



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

COMPTROLLER

The Honorable Debbie Wasserman Schultz
Chairwoman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

JUL 24 2019

Dear Madam Chairwoman:

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>
1	<u>Army</u> Joint Base Lewis-McChord, Washington	Confinement Facility	2018	21,200,000
2	<u>Air Force</u> Altus Air Force Base, Oklahoma	Dormitory (120 RM)	2016	6,606,000
3	<u>Defense Health Agency</u> Marine Corps Base Camp Lejeune (Hadnot Point), North Carolina	Ambulatory Care Center / Dental Clinic Replacement	2018	4,328,000
4	Marine Corps Base Camp Lejeune (Wallace Creek), North Carolina	Ambulatory Care Center / Dental Clinic	2018	4,700,000

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,

Elaine McCusker
Deputy Under Secretary of Defense
(Comptroller)

Enclosures:
As stated

cc:
The Honorable John R. Carter
Ranking Member



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WASHINGTON, DC 20301-1100

COMPTROLLER

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

JUL 24 2015

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>
1	<u>Army</u> Joint Base Lewis-McChord, Washington	Confinement Facility	2018	21,200,000
2	<u>Air Force</u> Altus Air Force Base, Oklahoma	Dormitory (120 RM)	2016	6,606,000
3	<u>Defense Health Agency</u> Marine Corps Base Camp Lejeune (Hadnot Point), North Carolina	Ambulatory Care Center / Dental Clinic Replacement	2018	4,328,000
4	Marine Corps Base Camp Lejeune (Wallace Creek), North Carolina	Ambulatory Care Center / Dental Clinic	2018	4,700,000

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,

Elaine McCusker
Deputy Under Secretary of Defense
(Comptroller)

Enclosures:
As stated

cc:
The Honorable Brian Schatz
Ranking Member

Bid Expiration Date: December 1, 2019

Military Construction, Army

Reprogramming Request

Installation: Joint Base Lewis-McChord, WA

Project: Confinement Facility

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018,
Public Law 114-328

Estimated Cost (\$000):

Previously Appropriated	66,000
Previously Reprogrammed	0
Requested Reprogramming	21,200
Total Estimated Cost	87,200

Project Description: This project is to construct a Level II, medium security with minimum custody, Joint Regional Confinement Facility (JRCF). Maintaining the JRCF is critical to ensure Core Competency skills required for detention operations are maintained. This facility is unique in that other major force elements are positioned at this facility and they collectively train and rapidly deploy to fulfill critical detention missions.

Justification: This reprogramming request is required to cover higher than anticipated contractor bids associated with the award of this project. Washington State is experiencing a construction boom leading to construction material and labor costs increasing at a greater rate than predicted when the project was programmed. Another major area of cost increase is related to the risk contractors add to their proposals when the acceptance period has to remain open for an extended period of time especially on such a complex construction project. The Project Delivery Team was unable to identify scope/cost reduction measures to be listed as options that did not adversely impact the facility's ability to support JRCF operational requirements. This reprogramming will allow the award of the full scope of the project.

A 10 U.S.C. §2853 cost notification dated May 3, 2019 was submitted to the Congressional committees.

Source of Funds: Savings from the following seven projects will 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>
Guantanamo Naval Station, CU Mass Migration Complex	2017	33,000	26,362	7,021 ^{1/}
Camp Williams, UT Live Fire Exercise Shoot House	2017	7,400	7,400	2,103 ^{2/}
Davis Monthan AFB, AZ General Instructional Building	2018	22,000	22,650	350 ^{3/}
Fort Carson, CO Ammunition Supply Point	2018	21,000	21,119	626 ^{4/}
Fort Gordon, GA Automation-Aided Instructional Building	2018	18,500	13,923	5,000 ^{5/}
Crane Army Ammunition Activity, IN Shipping and Receiving Building	2018	24,000	20,141	2,000
Joint Base Meyer – Henderson Hall, VA Security Fence	2018	20,000	15,470	4,100
Total				21,200

^{1/} Sufficient funds are available to source this requirement through bid savings and use of FY 2014 funds for the award of this project. The Mass Migration Complex awarded using \$2 million of the FY 2014 Airfield Operations Complex, JB Lewis-McChord, WA.

^{2/} Sufficient funds are available to source this requirement. The Live Fire Exercise Shoot House was awarded using \$2.1 million of various FY 2014 projects.

^{3/} Sufficient funds are available to source this requirement. The General Instructional Building was awarded using over \$1.0 million from various FY 2014 projects.

^{4/} Sufficient funds are available to source this requirement. The Ammunition Supply Point was awarded using \$745 thousand from various FY 2014 projects.

