



DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

APR 06 2017

The Honorable Jerry Moran  
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 is enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Defense Logistics Agency</u>			
1	Dover Air Force Base, Delaware	Construct Hydrant Fuel System	2016	4,285,000
	<u>Air National Guard</u>			
2	Fort George Meade, Maryland	175 <sup>th</sup> Network Warfare Squadron Facility	2014	2,000,000

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

Sincerely,

Enclosures:  
As stated

cc:  
The Honorable Brian Schatz  
Ranking Member





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WASHINGTON, DC 20301-1010

APR 06 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:

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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,

Enclosures:  
As stated

cc:  
The Honorable Debbie Wasserman-Schultz  
Ranking Member



Bid Expiration Date: May 15, 2017  
Military Construction, Defense-Wide (Defense Logistics Agency)  
Reprogramming Request

Installation: Dover Air Force Base, Dover, Delaware

Project: Construct Hydrant Fuel System

Authorization: National Defense Authorization Act for Fiscal Year (FY) 2016,  
Public Law 114-92

Estimated Cost (\$000):

Previously Appropriated	21,600
Previously Reprogrammed	-
Requested Reprogramming	4,285
Total Estimated Cost	25,885

Description: This project will construct a Type III Hydrant Fuel System on the east side of the Dover Air Force Base (AFB) airfield to fuel aircraft parked on the hazardous cargo apron. This project includes a new fuel pump house with a control room, two 5,000 barrel storage tanks, and an underground delivery system to three fuel hydrants. Site fire support includes a booster pump, two water storage tanks, and a fire support pump house. The underground delivery system will include fuel filters/separators, a product recovery system, underground stainless steel receipt and hydrant loop piping, cathodic protection, isolation valves, and a leak detection system. Also included are utilities, pavements, and communications support.

Justification: An additional \$4.285 million is required to award this project and provide complete and useable facilities that meet mission requirements. The additional funds are needed due to the following:

- 1) Base Fire Protection Required Changes (\$1.595 million): During the latter stages of design, it was determined that the Dover AFB water supply system could not produce enough water at the rate necessary to meet the new fueling system's fire protection requirements. Changes are needed to provide the required water supply flow and pressure. This resulted in higher than expected contractor proposals.
- 2) Sequencing to Support Operations (\$2.0 million): Bids reflect the challenges of phasing/sequencing work to maintain operations at an active airfield and a complex fuel storage and distribution facility. Although costs for construction phasing were included in

the original project estimate, the extent of phasing was more fully defined during design development, resulting in higher contractor bids.

- 3) Fuel Receipt Meter and Associated Vault (\$0.69 million): During the final stages of design efforts, it was determined that the new hydrant system required a separate fuel receipt and vault meter to monitor fuel supply. This cost was unforeseen at the time the project was initially estimated.

Source of Funds: Savings from the following project are available to fund this requirement.

<u>Project/Location</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>(Dollars in Thousands)</u>	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Construct Fuel Storage and Distribution Facilities Camp Lemmonier, Djibouti	2016	43,700	23,468 <sup>1</sup>	4,285

<sup>1</sup>A 10 U.S.C. §2853 scope and cost reduction notification dated November 4, 2016, was sent to the congressional defense committees reflecting the Current Working Estimate.

Bid Expiration Date: April 28, 2017  
Military Construction, Air National Guard  
Reprogramming Request

Installation: Fort George Meade, Maryland

Project: 175<sup>th</sup> Network Warfare Squadron Facility

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

Estimated Cost (\$000):

Previously Appropriated	4,000
Previously Reprogrammed	-
Requested Reprogramming	2,000
Total Estimated Cost	6,000

Description: This project constructs a secure facility for the operations and training of the Air National Guard Network Warfare Squadron. Strategically located at Fort Meade, this squadron maintains the Force Application Mission and gains synergy from its proximity to the U. S. Cyber Command and the National Security Agency.

Justification: This project was authorized and appropriated in FY 2014; however, construction contract award was delayed due to siting and environmental issues that were not resolved until late calendar year 2015. These issues necessitated additional design work that was not completed until July 2016. Four construction contract bids were received in July 2016; all exceeded the \$4 million appropriated for this project.

Construction contract bids ranged from \$5.9 million to \$7.2 million. The increased cost is primarily due to (1) after-the-fact siting and environmental restrictions imposed by the host installation and the State of Maryland; (2) local market conditions, including extensive multiple concurrent construction programs by a co-located agency; and (3) secure communication connections, not considered part of the original Military Construction project. A team attempted to identify opportunities for reducing cost by reducing project scope. The team concluded that the project scope could not be reduced and still produce a complete and useable facility.

This \$2 million reprogramming action will increase the programmed amount for this project to \$6 million, an amount sufficient to allow the project to proceed at the minimum scope required to meet mission requirements. Bids expire on April 28, 2017, and cannot be extended. If the bids expire and re-solicitation is necessary, this important Cyber mission capability will be adversely impacted by (1) delaying contract award an additional 6 months and (2) requiring Congress to re-authorize the project in FY 2018. Congress has already extended the authorization for this project in Section 2615 of the National Defense Authorization Act for

FY 2017.

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

<u>Location/Project</u>	<u>(Dollars in Thousands)</u>			
	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Add/Alter Fire Crash Rescue Station, Bangor International Airport, Maine	2016	7,200	4,355 <sup>1</sup>	2,000

<sup>1</sup>A 10 U.S.C. §2853 scope and cost reduction notification dated September 15, 2016, was sent to the congressional defense committees reflecting the Current Working Estimate.