



UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
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

DEC 7 6 2019

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>Army</u>			
1	Camp Walker, Korea	Family Housing New Construction	2017	4,800,000
	<u>Marine Corps Reserve</u>			
2	Syracuse, New York	Marine Corps Reserve Center	2017	4,668,000
	<u>Defense Logistics Agency</u>			
3	Fresno-Yosemite International Airport, California	Replace Fuel Storage and Distribution Facilities	2016	8,849,000
	<u>U.S. Special Operations Command</u>			
4	Kadena Air Base, Japan	Airfield Pavements	2016	6,700,000

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  
Acting

Enclosures:  
As stated

cc:  
The Honorable Brian Schatz  
Ranking Member





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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

DEC 16 2019

Dear Madam Chairwoman:

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Sincerely,

Elaine McCusker  
Acting

Enclosures:  
As stated

cc:  
The Honorable John R. Carter  
Ranking Member



Bid Expiration Date: January 31, 2020

Family Housing Construction, Army

Reprogramming Request

Installation: Camp Walker, Korea

Project: Family Housing New Construction

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017,  
Public Law 114-328

Estimated Cost (\$000):

Previously Appropriated	54,554
Previously Reprogrammed	0
Requested Reprogramming	4,800
Total Estimated Cost	59,354

Project Description: Constructs 90 dwelling units for Company Grade and Senior Non-Commissioned Officers and their Families in a 15-story tower configuration, connected with a parking garage to accommodate 135 vehicles with rooftop playgrounds, picnic pavilions, and gazebos.

Justification: An additional \$4.8 million is needed to complete construction of Tower #3. During the resolicitation of the project's contract, after the termination for default of the initial contractor, it was determined the current working estimate for the remaining work was going to exceed the appropriated amount. The cost increase is due to additional work required by the new contractor to complete an already partially constructed structure as well as higher labor and material costs. This housing project is the third tower in a series of four needed to meet the housing requirements at Camp Walker.

A 10 USC §2853 notification dated August 9, 2019 was submitted to Congress.

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>
Camp Rudder, FL Family Housing Replacement Construction	2016	8,000	0 <sup>1/</sup>	4,800
Total				4,800

<sup>1/</sup> A 10 U.S.C. §2853 cancellation notification dated August 9, 2019 was submitted to Congress.

Bid Expiration Date: March 30, 2020

Military Construction, Navy and Marine Corps Reserve

Reprogramming Request

Installation: Syracuse, NY

Project: Marine Corps Reserve Center

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017,  
Public Law 114-328

Estimated Cost (\$000):

Previously Appropriated	13,229
Previously Reprogrammed	0
Requested Reprogramming	4,668
Total Estimated Cost	17,897

Project Description: The project constructs a one-story reserve center building that includes administrative areas, classrooms, locker rooms, janitorial and mechanical rooms. The project will also construct the following supporting facilities: access roads, asphalt privately owned vehicle parking, concrete parking lot for operational vehicles, warehouse site paving, chain link fence, electrical utilities, and mechanical utilities.

Justification: The current funding requirement for additional funds is attributable to the following:

1. Market Conditions and Escalation: Improvements in the national economy and increases in regional construction contracting opportunities resulted in less than favorable market conditions and higher pricing than budgeted. Large-scale construction project within the region include renovation of the Syracuse University Carrier Dome, new National Veterans Resource Center at Syracuse University and various Thruway Authority projects in western New York. Strong demand for skilled labor, construction materials, and equipment is driving higher construction costs.

2. Increase in Contingency and Supervision, Inspection, and Overhead (SIOH) Costs: Increasing in project construction costs will also require an increase in contingency and Supervisory, Inspection, and Overhead costs.

A 10 USC §2853 notification dated September 9, 2019 was submitted to Congress.

