



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

COMPTROLLER

MAY - 9 2016

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 Jackson, South Carolina	Trainee Barracks Complex 3, Phase 1	2015	13,300,000
2	Fort Belvoir, Virginia	Road & Infrastructure Improvements	2012	9,000,000
3	Vilseck, Germany	Family Housing New Construction	2014	19,900,000
	<u>Department of Defense Education Activity</u>			
4	Naval Station Guantanamo Bay, Cuba	W.T. Sampson Elementary-Middle-High School Consolidation/Replace	2015	8,398,000

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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COMPTROLLER

MAY - 9 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: September 2, 2016  
 Military Construction, Army  
 Reprogramming Request

Installation: Fort Jackson, South Carolina

Project: Trainee Barracks Complex 3, Phase 1

Authorization: Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year (FY) 2015, Public Law 113-291

Estimated Cost (\$000):

Previously Appropriated	52,000
Previously Reprogrammed	-
Requested Reprogramming	13,300
Total Estimated Cost	65,300

Description: This project is the first phase of a two-phase project that will construct a standard design Basic Combat Trainee (BCT) Complex for 1,200 Soldiers. This phase includes a battalion headquarters with classrooms, two barracks/company operations facilities, a lawn equipment building, a dining facility, a running track and two physical training pits.

Justification: Additional funds are required to award the full scope for this project. The Army received competitive bids from eight qualified contractors and the Current Working Estimate (CWE) is based on the lowest acceptable bid of \$65.3 million. The increased cost for this project is attributable to a higher demand for construction materials and labor after South Carolina experienced severe rainfall and flooding in 2015.

Source of Funds: Bid 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 Estimate</u>	<u>Proposed Reprogramming</u>
Fort Bragg, NC UAV Maintenance Hangar PN 69835	2012	54,000	37,345 <sup>1/</sup>	13,300

PN = Project Number

<sup>1/</sup> A 10 USC §2853 cost and scope reduction notification dated November 13, 2014 was sent to the congressional committees reflecting an award CWE of \$37.4 million.

Bid Expiration Date: August 30, 2016  
Military Construction, Army  
Reprogramming Request

Installation: Fort Belvoir, Virginia

Project: Road and Infrastructure Improvements

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2012,  
Public Law 112-81

Estimated Cost (\$000):

Previously Appropriated	25,000
Previously Reprogrammed	-
Requested Reprogramming	9,000
Total Estimated Cost	34,000

Description: This project provides infrastructure to support the National Museum of the United States Army (NMUSA), which is funded with private donations. It includes electrical, water, and gas distribution lines; wastewater collection lines; access road construction and improvements; storm water drainage; communications infrastructure; soil stabilization; and physical security measures. Supporting facilities include site work and information systems.

Justification: The Army requested \$31 million for this project in FY 2012; however, Congress provided authorization and appropriations of \$25 million. In accordance with the FY 2012 NDAA, the Road and Infrastructure Improvements project could only be awarded after the Secretary of the Army notified the congressional defense committees that sufficient private funding had been raised and a construction contract had been awarded for the Baseline Museum phase of the NMUSA. The Secretary of the Army provided the required notifications on October 5, 2015.

An additional \$9 million is required to provide the necessary roads and infrastructure to support the NMUSA. The Current Working Estimate (CWE) reflects the escalation of labor and material costs in the construction industry since the project was programmed for FY 2012 and includes cost proposals from privatized utility contractors. The design for this project is 90% complete and the CWE is based on the Government's estimated construction cost.

Source of Funds: Bid 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 Estimate</u>	<u>Proposed Reprogramming</u>
Joint Base Lewis-McChord, WA Aviation Complex PH1B PN 76768	2012	48,000	21,400 <sup>1</sup>	9,000
Total:				9,000

PN = Project Number

<sup>1</sup> A 10 U.S.C. §2853 scope and cost reduction notification dated January 20, 2016 was provided to the congressional committees, reflecting an award CWE of \$21.4 million. Funds from this project are also being used for other congressional reprogramming requests.

Bid Expiration Date: N/A  
Family Housing Construction, Army  
Reprogramming Request

Installation: Vilseck, Germany  
Project: Family Housing New Construction (PN 78712)  
Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2014,  
Public Law 113-66

Estimated Cost (\$000):

Previously Appropriated	0
Previously Reprogrammed	0
Requested Reprogramming	19,900
Total Estimated Cost	19,900

Description: This project will construct 29 townhouse style units for Junior Non-Commissioned Officers (JNCO). It includes neighborhood amenities, walkways, roads, utilities, Utility Energy Monitoring and Control System (UEMCS), environmental measures required by law and associated supporting infrastructure.

