



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

NOV 20 2013

COMPTROLLER

The Honorable John Culberson
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. A detailed justification is enclosed.

#	<u>Component</u>	<u>Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request(\$)</u>
1	Army	Fort Polk, Louisiana	Land Acquisition	2012	34,000,000
2	Navy	Navy Base Coronado, San Diego, California	H-60S Simulator Training Facility	2013	760,000
3	Air Force	Joint Base Andrews, Maryland	Replace Munitions Storage Area	2010	1,462,000
4	DoD Education Agency	Marine Corps Air Station, New River, North Carolina	Replace Delalio Elementary School	2012	5,160,000
5	Army National Guard	Camp Williams, Utah	Regional Training Institute, Phase 2	2013	8,461,000

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

Sincerely,

Robert F. Hale

Enclosure:
As stated

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



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COMPTROLLER

NOV 20 2013

The Honorable Tim Johnson
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,

Robert F. Hale

Enclosure:
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cc:
The Honorable Mark Kirk
Ranking Member

Bid Expiration Date: January 31, 2014

Military Construction, Army

Reprogramming Request

Installation: Fort Polk, Louisiana
Project: Land Acquisition
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2012,
Public Law 112-81

Estimated Cost (\$000):

Previously Appropriated	27,000
Previously Reprogrammed	-
Requested Reprogramming	34,000
Total Estimated Cost	61,000

Description: This project will acquire contiguous training land acreage to support the Joint Readiness Training Center (JRTC) at Fort Polk, Louisiana.

Justification: When developing the DD 1391s for the FY 2012 President's Budget request, the Army did not have access to the land planned for purchase at Fort Polk. The Army used appraisals developed during the programming phase based on public tax maps, aerial data, and data from historical land sales. At the time many of the land owners were not willing to sell their land to the Army. There was little communication with the sellers until the Army considered condemnation actions. Then, the land owners decided to negotiate. During the negotiation process the Army finally gained access to the land to complete timber surveys and received new appraisals based on the initial purchases for the FY 2010 and FY 2011 land acquisition projects at Fort Polk. The new appraisals resulted in a project cost significantly higher than budgeted for in the FY 2012 President's Budget request. This reprogramming is required to purchase all of the land associated with the full scope of the DD 1391. The 10 U.S.C. §2853 cost increase notification was sent to the congressional committees on September 24, 2013, reflecting a Current Working Estimate (CWE) of \$61 million.

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

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	(Dollars in Thousands)	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Fort Wainwright, AK Aviation Task Force Complex, Ph1 PN 65076	2010	91,900 ¹	89,650 ²	2,250

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	(Dollars in Thousands)	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Schofield Barracks, HI Vehicle Maintenance Shop PN 55274	2010	43,794 ³	41,200 ⁴	2,000
Schofield Barracks, HI Vehicle Maintenance Shop PN 55281	2010	19,235 ⁵	17,600 ⁶	840
Fort Polk, LA Land Purchases & Condemnation PN 74406	2010	17,000	10,162 ⁷	6,838
Fort Bliss, TX Automated Multipurpose Machine Gun Range PN 72164	2010	6,900	6,300	600
Fort Bliss, TX Light Demolition Range PN 72167	2010	2,400	2,060	340
Fort Bliss, TX Vehicle Maintenance & Company Ops Facility PN 72665	2010	31,000	29,922	1,078
Fort Carson, CO Automated Sniper Field Fire Range PN 41917	2011	3,643 ⁸	3,293	350
Fort Campbell, KY Brigade Complex PN 58511	2011	57,684 ⁸	52,500 ⁹	5,000

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	(Dollars in Thousands)	
			<u>Current Working Estimate</u>	<u>Fiscal Year</u>
Fort Campbell, KY Vehicle Maintenance Shop PN 64295	2011	13,230 ⁸	12,030	1,200
Fort Gordon, GA Training Aids Center PN 70307	2011	4,142 ⁸	2,880 ¹⁰	1,260
Fort Polk, LA Land Acquisition PN 66194	2011	5,998 ⁸	3,988 ¹¹	2,000
Fort Polk, LA Land Acquisition PN 72676	2011	23,952 ⁹	13,708 ¹²	10,244
Total				34,000

PN= Project Number

¹ While the Aviation Task Force Complex at Fort Wainwright, AK (PN 65076) was appropriated at \$95 million, the Army previously reprogrammed \$3.1 million to unspecified minor military construction. This action was approved by the congressional committees on March 21, 2012.

² A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on June 23, 2010, reflecting an award CWE of \$92.8 million. This project was authorized for \$125 million in FY 2010 and incrementally funded for \$95 million. The new CWE is \$89.65 million.

³ While the Vehicle Maintenance Shop at Schofield Barracks, HI (PN 55274) was appropriated at \$63.0 million, the revised amount reflects a rescission of \$19.206 million as part of the \$263 million rescission reflected in P.L. 112-10, Section 2010.

⁴ A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on March 9, 2011, reflecting an award CWE of \$43.1 million. The current estimate reflects the final cost of the project.

