



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

COMPTROLLER

JAN - 3 2017

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 project and amount 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 Hood, Texas	Simulations Center	2015	27,000,000
	<u>Army National Guard</u>			
2	Wilmington, North Carolina	National Guard Readiness Center	2017	15,000,000
	<u>Department of Defense Education Activity</u>			
3	Camp Lejeune, North Carolina	High School Addition/Renovation	2015	5,761,000
4	Hanscom Air Force Base, Massachusetts	Primary School Replacement	2014	5,895,000
	<u>United States Special Operations Command</u>			
5	Fort Bragg, North Carolina	Battalion Operations Facility	2015	4,889,000

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



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

COMPTROLLER

JAN - 3 2017

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: N/A  
Military Construction, Army  
Reprogramming Request

Installation: Fort Hood, Texas  
Project: Simulations Center  
Authorization: Carl Levin and Howard P. 'Buck' McKeon National Defense Authorization Act for Fiscal Year 2015, Public Law 113-291

Estimated Cost (\$000):

Previously Appropriated	46,000
Previously Reprogrammed	-
Requested Reprogramming	27,000
Total Estimated Cost	73,000

Description: This project will construct a Simulations Center with primary facilities that include a large, standard design Battle Command Training Center, Security Access Facility, and Tactical Operations Center Pads.

Justification: An additional \$27 million is required to award and construct this project to meet the mission requirements. All project solicitation proposals exceeded the Current Working Estimates and the appropriated amount. Based on surveys with the bidders, the primary contributing factors to the high bids were increased security and background checks for the construction workforce and current local construction market saturation.

A 10 U.S.C. §2853 cost notification, dated October 14, 2016, was submitted to the congressional committees.

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>
Joint Base Elmendorf-Richardson, AK Modified Record Fire Range PN 61731	2013	7,889 <sup>/1</sup>	5,727 <sup>/2</sup>	242
Fort Leonard Wood, MO Vehicle Maintenance Shop PN 65679	2013	38,949 <sup>/1</sup>	24,526 <sup>/3</sup>	12,000
Fort Hood, TX Unmanned Aerial Vehicle Complex PN 80113	2013	21,971 <sup>/1</sup>	19,471 <sup>/2</sup>	2,500
Vicenza, IT Simulations Center PN 64079	2013	31,958 <sup>/1</sup>	0 <sup>/4</sup>	<u>12,258</u>
Total:				27,000

<sup>1</sup> The appropriated amounts reflect the across-the-board rescission as directed by the Consolidated and Further Continuing Appropriations Act, 2013, Division G, Sections 3001/3004.

<sup>2</sup> The remaining funds from these projects will be used to support future reprogramming actions.

<sup>3</sup> A 10 U.S.C. §2853 scope and cost reduction notification, dated August 26, 2016, was sent to the congressional committees reflecting a Current Working Estimate of \$24.6 million.

<sup>4</sup> The project at Vicenza, IT is no longer required. A 10 U.S.C. §2853 cancellation notification, dated December 17, 2015, was sent to the congressional committees. The Army previously reprogrammed \$19.7 million to the Advanced Individual Instruction Barracks Complex, Fort Lee, VA. This action was approved on July 11, 2016.

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

Installation: Wilmington, North Carolina

Project: National Guard Readiness Center. PN 371301

Authorization: Title 10 U.S. Code, Section 2854, Restoration or replacement of damaged destroyed facilities

Estimated Cost (\$000):

Previously Appropriated	-
Requested Reprogramming	15,000
Total Estimated Cost	15,000

Description: Constructs a 57,335 square foot National Guard Readiness Center that supports individual and collective training, administrative, automation and communications, and logistical requirements for the North Carolina Army National Guard. This facility will be built on Federal Land.

Justification: In August 2011, Hurricane Irene caused extensive damage to the Wilmington Readiness Center. Repairs and remediation primarily focused on mold and mildew were completed during 2011 through 2013 but have failed to fix the issues. The facility has been deemed unusable and cannot be occupied. The 1/120th Combined Arms Battalion Headquarters is operating from multiple facilities with negative effects on command and control and serious impacts to readiness and the ability to train as a unit. Individual soldier readiness and retention is also impacted due to dispersion of the units in the battalion and greater driving distances for assigned personnel. Unit equipment is stored at various locations which hinders property accountability and maintenance operations and causes additional transportation and storage costs. Without a new facility, both unit and soldier readiness will continue to decline due to the loss of training time, shortage of required space, and accessibility of equipment.

