



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

COMPTROLLER

JAN 23 2023

Chair
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chair:

The purpose of this letter is to request committee approval 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>Washington Headquarters Service</u> | | | |
| 1 | Pentagon Reservation (Raven Rock Mountain Complex), Virginia | Public Works Support Facility | 2022 | 10,213,000 |
| | <u>Air National Guard</u> | | | |
| 2 | Abraham Lincoln Capital Airport, Illinois | Base Civil Engineering Complex | 2022 | 4,300,000 |

A similar letter is being sent to the Chair 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:
Ranking Member



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Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

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Bid Expiration Date: March 10, 2023

Military Construction, Defense-Wide (Washington Headquarters Services)

Reprogramming Request

Installation: Pentagon Reservation (Raven Rock Mountain Complex), Virginia
Project: Public Works Support Facility
Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022,
Public Law 117-81

Estimated Cost (\$000):

| | |
|-------------------------|--------|
| Previously Appropriated | 21,935 |
| Previously Reprogrammed | 0 |
| Requested Reprogramming | 10,213 |
| Total Estimated Cost | 32,148 |

Project Description: This project constructs a high bay public works support facility to store vehicles, equipment, and environmental functions.

Justification: An additional \$10.213 million is needed to award this project and provide a complete and useable facility that meets mission requirements. The cost increases are due to the impacts of supply chain disruptions, labor shortages, and general economic inflation that have significantly escalated construction material prices and costs for labor. In addition, contractors have been forced to increase contingencies in their bids to mitigate the risk of future market volatility and uncertainty.

A 10 U.S.C. §2853 cost notification dated December 6, 2022, was submitted to the congressional committees.

Source of Funds: Funds are available from the following project to 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> |
|--|------------------------|--------------------------------|---|-----------------------------------|
| Unspecified Worldwide Unspecified Minor Construction | 2020 | 4,950 | 0 ^{1/} | 780 |
| Pentagon, VA Backup Generator | 2020 | 8,670 | 0 | 6,845 ^{2/} |
| Pentagon, VA Force Protection Perimeter Enhancements | 2022 | 8,608 | 7,198 | 1,409 |
| Unspecified Worldwide Planning and Design | 2022 | 5,275 | 4,096 | 1,179 |
| Total | | | | 10,213 |

^{1/} The balance of these funds (\$4.17 million) was used as a source on a reprogramming action for the Southeast Safety Traffic and Parking Improvements project at the Pentagon Reservation, VA, which was approved by Congress in March 2022.

^{2/} A 10 USC §2853 cancellation notification dated September 22, 2022, was submitted to the congressional committees. The balance of remaining funds has been used to cover cost increases on other WHS projects.

Bid Expiration Date: March 11, 2023

Military Construction, Air National Guard

Reprogramming Request

Installation: Abraham Lincoln Capital Airport, Illinois

Project: Base Civil Engineering Complex

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year 2022,
Public Law 117-81

Estimated Cost (\$000):

| | |
|-------------------------|--------|
| Previously Appropriated | 10,200 |
| Previously Reprogrammed | 0 |
| Requested Reprogramming | 4,300 |
| Total Estimated Cost | 14,500 |

Project Description: This project constructs a 24,300 square foot (SF) Base Civil Engineer Facility to provide adequate maintenance shops, administration, and classroom training space for base installation infrastructure support and engineer readiness training needs. Project will also replace and demolish seven aged facilities totaling 23,519 SF.

Justification: The project cost increased due to the impacts of supply chain disruptions, labor shortages, and general economic inflation that have significantly escalated construction material prices and costs for labor. In addition, contractors have been forced to increase contingencies in their bids to mitigate the risk of future unplanned cost increases.

A 10 U.S.C. §2853 cost variation notification dated October 28, 2022, was submitted to the congressional committees.

Source of Funds: Funds are available from the following projects to 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> |
|---|------------------------|--------------------------------|---|-----------------------------------|
| Truax Field, WI F-35 Simulator Facility | 2020 | 14,000 | 10,700 | 3,300 ^{1/} |
| New Orleans, LA NORTCOM Construct Alert Apron | 2019 | 15,000 | 7,300 | 1,000 ^{2/} |
| Total | | | | 4,300 |

^{1/} The project was awarded at a lower cost of \$10.7 million. Bid savings from this project will be used to fund this reprogramming.

^{2/} A 10.U.S.C §2853 cost variation (decrease) and scope (reduction) notification dated March 5, 2021, was submitted to Congress.