Justification: The Department of Defense (DoD) European Infrastructure Consolidation (EIC) assessment provided to Congress in January 2015 confirmed the Grafenwoehr/Vilseck Military Community (GVMC) as an enduring location. In February 2016, the Army completed a Housing Market Analysis (HMA) which supports a requirement for 3,379 dwelling units by FY 2020 for the GVMC. Based on current inventory, the projected deficit is 93 units. The Army has, to the maximum extent possible, made use of Army-leased and private off-post rental units. However, the rental market is saturated, making it a challenge to locate affordable housing which meets the Army's adequacy standards. The Army plans to address the deficit of 93 units through this reprogramming action which provides 29 units and additional family housing construction projects in future budget requests.

This project was authorized in the FY 2014 NDAA for \$16.6 million; however, the Consolidated Appropriations Act, 2014 did not include funding for this project. The current working estimate (CWE) for this project is \$19.9 million. The CWE reflects the escalation of labor and material costs in the construction industry since the project was programmed for FY 2014.

Source of Funds: Bid 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 Estimate</u>	<u>Proposed Reprogramming</u>
Illesheim, Germany PN 79097 Family Housing Improvements	2012	40,000	22,001 <sup>1</sup>	10,000
Illesheim, Germany PN 78841 Family Housing Improvements	2012	34,115 <sup>2</sup>	23,839 <sup>3</sup>	9,900
Total:				19,900

PN = Project Number

<sup>1</sup> A 10 U.S.C. §2853 cost reduction notification dated July 15, 2014 was sent to the congressional committees, reflecting an award current working estimate (CWE) of \$21.633 million. Since award, mandatory modifications have caused the CWE to increase to \$22.001 million.

<sup>2</sup> This project was appropriated at \$41 million. The revised amount reflect a reprogramming of \$6.885 million to the Family Housing New Construction project at Fort McCoy, WI. The action was approved on February 4, 2015.

<sup>3</sup> A 10 U.S.C. §2853 cost reduction notification dated July 15, 2014 was sent to the congressional committees, reflecting an award CWE of \$23.839 million.

Bid Expiration Date: July 1, 2016  
Military Construction, Defense-Wide  
Department of Defense Education Activity (DODEA)  
Reprogramming Request

Installation: Naval Station Guantanamo Bay, Cuba

Project: W.T. Sampson Elementary-Middle and High School  
Consolidation/Replacement (AM00103)

Authorization: National Defense Authorization Act for Fiscal Year 2015,  
Public Law 113-291

Estimated Cost (\$000):

Previously Appropriated	65,190
Previously Reprogrammed	-
Requested Reprogramming	8,398
Total Estimated Cost	73,588

Description: (There is no change to the original scope.) This project will construct a new 101,203 square foot, multi-story elementary-middle-high school to replace the two existing elementary and middle-high schools that are currently in poor or failing condition. The project includes related infrastructure to include site utilities and site improvements.

Justification: Based on bids received, an additional \$8.398 million is needed to award this project and provide a complete and useable facility that meets mission requirements. The increase in cost results from the unique factors concerning projects executed on Naval Station Guantanamo Bay, Cuba. Additional funds are required due to higher than expected costs for transportation and handling of building materials, and for transportation, housing, health care and living expenses of construction workers.

Current offerors have agreed to extend and hold the pricing proposals until July 1, 2016, but will not likely be agreeable to extend beyond that date.

A Title 10 USC 2853 notification was submitted to the Congress on February 17, 2016.



Source of Funds: Savings from the following cancelled project are available to fund this requirement. Congress was notified of the project cancellation on April 17, 2015.

(Dollars in Thousands)

<u>Location / Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated<sup>1/</sup></u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
USAG Vicenza, IT Replace Vicenza High School	2012	38,632 <sup>2/</sup>	0	8,398

<sup>1/</sup> Reflects a \$3.2M reduction associated with the FY 2013 sequestration order.

<sup>2/</sup> \$24.4M from this cancelled project was also used as a source on the FY 2013 Sasebo Elementary School Replacement reprogramming action recently approved by Congress.