A 10 USC 2854 congressional notification, dated October 20, 2016, was sent to the congressional committees.

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

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Camp Ripley, MN Scout Reconnaissance Range PN: 270236	2013	16,443 <sup>/1</sup>	13,807 <sup>/2</sup>	2,636
Frankfort, KY Army Aviation Support Facility PN: 210001	2013	30,953 <sup>/1</sup>	27,053 <sup>/3</sup>	3,830
Fort Lewis, WA Readiness Center PN: 530015	2013	33,853 <sup>/1</sup>	31,574 <sup>/4</sup>	2,183
Delaware, OH Readiness Center PN: 390230	2013	11,607 <sup>/1</sup>	8,789 <sup>/5</sup>	1,416
Camp Blanding, FL Combined Arms Collective Training Facility PN: 120192	2013	8,705 <sup>/1</sup>	6,453 <sup>/6</sup>	2,252
Kapolei, HI Army Aviation Support Facility Ph1 PN: 150023	2013	35,078 <sup>/1,7</sup>	34,075 <sup>/8</sup>	1,001
Ceilba, PR Refill Station Building PN: 430804	2013	2,128 <sup>/1</sup>	446 <sup>/9</sup>	<u>1,682</u>
Total:				15,000

PN = Project Number

<sup>1</sup> The appropriated amounts reflect the across-the-board rescission as directed by the Consolidated and Further Continuing Appropriations Act, 2013, Division G, Sections 3001/3004, and reductions as directed by the Budget Control Act of 2011 (Sequestration).

<sup>2</sup> This project is 99% complete with final estimate of \$13.807 million.

<sup>3/</sup> This project is 99% complete with final estimate of \$27.053 million.

<sup>4/</sup> This project is 99% complete with final estimate of \$31.574 million.

<sup>5/</sup> This project is 100% complete with final estimate of \$8.789 million.

<sup>6/</sup> A 10 U.S.C. §2853 cost reduction notification was sent to congressional committees on June 21, 2016, reflecting a current working estimate of \$6.452 million.

<sup>7/</sup> A 10 U.S.C. §2853 cost increase notification was sent to congressional committees on April 23, 2014, reflecting a current working estimate of \$35.078 million.

<sup>8/</sup> This project is 99% complete with final estimate of \$34.075 million.

<sup>9/</sup> A 10 U.S.C. §2853 cost reduction notification was sent to congressional committees on October 21, 2015, to cancel this project. A total of \$0.446 million was required to finalize and close out the contract.

Bid Expiration Date: April 4, 2017  
 Military Construction, Defense-Wide  
 Department of Defense Education Activity (DoDEA)  
 Reprogramming Request

Installation: Marine Corps Base Camp Lejeune, North Carolina

Project: Lejeune High School Addition/Renovation

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

Estimated Cost (\$000):

Previously Appropriated	41,306
Previously Reprogrammed	-
Requested Reprogramming	5,761
Total Estimated Cost	47,067

Description: This project consists of the renovation, demolition, and an addition to the existing high school main building, and includes the demolition of four structures on the site. A new central energy plant, two-story classroom addition, and kitchen/dining facilities addition will be added to a portion of the existing high school. The project includes related infrastructure such as utilities, parking and other site improvements.

Justification: Based on bids received, an additional \$5.761 million is needed to award this project and provide a complete and useable facility that meets mission requirements. The increase in cost results primarily from the project risk associated with the complex phasing of a 3-year construction period that was not fully considered in the government estimate. The project includes three major phases of construction as three additions are completed and brought online and coordinated with renovations of existing spaces while on an active school campus. The effect of the required phasing is multiple mobilizations and demobilizations of key subcontractors. In addition, higher than anticipated bids are attributed to a general increase in the amount of construction projects and a limited labor pool for the mechanical trades.

Source of Funds: Savings from the following cancelled project are available to fund this requirement. Congress was notified of the project cancellation on March 31, 2014.

