



UNDER SECRETARY OF DEFENSE
1 100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1 100

JUN 16 2020

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 projects and amounts shown below. Detailed justification for the projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Army</u>			
1	Fort George G. Meade, Maryland	Access Control Point	2016	9,200,000
2	Corpus Christi Army Depot, Texas	Powertrain Facility (Infrastructure/Metal)	2016	4,300,000
3	Camp Williams, Utah	Live Fire Exercise Shoothouse	2017	4,100,000
	<u>Department of Defense Education Activity</u>			
4	Patch Barracks, USAG Stuttgart, Germany	Patch Elementary School Replacement	2016	12,259,000
	<u>Air National Guard</u>			
5	Joint Base Pearl Harbor-Hickam, Hawaii	Construct Addition To F-22 LO/CRF	2019	2,000,000

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 John Carter
Ranking Member



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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 projects and amounts shown below. Detailed justification for the projects are enclosed.

<u>#</u>	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
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Sincerely,

Elaine McCusker
Acting

Enclosures: As stated
cc: The Honorable Brian Schatz
Ranking Member

Bid Expiration Date: July 10, 2020

Military Construction, Air National Guard

Reprogramming Request

Installation: Joint Base Pearl Harbor-Hickam, HI
Project: Construct Add to F-22 Low Observable/Composite Repair Facility
Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019,
Public Law 115-232

Estimated Cost (\$000):

Previously Appropriated	17,000
Previously Reprogrammed	2,000
Requested Reprogramming	2,000
Total Estimated Cost	21,000

Project Description: This project constructs a single-bay addition to the current 2-bay F-22 Low Observable/Composite Repair Facility (LO/CRF) utilizing conventional design and construction methods to accommodate the mission of the facility.

Justification: The construction of the ~\$10B Honolulu High-Capacity Transit Corridor Project, an urban rail rapid transit system, high rise condominiums, and hotels in Waikiki has absorbed much of the Oahu indigenous construction labor and equipment resources. This construction activity has resulted in importing additional resources and workforce labor from neighboring Hawaiian Islands and the mainland. This activity has produced local construction cost increases of 30% to 35%. This request is for additional funds for contingency and post-award services. No further reduction in scope can be made and still result in a complete and useable facility.

A Title 10 USC §2853 cost variation notification was not required for this project.

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>
Joint Base Pearl Harbor- Hickam, HI F-22 Composite Repair Facility	2017	11,000	0 ^{1/}	2,000
Total				2,000

^{1/}A 10 U.S.C. §2853 scope and cost reduction cancellation notification dated February 1, 2018 was sent to the congressional committees.

Bid Expiration Date: September 30, 2020

Military Construction, Defense-Wide (DoD Defense Education Activity)

Reprogramming Request

Installation: Patch Barracks, USAG Stuttgart, GY

Project: Patch Elementary School Replacement

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

Estimated Cost (\$000):

Previously Appropriated	49,413
Previously Reprogrammed	0
Requested Reprogramming	12,259
Total Estimated Cost	61,672

Project Description: There is no change to the original scope. This project constructs a new 114,422 SF multi-story elementary school building, a 16-vehicle multi-story parking garage, and demolition of one building totaling 83,853 SF on Patch Barracks, Stuttgart, Germany. The school will be built in accordance with 21st Century Education concepts that include learning “neighborhoods” and all other areas required for a complete elementary school.

Justification: Additional funding is required to complete this project at the full scope needed to meet mission requirements. The cost increase is due to the following:

- Differing site conditions (\$2.1 million): These include additional asbestos found beyond expected quantities during demolition, a larger quantity of poor quality soil requiring greater excavation than projected, and recent changes to German laws restricting soil disposal to select landfills resulting in increased transportation costs.
- Design deficiencies (\$8.3 million): The German bid documents had numerous design omissions and conflicts including, but not limited to, soil quantities, exterior brick facade quantities, and Anti-Terrorism Force Protection window design requirements. These design deficiencies, along with the time extensions required for modifications, are key factors driving up costs for construction.
- Contingency and Supervision, Inspection, and Overhead (SIOH) (\$1.8 million): Increases are associated with higher construction costs and additional time needed to resolve the changing conditions.

A Title 10 USC 2853 notification dated May 4, 2020 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>
Fort Rucker, AL Fort Rucker Elementary / Primary School	2016	51,073	51,073	11,259 ^{1/}
Fort Jackson, SC Pierce Terrace Elementary School	2016	34,366	31,866	1,000
Total				12,259

^{1/} Funds are available to source this requirement. The FY 2016 Ft Rucker Elementary/Primary School was awarded using \$15.5 million from the FY 2012 Wetzel/Smith Elementary School Replacement project at Baumholder, Germany. A 10 USC §2853 cancelation notification for the FY 2012 Wetzel/Smith Elementary School Replacement dated April 17, 2015 was submitted to the Congressional committees.

Bid Expiration Date: August 1, 2020

Military Construction, Army

Reprogramming Request

Installation: Camp William, UT

Project: Live Fire Exercise Shoothouse

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

Estimated Cost (\$000):

Previously Appropriated	7,400
Previously Reprogrammed	0
Requested Reprogramming	4,100
Total Estimated Cost	11,500

Project Description: This project constructs a Live Fire Exercise Shoothouse including a 100-meter flat range, sniper and observation platform, external mock up (knee wall), range operations control area, after action review building, operations/storage building, ammunition breakdown building, covered mess, and bleacher enclosure.