Source of Funds: Savings from unspecified minor military construction 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>
Various Locations Unspecified Minor Military Construction	2018	11,504	6,836	4,668
Total				4,668

Bid Expiration Date: February 12, 2020

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: Fresno-Yosemite International Airport (Air National Guard), Fresno, CA

Project: Replace Fuel Storage and Distribution Facilities

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

Estimated Cost (\$000):

Previously Appropriated	10,700
Previously Reprogrammed	0
Requested Reprogramming	8,849
Total Estimated Cost	19,549

Project Description: Demolish six underground tanks and construct two 2,500-barrel aboveground storage tanks with secondary containment, 600 gallon-per-minute pump house, truck off-loading and fill stand facilities, fuel piping, and refueler truck parking area with spill containment. Provide utilities, storm sewer, pavements, access roads, area lighting, emergency generator, security gates and fencing, fire protection, and communications, site preparation and improvements.

Justification: An additional \$8.8 million is needed to award this project to provide facilities that meet mission requirements. The cost increase is due to a three year delay in the acquisition as a result of an extended design period, which included a year of extensive involvement with the Fresno-Yosemite International Airport Authority and two additional years to support multiple solicitations and redesigns. Changes in construction market conditions during this delay have resulted in the following increased costs:

1. Increased Labor and Material Costs (\$5.4 million): The current competitive environment is causing a shortage of specialty labor and increased material costs.
2. Costs due to execution delays (\$2.3 million): Increases are associated with the escalation of construction costs from FY 2016-FY 2020.
3. Contingency and Supervision, Inspection, and Overhead (SIOH) (\$1.2 million): Increases are associated with higher construction costs.

A 10 USC §2853 notification dated November 5, 2019 was submitted to Congress.

Source of Funds: 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 Working Estimate</u>	<u>Proposed Reprogramming</u>
Anderson AFB, GU Upgrade Fuel Pipeline	2016	4,074	1,303	2,771 <sup>1/</sup>
Camp Lemmonier, DJ Construct Fuel Storage and Distribution System	2016	43,700	23,468 <sup>2/</sup>	3,000
Sasebo, JA Upgrade Fuel Wharf	2018	45,600	37,600	3,078
Total				8,849

<sup>1/</sup> FY 2016 funds are available to source this requirement. The FY 2013 Upgrade Fuel Pipeline at Anderson AFB, GU (total cost of \$67.5 million) was partially funded using \$4.074 million of FY 2016 funds. FY 2016 savings from this project are being utilized now to source this reprogramming request.

<sup>2/</sup> A 10 USC §2853 notification dated November 4, 2016 was submitted to Congress.

Bid Expiration Date: Not Applicable

Military Construction, Defense-Wide (U.S. Special Operations Command)

Reprogramming Request

Installation: Kadena Air Base, Japan

Project: Airfield Pavements

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016,  
Public Law 115-232

Estimated Cost (\$000):

Previously Appropriated	37,485
Previously Reprogrammed	0
Requested Reprogramming	6,700
Total Estimated Cost	44,185

Project Description: Constructs an aircraft parking apron with associated taxiways and shoulders to accommodate special operation aircraft. Work includes all subgrade and subbase work, drainage, airfield lighting, grounding, mooring, marking, ramp area lighting, relocation and limited extension of existing hydrant system as required and other necessary airfield support. Project provides new road, utilities, site improvements, communications and realignment of existing roads and infrastructure in support of a future aircraft hangar.

Justification: An additional \$6.7 million is needed to complete this project. The cost increase is due to construction market conditions in Japan and unforeseen site conditions associated with archeological artifacts encountered during construction.

1. Construction Market Conditions (\$3.1 million): Increased costs are due to the magnitude of U.S. and Government of Japan construction at Kadena Air Base as well as privately funded construction on Okinawa and mainland Japan. The local construction market has seen increased labor rates and reduced contractor availability resulting in a limited number of prime and subcontractor firms available or willing to perform work at Kadena. The impact of these market conditions were not fully considered when this project was programmed.

2. Unforeseen Site Conditions (\$3.6 million): Archeological artifacts have been found in unexpected areas of the construction site and are required to be addressed in compliance with current laws, policies, and regulations. Mitigation of these additionally discovered artifacts and the resulting construction contractor delays have increased costs.

Source of Funds: 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 Working Estimate</u>	<u>Proposed Reprogramming</u>
Naval Base Coronado, CA SOF Special Team One Ops Facility	2017	20,949	18,210	1,970
Torri Station, JA SOF Tactical Equipment Maintenance Facility	2018	25,323	19,108	4,730
Total				6,700