(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 Knox, Kentucky Van Voorhis-Mudge Elementary School	2014	38,023	-	5,761

Bid Expiration Date: April 30, 2017  
 Military Construction, Defense-Wide  
 Department of Defense Education Activity  
 Reprogramming Request

Installation: Hanscom Air Force Base, Massachusetts

Project: Hanscom Primary School Replacement

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

Estimated Cost (\$000):

Previously Appropriated	36,213
Previously Reprogrammed	-
Requested Reprogramming	5,895
Total Estimated Cost	42,108

Description: This project will replace an existing primary school that is in poor condition. The project includes related infrastructure such as utilities, parking and other site improvements.

Justification: An additional \$5.895 million is required to award this project and provide a complete and useable school, including the demolition of the existing school and the removal of all temporary trailers. In July 2016, five offerors submitted proposals, and all bids exceeded the government estimate. Based on a market analysis conducted by the U.S. Army Corps of Engineers, the construction industry in Massachusetts is thriving and bids were higher than estimated as a result of a less competitive market.

Source of Funds: DoDEA provided cancellation notifications to the congressional committees for the four projects listed below. Savings from these projects are available to fund this requirement.

(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>
RAF Menwith Hill, UK Meawith Hill Elem. School <sup>2)</sup>	2013	42,843	-	843
Kadena Air Base, Japan Stearley Heights Elem. School <sup>3)</sup>	2013	66,144	-	775
RAF Feltwell, UK Feltwell Elem. School <sup>4)</sup>	2013	30,879	-	879
Fort Knox, Kentucky Van Voorhis-Mudge Elem. School <sup>5)</sup>	2014	38,023	-	<u>3,398</u>
Total				5,895

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

<sup>2</sup> Congress was notified of the cancellation of this project on April 18, 2014. \$42.0M of these funds were rescinded as part of the Military Construction, Defense-Wide rescission enacted in P.L. 114-223.

<sup>3</sup> Congress was notified of the cancellation of this project on March 31, 2014. \$52.1M of the funds from this project have been used as a source on multiple prior approval reprogramming actions previously approved by Congress. An additional \$9.3M of these funds is also a source on a pending reprogramming action for the FY 2016 Pierce Terrace Elementary School Replacement at Ft. Jackson, SC.

<sup>4</sup> Congress was notified of the cancellation of this project on December 17, 2015. \$30.0M of these funds were rescinded as part of the Military Construction, Defense-Wide rescission enacted in P.L. 114-223.

<sup>5</sup> Congress was notified of the cancellation of this project on March 31, 2014.

Bid Expiration Date: July 11, 2017  
 Military Construction, Defense-Wide  
 United States Special Operations Command  
 Reprogramming Request

Installation: Fort Bragg, North Carolina

Project: SOF Battalion Operations Facility, Project Number 69302

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

Estimate Cost (\$000):

Previously Appropriated	37,074
Previously Reprogrammed	-
Requested Reprogramming	4,889
Total Estimated Cost	41,963

Description: This project constructs a two-story Battalion Operations Facility, Tactical Equipment Maintenance Facility, Organization Equipment Storage Building, Oil Storage Building, and Organization Vehicle Parking for the 3<sup>rd</sup> Special Forces Group (Airborne) at Fort Bragg, North Carolina.

Justification: Based on two separate solicitations for this project, an additional \$4.889 million is required to award the project for the full scope needed to meet mission requirements. The full authorized scope is required to relocate the 3<sup>rd</sup> Special Forces Group from undersized and poorly configured operations facilities. Current facilities provide less than 30 percent of the space required. The increase is primarily a direct result of additional site work and costs unforeseen in the original estimate. The additional work includes over-excavation of unsuitable loose soils, importing suitable soils, and re-compacting at this site under the building pads and parking areas. The remaining increase in cost is attributed to increasing demand in the local construction market as compared to the market at the time the project was estimated.

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 Working Estimate</u>	<u>Proposed Reprogramming</u>
Ft Carson, CO/ SOF Battalion Operations Complex (PN 76367)	2013	52,229 <sup>17</sup>	50,501	1,250

(Dollars in Thousands)

<u>Location / Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Ft. Bragg, NC/ SOF Language and Cultural Center (PN 76376)	2014	64,606	61,667	3,083
Ft. Campbell, KY/ SOF System Integration Maintenance Office Facility (PN 36977)	2015	18,000	16,868	<u>556</u>
Total				4,889

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