Justification: An additional \$4.1 million is required to support the negotiated redesign, construction schedule, and contract price adjustment to meet mission requirements. The entirety of the original project scope remains under contract and is planned for completion and the project is 28% complete. A series of design errors that were not identified prior to construction have resulted in significant redesign efforts and overall lost work including delay of project completion.

A Scope and Cost Variation notification was not required for this project.

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>
Fort Carson CO, Unmanned Aerial Vehicle Hanger	2017	5,000	4,918	81
Fort Stewart, GA Automated Qualification / Training Range	2017	14,800	14,757	43
Fort Benning, GA Training Support Facility	2018	21,100 ^{1/}	20,700 ^{2/}	334
Fort Gordon, GA Automation-Aided Instructional Building	2018	14,100 ^{3/}	13,923	150
Joint Base Myer-Henderson Hall, VA Security Fence	2018	15,900 ^{4/}	15,470	400
Fort Campbell, KY General Purpose Maintenance Shop	2020	51,000	41,441	3,092
Total				4,100

^{1/} While the Training Support Facility was appropriated \$28 million, the Army previously reprogrammed \$9.9 million to the Missile Magazine, Kadena Air Base, Japan. This reduced the appropriated amount to \$21.1 million, as \$3 million of FY 2014 funds were previously used in project award. Thus, of the appropriated amount was reduced to \$21.1million. The action was approved on April 2, 2019.

^{2/} A 10 U.S.C. 2853 was sent to the congressional committees on June 28, 2018 reflecting cost working estimate (CWE) of \$20.7 million.

^{3/} While the Automation-Aided Instructional Building was appropriated at \$18.5 million, the Army previously reprogrammed \$5 million to the Confinement Facility, Joint Base Lewis-McChord, WA. This reduced the appropriated amount to \$14.1 million, as \$0.6 million was awarded using \$0.6 million from FY 2014 funding. The action was approved on September 10, 2019.

^{4/} While the Security Fence was appropriated at \$20 million, \$4.1 million was reprogrammed in September 2019 to the Confinement Facility at Joint Base Lewis-McChord, WA.

Bid Expiration Date: August 1, 2020

Military Construction, Army

Reprogramming Request

Installation: Corpus Christi Army Depot, TX

Project: Powertrain Facility (Infrastructure/Metal)

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

Estimated Cost (\$000):

Previously Appropriated	85,000
Previously Reprogrammed	0
Requested Reprogramming	4,300
Total Estimated Cost	89,300

Project Description: This project is required to provide Corpus Christi Army Depot (CCAD) with a modern rotary wing powertrain facility that meets current standards. The project provides an aircraft component maintenance (Powertrain) facility with flexible manufacturing space to house component maintenance processes, a central energy plant, and replacement of Morale, Welfare and Recreation (MWR) facilities within the footprint of this project.

Justification: An additional \$4.3 million is required to complete the third and final construction contract for the duct bank electrical feeder system. The available funding after award of the first two contracts was initially deemed sufficient to award the final contract. However, numerous mandatory construction changes involving unforeseen site conditions were required. These include changes to existing utilities and increased dewatering and abatement of contaminated buildings prior to demolition. Additionally, costs have increased due to contract award delays resulting from required revisions to the Environmental Assessment (EA), the rerouting of the duct bank location due to the presence of environmental contaminants, and overall construction cost increases since 2016. In order not to further delay the duct bank construction, a base contract was awarded on February 21, 2020. When this reprogramming is approved, the remaining scope will be awarded as a bid option.

A Scope and Cost Variation notification was not required for this project.

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>
Picatinny Arsenal, NJ Munitions Disassembly Plant	2019	41,000	31,061	4,300
Total				4,300

Bid Expiration Date: September 30, 2020

Military Construction, Army

Reprogramming Request

Installation: Fort Meade, MD

Project: Access Control Point

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

Estimated Cost (\$000):

Previously Appropriated	19,500
Previously Reprogrammed	0
Requested Reprogramming	9,200
Total Estimated Cost	28,700

Project Description: This project will construct a standard design Access Control Point (ACP) at Fort Meade, Maryland. Project includes all necessary features to meet the Army's Standard Design for ACP's. This project is required to provide adequate access control and inspection for vehicles entering Fort Meade at the Reece Road and Maryland Route 175 ACP. The sensitive missions at this installation make security a high priority.

Justification: An additional \$9.2 million is required to award the Reece Road ACP. This was one of two ACP projects at Fort Meade, Maryland. Both projects involved construction on the same local access road, to avoid force protection concerns and extreme traffic flow disruptions, the garrison only permitted construction of one ACP at a time. Since the other project is close to completion, the Reece Road ACP project is now ready to be awarded. The required traffic flow and force protection delay was not factored into the initial programmed amount. All Current Working Estimates (CWE) based on proposals now exceed the Army's authority to award.

A Scope and Cost Variation notification dated April 23, 2020 was provided to Committee Members as required by Title 10 U.S.C. 2853.

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>
Crane Army Ammunition Plant, IN Shipping and Receiving Building	2018	22,000 ^{1/}	20,141	800
Camp Arifjan, KU Vehicle Maintenance Shop	2019	37,450 ^{2/}	28,527 ^{3/}	8,400
Total				9,200

^{1/} This project was appropriated at \$24 million. In September 2019, \$2 million was reprogrammed to the Confinement Facility, Joint Base Lewis-McChord, WA.

^{2/} This project was appropriated at \$44 million. In March 2020, \$6.55 million was reprogrammed to the Vehicle Maintenance Shop, Fort Hood, TX.

^{3/} A 10 U.S.C. §2853 scope and cost reduction notification dated November 4, 2019, was sent to the congressional committees, reflecting an Award CWE of \$28.5 million.