



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

JAN 19 2021

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>Defense Logistics Agency</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
1	Patrick Air Force Base, Florida	Replace Fuel Tanks	2017	6,900,000

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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JAN 19 2021

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: March 11, 2021

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: Patrick Air Force Base, Florida

Project: Replace Fuel Tanks

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

Estimated Cost (\$000):

Previously Appropriated	10,100
Previously Reprogrammed	2,000
Requested Reprogramming	6,900
Total Estimated Cost	19,000

Project Description: This project provides two 10,000-barrel aboveground fuel storage tanks, a pump shelter with two 600 gallon-per-minute issue/transfer pumps and two 600 gallon-per-minute filter separators. Work includes all necessary fuel piping, product recovery tank, control systems, secondary containment, site work, utility connections, fencing with gates, security lighting, temporary tanks during construction, demolition of two 100,000-gallon concrete cut and cover tanks and remediation of fuel-contaminated soil funded by another appropriation.

Justification: An additional \$6.9 million is required to complete this project and provide a complete and useable facility that meets mission requirements. The cost increase is due to the following:

- Execution delay/market condition changes (\$5.3 million): The original contract was broken into multiple efforts. The demolition and environmental remediation portion of the project was not awarded until September 2018 due to delays in finalizing the project design. The demolition and environmental effort required two years to complete before the new construction portion of the project could be awarded. In addition to the execution delay, costs increased due to an escalation in material prices and labor costs in the region during this timeframe as a result of the major commercial, residential, industrial, and utility projects in Florida. Greater material prices in steel adversely affect this project due to the large amounts required, and increased demand for skilled subcontractors have extended the market outside of the local commuting area which also increases labor costs.
- Contingency and Supervision, Inspection, and Overhead (SIOH) (\$1.6 million): Increases are directly associated with higher construction costs.

A Title 10 USC 2853 notification dated December 9, 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>
Souda Bay, GR Construct Hydrant System	2018	18,100	7,505 <sup>1/</sup>	6,900
Total				6,900

<sup>1/</sup> A Title 10 USC 2853 notification dated April 9, 2019 was submitted to Congress.