^{5/} Sufficient funds are available to source this requirement through bid savings and use of FY 2014 funds for the award of this project. The Automated-Aided Instructional Building was awarded using \$600 thousand of from various FY 2014 projects.

Bid Expiration Date: December 30, 2019

Military Construction, Air Force

Reprogramming Request

Installation: Altus Air Force Base, OK

Project: Dormitory (120 RM)

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

Estimated Cost (\$000):

Previously Appropriated	18,000
Previously Reprogrammed	0
Requested Reprogramming	6,606
Total Estimated Cost	24,606

Project Description: The project will construct a multi-story dormitory including laundries, storage, lounge area, and all necessary supporting facilities for a complete and usable facility. The project will also demolish two facilities.

Justification: A strong regional construction market makes projects at this relatively remote site less attractive to contractors. With regional construction unemployment at about 4%, contractors have to offer signing bonuses, housing and per diem to entice skilled craftsmen to Altus AFB, resulting in higher costs. Material costs have risen substantially since the original cost estimate.

A 10 U.S.C. §2853 cost notification dated May 14, 2019 was submitted to the Congressional committees.

Source of Funds: Savings from the following seven projects will 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>
Cannon AFB, NM North Fitness Center	2017	21,000	19,063	1,663

Maxwell AFB, AL JAG School Expansion	2017	15,500	14,873	626
Nellis AFB, NV F-35A POL Fill Stand Addition	2017	10,600	10,179	124
Darwin, AT APR Expand Parking Apron	2017	28,600	27,487	696
Nellis AFB, NV Virtual Warfare Center Operations Facility	2018	38,000	32,352	2,074
Travis AFB, CA KC-46A Alter B811 Corrosion Control Hangar	2018	7,700	7,046	654
Eielson AFB, AK Consolidated Munitions Admin Corrosion Control Hangar	2018	27,000	21,714	769
Total				6,606

Bid Expiration Date: September 30, 2019

Military Construction, Defense-Wide (Defense Health Agency)

Reprogramming Request

Installation: Marine Corps Base Camp Lejeune (Hadnot Point), NC
Project: Ambulatory Care Center / Dental Clinic Replacement
Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018,
Public Law 115-91

Estimated Cost (\$000):

Previously Appropriated	21,400
Previously Reprogrammed	0
Requested Reprogramming	4,328
Total Estimated Cost	25,728

Project Description: This project constructs an Ambulatory Care Center/Dental Clinic for delivering medical and dental care to the active duty operational forces in the Hadnot Point area of Camp Lejeune, in compliance with the Marine Centered Medical Home (MCMH) concept. The new clinic will include primary care, behavioral health, physical therapy, dental, ancillary services, and supporting administrative functions. Supporting facilities include utilities, site improvements, access drive, parking, and low impact development.

Justification: Based on bids received to date, an additional \$4.328 million is needed to award this project at full scope to meet mission requirements. Camp Lejeune has been impacted by hurricanes in this region. The cost increase is due to current market conditions causing a shortage of experienced labor and higher material costs.

Source of Funds: 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 Working Estimate</u>	<u>Proposed Reprogramming</u>
Fort Gordon, GA Medical Clinic Replacement	2017	25,000	0 ^{1/}	4,328
Total				4,328

^{1/} A 10 U.S.C. §2853 cancellation notification letter dated November 6, 2018 was sent to Congress.

Bid Expiration Date: September 30, 2019

Military Construction, Defense-Wide (Defense Health Agency)

Reprogramming Request

Installation: Marine Corps Base Camp Lejeune (Wallace Creek), NC

Project: Ambulatory Care Center / Dental Clinic

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018,
Public Law 115-91

Estimated Cost (\$000):

Previously Appropriated	22,000
Previously Reprogrammed	0
Requested Reprogramming	4,700
Total Estimated Cost	26,700

Project Description: This project constructs a two-story Ambulatory Care Center and Dental Clinic at Wallace Creek in compliance with the Marine Centered Medical Home (MCMH) concept. This new facility will provide a more efficient and effective means of providing quality healthcare to those who support the mission of MCB Camp Lejeune. Supporting facilities will include all site utilities, site preparation, site improvements, paving (parking and roadways), and access roads.

Justification: Based on bids received to date, an additional \$4.7 million is needed to award this project at full scope to meet mission requirements. Camp Lejeune has been impacted by hurricanes in this region. The cost increase is due to current market conditions causing a shortage of experienced labor and higher material costs.

Source of Funds: 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 Working Estimate</u>	<u>Proposed Reprogramming</u>
Fort Gordon, GA Medical Clinic replacement	2017	25,000	0 ^{1/}	4,700
Total				4,700

^{1/} A 10 U.S.C. §2853 cancellation notification letter dated November 6, 2018 was sent to Congress.