⁵ While the Vehicle Maintenance Shop at Schofield Barracks HI (PN 55281) was appropriated at \$36.0 million, the revised amount reflects a rescission of \$16.765 million as part of the \$263 million rescission reflected in P.L. 112-10, Section 2010.

⁶ A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on September 29, 2010, reflecting an award CWE of \$17.6 million.

⁷ A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on August 21, 2013, reflecting a CWE of \$10.162 million.

⁸ The revised amount is reflective of the 0.2% rescission and the year-long CR as reflected in P. L. 112-10, Sections 1119 and 2001.

⁹ The current estimate reflects the final cost of the project. A 10 U.S.C. §2853 cost reduction notification was not required for the Brigade Complex (PN 58511). The estimated cost savings at time of award were less than \$4 million and less than 25% of the program amount.

¹⁰ The current estimate reflects the final cost of the project. A 10 U.S.C. §2853 cost reduction notification was not required for the Training Aids Center (PN 70307). The estimated cost savings at time of award were less than \$4 million and less than 25% of the program amount.

¹¹ A 10 U.S.C. §2853 cost reduction notification was sent to congressional committees on August 21, 2013, reflecting a CWE of \$3.988 million.

¹² A 10 U.S.C. §2853 cost reduction notification was sent to congressional committees on August 21, 2013, reflecting a CWE of \$13.708 million.

Bid Expiration: TBD
 Military Construction, Navy
 Reprogramming Request

Installation: Navy Base Coronado, San Diego, California
Project: H-60S Simulator Training Facility, P-909
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2013,
 Public Law 112-239

Estimated Cost (\$000):

Previously Appropriated*	2,475
Sequestration Reduction	<u>-135</u>
Revised Appropriated Amount	2,340
Previously Reprogrammed	-
Requested Reprogramming	<u>760</u>
Total Estimated Cost	3,100

*Reflects Section 3001 and 3004 rescissions in P.L. 113-6.

Description: This project provides an H-60S carriage stream, tow and recovery simulator training facility for the Helicopter Sea Combat (HSC) wing.

Justification: All contract bids exceeded the government estimate. No reductions of scope or other steps are available to reduce the cost of the project while still meeting the requirements.

Without this reprogramming, the HSC wing will not have the facility to properly train personnel to prevent damage or loss of equipment to be towed by the H-60S helicopters.

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

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	(Dollars in Thousands)	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Camp Pendleton, CA MCB Individual Equipment Issue Warehouse (P-1037)	2012	16,052*	11,746	760

*Reflects FY 2013 sequestration reductions.

Bid Expiration Date: Not Applicable

Military Construction, Air Force

Reprogramming Request

Installation: Joint Base Andrews, Maryland
Project: Replace Munitions Storage Area
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2010,
Public Law 111-84

Estimated Cost (\$000):

Preciously Appropriated	9,300
Previously Reprogrammed	-
Below Threshold Reprogramming \1	1,994
Requested Reprogramming \1	1,462
Total Estimated Cost	12,756

\1 This \$1.5 million reprogramming action, when combined with the Below Threshold Reprogramming action executed and obligated at project award, necessitates this formal reprogramming action. When approved, the reprogramming base will be \$12,756 thousand.

Description: The Replace Munitions Storage Area project includes construction of nine earth covered reinforced concrete igloos, two reinforced concrete magazines capable of meeting Net Explosive Weight (NEW) requirements for the National Capital Region (NCR), an inert storage area, a munitions maintenance facility, and an administrative facility. The project includes access roads, pavements, demolition and support/security infrastructure.

This project supports the regular Air Force objective to provide safer and more efficient explosives handling and storage capabilities within a new explosive safety footprint. Properly sited, adequately sized and correctly configured munitions storage facilities are required to support various organizations in the NCR. These organizations include Security Forces personnel, the Office of Special Investigations, the State Department, the Air Force Explosive Ordnance Disposal (EOD) Flight, the 89th Airlift Wing, the Navy, and the Foreign Military Sales program. This project, in conjunction with the Air National Guard's Munitions Maintenance and Storage Complex project, will provide a safe, efficient and compliant Munitions Storage Area (MSA) for the base.

Justification: The FY 2010 Replace Munitions Storage Area project encountered two problems during construction that delayed the project and increased the estimated cost to \$12,756 thousand or 137 percent of the authorized amount. Construction work is 79 percent complete as of May 1, 2013.

A design error yielded inaccurate electrical transformer specifications and necessitated a re-order of long-lead time electrical transformers. The re-ordered transformers are compatible with

the installation's existing loop-feed electrical system. This change caused a delay in energizing the site and resulted in additional delay costs.

Water system design changes were required because both the waterline and drainage system were not displayed on the same design drawing. When the local utility company reviewed both the waterline and drainage on the same drawing, they identified design deficiencies that had to be corrected before the new waterline could be connected to the existing water infrastructure. The rework of the water system impacted work on roadways and paving. This resulted in a delay cost due to winter paving limitations.

Source of Funds: The required funds are available from bid savings on the following project.

