



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

NOV 05 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 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>
1	Marine Corps Base Camp Lejeune (French Creek), North Carolina	Ambulatory Care Addition/ Alteration	2018	12,100,000

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,

Thomas W. Harker  
Performing the Duties of the Under Secretary of  
Defense (Comptroller)/Chief Financial Officer

Enclosures:  
As stated

cc:  
The Honorable John Carter  
Ranking Member



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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:

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cc:  
The Honorable Brian Schatz  
Ranking Member

Bid Expiration Date: February 21, 2021

Military Construction, Defense-Wide

Reprogramming Request

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

Project: Ambulatory Care Center Addition/Alteration

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

Estimated Cost (\$000):

Previously Appropriated	15,300
Previously Reprogrammed	0
Requested Reprogramming	12,100
Total Estimated Cost	27,400

Project Description: This project constructs an Ambulatory Care Center Addition/Alteration for delivering medical care to the active duty operational personnel assigned to the 2nd Marine Logistics Group. The clinic will include Primary Care, Behavioral Health, Physical Therapy, Pharmacy, Laboratory, X-ray, and supporting administrative functions. Supporting facilities include utilities, site improvements, access drive, parking, and shall include Low Impact Development. The interim French Creek facility will be demolished after construction completion.

Justification: Based on bids received to date, an additional \$12.1 million is required to award this project and provide the full scope needed to meet mission requirements. The cost increase is due to the following:

- Execution delay/market condition changes (\$9.9 million): The demolition of two facilities and the construction of an interim facility by the Marine Corps occurred later than expected, which delayed the execution of this project. This resulted in a cost increase due to market condition changes during this time period that limited competition and availability of subcontractors with medical construction experience, and increased demand for materials and labor due to the number of hurricane recovery projects in the Southeast region.
- Contingency and Supervision, Inspection, and Overhead (SIOH) (\$2.2 million): Increases are directly associated with higher construction costs.

A Title 10 USC 2853 notification dated July 24, 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>
Joint Base Charleston, SC Medical Consolidated Storage And Distribution Center	2020	33,300	26,000	12,100 <sup>1/</sup>
Total				12,100

<sup>1/</sup> Funds are available since FY 2016 funding was also used to award this project (\$13 million from 3 projects).