



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

DEC 21 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 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>Air Force</u>			
1	Hanscom Air Force Base, Massachusetts	Construct Vandenberg Gate Complex	2017	6,812,000
2	Yokota Air Base, Japan	Fuel Receipt And Distribution Upgrades	2020	4,738,000
	<u>Air Force Reserve</u>			
3	Various Locations	Planning and Design	2021	8,000,000

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.

Michael McCord

Enclosures:
As stated

cc:
The Honorable John Carter
Ranking Member



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The Honorable Martin Heinrich
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.

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A similar letter is being sent to the Chairwoman of the House Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Thank you for your continued support of Defense programs.

Michael McCord

Enclosures:
As stated

cc:
The Honorable John Boozman
Ranking Member

Bid Expiration Date: February 18, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Hanscom Air Force Base (AFB), Massachusetts

Project: Construct Vandenberg Gate Complex

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

Estimated Cost (\$000):

Previously Appropriated	11,400 ^{//}
Previously Reprogrammed	0
Requested Reprogramming	6,812
Total Estimated Cost	18,212

^{//} The project was originally authorized in the FY 2017 NDAA (Public Law [P.L.] 114-328) at \$10,965. In FY 2018, Congress authorized (P.L. 114-91) and appropriated (P.L. 114-141) \$11,400.

Project Description: This project constructs a main entrance gate complex including a visitor center, gatehouse, ID check stations and inspection facilities for commercial vehicles and privately owned vehicles.

Justification: The initial solicitation was to a pre-selected group of contractors that resulted in limited competition with proposals well above the available funds. The project was re-solicited to a wider pool of contractors to attract competition but was unsuccessful resulting in the same number of bidders. The cost increase is attributed to market changes over the last three years effecting labor and materials. There is a high demand for skilled and unskilled construction contractor workforce in the regional construction industry. Higher material costs are resulting from market volatility and disrupted manufacturing and production, as seen with steel mill products.

A 10 U.S.C. §2853 cost variation notification dated September 10, 2021 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 Andrews, MD PAR Land Acquisition	2018	17,500	2,000 ^{1/}	899
Joint Base McGuire, NJ KC-46A ADAL B2324 Regional MX Training Facility	2018	18,000	13,303 ^{2/}	371
Nellis AFB, NV F-35A Munitions Assembly Conveyor Facility	2020	8,200	6,349	659
Holloman AFB (Site 1), NM NC3 Support WRM Storage/Shipping Facility	2020	20,000	15,117	4,883
Total				6,812

^{1/} A 10 U.S.C. §2853 cost variation (decrease) and scope (reduction) notification dated April 8, 2020 was submitted to Congress.

^{2/} A 10 U.S.C. §2853 cost variation (decrease) notification dated October 11, 2018 was submitted to Congress.

Bid Expiration Date: March 4, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Yokota Air Base (AB), Japan

Project: Fuel Receipt And Distribution Upgrades

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020,
Public Law 116-92

Estimated Cost (\$000):

Previously Appropriated	12,400
Previously Reprogrammed	0
Requested Reprogramming	4,738
Total Estimated Cost	17,138

Project Description: This project constructs and upgrades the existing liquid fuel unloading facility to accommodate rail cars (existing capability) and fuel delivery trucks to comply with current requirements. Includes replacing the existing 32 rail station headers with 24 new headers, plus adding 9 new truck offload headers.

Justification: The project cost increased due to market conditions, compliance with fuel system standards, and further coordination with the off-base commercial rail line company. The ongoing COVID pandemic caused contractors to add schedule/cost risks to proposals due to potential base closures, workforce reductions, material price increases and supply chain impacts. The DoD fuel system standards require the importation of U.S. products and specialized fuel subcontractors drove further increases due to the market conditions. Additionally, Japan Railways (JR) will require additional coordination after contract award to obtain permits and modifications to meet JR standards.

A 10 U.S.C. §2853 cost variation notification dated September 29, 2021 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>
Eglin Air Force Base, FL Cyberspace Test Facility	2020	38,000	31,855	4,739
Total				4,739

Bid Expiration Date: N/A

Military Construction, Air Force Reserve

Reprogramming Request

Installation: Various Locations

Project: Planning and Design

Authorization: William M. (Mac) Thornberry National Defense Authorization Act (NDAA)
for Fiscal Year (FY) 2021, Public Law 116-283

Estimated Cost (\$000):

Previously Appropriated	3,270
Previously Reprogrammed	0
Requested Reprogramming	8,000
Total Estimated Cost	11,270

Project Description: Additional Planning and Design (P&D) funding is required to support the design requirements of the Air Force Reserve beddown of the KC-46A at Main Operating Base (MOB) #5.

Justification: The Air Force accelerated the MOB #5 beddown of the KC-46A for the Air Force Reserve. All site visits for the KC-46 MOB #5 have been accomplished and the Air Force Reserve anticipates a basing decision in the next few months. The first aircraft are expected to arrive during the 2nd Quarter of FY 2025. The current working estimate of \$11.3 million in FY 2021 P&D is required to provide the timely design of those facilities necessary to support the beddown of KC-46A MOB #5.

A 10 U.S.C. §2807 (c) notification of the need to increase the amount authorized for planning and design activities, dated December 10, 2021, was submitted to Congress.

A 10 U.S.C. §2853 cost variation notification is not required.

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>
Naval Air Station Joint Reserve Base Fort Worth, TX F-35A Squadron Operation / AMU	2021	25,000	17,000 ^{1/}	8,000
Total				8,000

^{1/} A 10 U.S.C. §2853 cost variation notification dated September 13, 2021 was submitted to Congress.