(Dollars in Thousands)

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Holloman AFB, NM UAS Add/Alter Maintenance Hangar	2011	15,470	12,224	1,462

Bid Expiration Date: January 27, 2014
Military Construction, Defense-Wide (DOD Education Activity)
Reprogramming Request

Installation: Marine Corps Air Station New River, North Carolina
Project: Replace Delalio Elementary School (AM00025)
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2012,
Public Law 112-81

Estimated Cost (\$000):

Previously Appropriated	22,687
Sequestration Reduction	<u>-1,751</u>
Revised Appropriated Amount	20,936
Previously Reprogrammed	-
Requested Reprogramming	<u>5,162</u>
Total Estimated Cost	26,098

Description: (There is no change to the original scope.) This project will construct a new 66,448 square feet elementary school to replace the existing elementary school. The project will include general purpose classrooms, information center, computer lab, supply areas, specialist rooms, art room, learning impaired room, teacher work rooms, counseling areas, storage, administrative offices, and other required areas for a fully functioning facility. This project includes related infrastructure such as parking areas, mechanical rooms, delivery areas, covered walkways, playgrounds, signage, fencing, paving, landscaping, exterior lighting and utilities. The new school will connect to the existing and recently constructed Gymnasium/ Music Room addition which is currently in good condition. The existing facilities will be demolished.

Justification: At the time of advertisement, construction projects totaling \$2.24B were ongoing at Marine Corps Base Camp Lejeune and Marine Corps Air Station New River. Construction projects at the nearby Marine Corps Air Station, Cherry Point (less than a 50-mile drive) are not included in these numbers. The amount of construction in the area has limited the availability and capacity of general contractors resulting in a smaller bidding pool and, as a consequence, driven up bid prices. In addition, the sequestration reduction applied to this project has contributed to the need for a prior approval reprogramming action. The sequestration reduction has a detrimental impact on the ability to provide a complete, functionally adequate, and usable facility. Based on competitive bids received to date an additional \$5.162 million is needed to award this project.

Source of Funds: On August 28, 2012, DoDEA provided cancellation notification to the congressional committees for the FY 2012 Alconbury High School project at Royal Air Force,

Alconbury, United Kingdom (UK). Funds (\$3.719 million) are available from the Alconbury, UK project to fund this requirement. The balance of required funding is available due to bid savings on the FY 2011 McNair Elementary School project at Ft Bragg, North Carolina.

(Dollars in Thousands)

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated*</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
RAF Alconbury, UK Replace Alconbury HS (PN EU00063)	2012	32,326	0	3,719
Fort Bragg, NC Replace McNair ES (PN AMD02051)	2011	22,620	19,093	1,443
Total				5,162

*Reflects reductions associated with the FY 2013 sequestration order.

Bid Expiration Date: December 20, 2013
Military Construction, Army National Guard
Reprogramming Request

Installation: Camp Williams, Utah
Project: Regional Training Institute, Phase 2
Authorization: National Defense Authorization Act, Fiscal Year (FY) 2013,
Public Law 112-239

Estimated Cost (\$000):

Previously Appropriated*	20,972
Sequestration Reduction	<u>-661</u>
Revised Appropriated Amount	20,311
Previously Reprogrammed	-
Requested Reprogramming	<u>8,461</u>
Total Estimated Cost	28,772

*Reflects Section 3001 and 3004 rescissions in P.L. 113-6.

Description: This project will construct a Regional Training Institute (RTI) facility at Camp Williams, Utah. The facility includes an education/general administration building, dining facility, billeting, and multi-purpose training areas. Supporting facilities include utilities, site improvement, and antiterrorism/force protection measures.

Justification: This project is required to provide training facilities in support of the 640th RTI mission to train current and future soldiers. It will replace the existing facility, which is inadequate for the current and projected student load of soldiers. This project was designed with a base bid and four options and was solicited with full and open competition. Proposals in the Southwest region of the United States continue to have less competition and higher bids for the Army National Guard's military construction projects. In response to the higher than expected bids, the Army National Guard awarded the critical components of the project (the administrative/educational building and dining facility) in order to begin construction within the programmed amount of \$20.3 million. The 10 U.S.C. §2853 cost increase notification was sent to the congressional committees on September 23, 2013, reflecting a Current Working Estimate of \$28.8 million. Additional funds in the amount of \$8.5 million are required to award the remaining authorized scope of the project which includes billeting, multi-purpose training areas, utilities, site improvement, and anti-terrorism/force protection measures.

Source of Funds: Bid savings from the following project will fund this action:

(Dollars in Thousands)

<u>Location & Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Wichita, KS Armed Forces Reserve Center (PN 200063)	2011	42,336 ¹	26,283 ²	8,461

PN = Project Number

^{1/} The appropriated amount reflects a 0.2% rescission directed in Section 1119 of Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriation Act, 2011 and the Budget Control Act of 2011 (Sequestration) reduction of \$578,000.

^{2/} A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on February 10, 2013, reflecting an award CWE of \$26.283 million. This project is 100% complete.