has decided to cancel this project in order to provide the additional FY 2008 MC, NR funds necessary to properly source requirement. The design and construction for P-051 are a joint effort with the Texas Army National Guard. Construction award cannot be made until late in FY 2010. The Marine Corps intends to fund a replacement project, P-055, in the FY 2010 MC, NR appropriation using funds provided for "critical unfunded requirements".

Bid Expiration Date: Not Applicable
Military Construction, Navy Reserve
Reprogramming Request

Installation: MCB Camp Pendleton, California

Project: Combat Vehicle Maintenance Shop

Authorization: Title 10 USC Section 18233

Estimated Cost (\$000):

Previously Appropriated	-
Previously Reprogrammed	-
Requested Reprogramming	8,022
Total Estimated Cost	8,022

Description: This reprogramming action provides Military Construction, Navy Reserve funds to construct a single-story masonry building for administrative use in support of Alpha Company, 4th Tank Battalion, Marine Corps Reserve at Marine Corps Base, Camp Pendleton, California. The project demolishes the center section of Building 41312 and builds a new pre-engineered high-bay building to house a 10-ton gantry crane which will be used for tank and other combat vehicle maintenance. The project includes paving and ramps to the new maintenance bay capable of supporting tanks and modernizes the remainder of Building 41312.

Justification: A repair, renovation and construction contract and a crane procurement contract were awarded in September 2008 obligating FY 2008 Operation and Maintenance, Marine Corps Reserve (O&M, MCR) funding. At time of award, the activity had classified the construction as involving several minor construction efforts. Construction and crane procurement were started and invoices were paid prior to the discovery that the use of O&M, MCR funds was not proper and that use of military construction appropriations is required. Work on the repair, renovation and construction contract was suspended April 1, 2009 and the crane procurement was cancelled.

This reprogramming request will provide the Military Construction funds necessary to obtain a complete and useable facility and to pay extended overhead costs associated with the suspension of work. An Anti-Deficiency Act (ADA) investigation is being conducted.

Source of Funds: The sources of funds for this requirement follow:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
NOSC Portland, Portland, OR/ Operational Facilities (MCNR P-354) ¹	2008	1,900	-	1,900
NAS Oceana, Virginia Beach, VA / C-40 Hangar Mods (MCNR P-827) ²	2006	2,236	-	2,228
NAS JRB Fort Worth, Austin, Texas / Marine Corps Reserve Center (MCNR P-051) ³	2008	6,490	-	3,984

¹ P-534: The Navy has decided to cancel this project due to the lack of an adequate site and sufficient funding.

² P-827: The Navy has decided to cancel this project. Modification of an existing hangar is not feasible. The FY 2010 C-40 Hangar project (MC, NR P-837) will provide a new hangar that will satisfy the requirement. Note: The amount appropriated reflects the one percent Congressional rescission (P.L. 109-148)

³ P-051: The Marine Corps has decided to cancel this project in order to provide the additional FY 2008 MC, NR funds necessary to properly source requirement. The design and construction for P-051 are a joint effort with the Texas Army National Guard. Construction award cannot be made until late in FY 2010. The Marine Corps intends to fund a replacement project, P-055, in the FY 2010 MC, NR appropriation using funds provided for "critical unfunded requirements".

Bid Expiration Date: Not Applicable
Military Construction, Air Force Reserve
Reprogramming Request

Installation: Various Locations

Project: Unspecified Minor Military Construction

Authorization: National Defense Authorization Act for FY 2008 (P. L. 111-477)

Estimated Cost (\$000):

Previously Appropriated	4,909
Previously Reprogrammed	-
Requested Reprogramming	3,200
Total Estimated Cost	8,109

Description: This reprogramming action transfers funds associated with a canceled project into the Unspecified Minor Military Construction account in order to fund unspecified minor military construction requirements. FY 2010 Unspecified Minor Military Construction was authorized and appropriated at \$800 thousand. This limited funding severely limits the Air Force Reserve's ability to fund its minor construction requirements.

Justification: The Wing Support Facility Project (KRSM 089001) was authorized and appropriated for \$3.2 million. As originally conceived, the project added to and altered Building 119 for 419th Wing Support Functions including Military Personnel Flight and Family Readiness. Subsequently the base master plan was revised and the facility is being retained by the 4th Fighter Squadron. Consequently, accommodations for the 419th Wing support functions were considered.

The Hill AFB planners concluded that the best course of action to accommodate the Transformational Force Initiative (TFI) and Reserve Wing association is to demolish a severely degraded facility, building 29, and construct a new Squadron Operations Aircraft Maintenance facility at the same location to house the 466th Flight Squadron and the 419th Aircraft Maintenance Unit. In FY 2010, the Reserve Squadron Operations /Aircraft Maintenance Unit project at Hill AFB, Utah was authorized and appropriated for \$3.2 million. Consequently, the Wing Support Facility project has been canceled. The Air Force notified Congress of this cancelation on April 7, 2010.

Source of Funds: The following project has been canceled for the reasons articulated above:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Hill Air Force Base, UT/Wing Support Facility	2008	3,200	-	3,200