



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

JUN 22 2020

COMPTROLLER

The Honorable John Boozman
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 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>Air Force</u>			
1	Royal Air Force Lakenheath, United Kingdom	F-35A 6-Bay Hangar	2018	31,483,000

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
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

Dear Madam Chairwoman:

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.

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Sincerely,

Elaine McCusker
Acting

Enclosures:
As stated

cc:
The Honorable John Carter
Ranking Member

Bid Expiration Date: N/A

Military Construction, Air Force

Reprogramming Request

Installation: Royal Air Force Lakenheath, UK

Project: F-35A 6-Bay Hangar

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

Estimated Cost (\$000):

Previously Appropriated	24,000
Previously Reprogrammed	0
Requested Reprogramming	31,483
Total Estimated Cost	55,483

Project Description: This project provides a 6-bay hangar for an F-35A squadron. It will include space for low observable material maintenance, engine maintenance, gun maintenance, storage, office and ancillary spaces.

Justification: Since the award of the design contract, the construction industry has experienced increased competition and limited subcontractor availability. The prime contractor reports difficulty obtaining subcontractor bids because off-base opportunities are more competitive and less logistically constrained. Building materials and fuel costs have increased. Contractors in the United Kingdom are also adding a risk cost factor due to the uncertainty around the potential impact on trade agreements, material shipping from the EU, and overall pricing because of BREXIT. In total, these cost increases have resulted in higher costs than estimated, especially relating to mechanical, electrical and plumbing systems.

This project's electrical, communications, and utilities infrastructure requirements increased as a result of miscalculated infrastructure demands from new adjacent facilities during project development. Additionally, cost increases resulted in facility mechanical and electrical systems, internal finishes, and external works, including newly identified demolition requirements. Also, the Host Nation's construction agent required additional contingency funds and departmental expenses. Finally, an additional schedule delay period of 10 months was included to cover the contractor's extended overhead and site logistics costs.

A 10 USC §2853 notification dated March 31, 2020 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>
RAF Croughton, UK Consolidated SATCOM/Tech Control Facility	2016	36,424	0 ^{1/}	31,483
Total				31,483

^{1/} A 10 U.S.C. 2853 cancellation notification dated March 27, 2020 was sent to the congressional committees.