



UNDER SECRETARY OF DEFENSE
1 100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

OCT 08 2024

The Honorable Kyrsten Sinema
Chair
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam 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 project is enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
1	<u>Navy</u> Camp Lemonnier Djibouti	Electrical Power Plant (P-332)	2023	47,593,000

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

Michael McCord

Enclosure:
As stated

cc:
The Honorable John Boozman
Ranking Member



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OCT 08 2024

The Honorable John Carter
Chairman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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Michael McCord

Enclosure:
As stated

cc:
The Honorable Debbie Wasserman Schultz
Ranking Member

Requested Date of Congressional Approval: November 12, 2024

Military Construction, Navy and Marine Corps

Reprogramming Request

Installation: Camp Lemonnier, Djibouti

Project: Electrical Power Plant (P-332)

Authorization: James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,
Public Law 117-263

Estimated Cost (\$000):

Previously Appropriated	122,107
Previously Reprogrammed	0
Requested Reprogramming	47,593
Total Estimated Cost	169,700

Project Description: Constructs an electrical power plant that includes the engine hall to house the new diesel generators and the supporting electrical and mechanical equipment. The building includes areas for fuel day-tanks, oil tanks, diesel exhaust fluid tanks, storage, office, and control rooms. The project will install five diesel generators and provide spaces for five additional generators.

Justification: The requirement for additional funding is attributable to many factors including the acquisition strategy for the contract. The demand to meet the electrical power requirements at Camp Lemonnier, Djibouti was developed as two separate construction projects for the necessary electrical power plant capability.

Electrical Power Plant (P-332) was included on the fiscal year (FY) 2023 Chief of Naval Operations (CNO) Unfunded Priority List (UPL); funding was authorized and appropriated to accommodate a structure which provides space for a total of ten generators and the installation of five generators. Electrical Power Plant (P-334) was included on the FY 2024 CNO UPL; funding was authorized and incrementally appropriated to accommodate the installation of five additional generators. The table below summarizes total enactment to date:

Electrical Power Plant (Dollars in thousands)		
	Authorization	Appropriation
FY 2023 (P-332)	122,107	122,107
FY 2024 (P-334)	126,839	75,000

The cost increase for P-332 results from a requirement to include the necessary electrical infrastructure to tie into the existing, aging power plant facility at the onset of the transition period to the new power plant while providing continuous operation. All connections and infrastructure associated with this transition period are critical as the old facility provides power to the entire base. Maintaining uninterrupted power reliability resulted in higher infrastructure and logistics costs that are exaggerated by the underdeveloped and remote environment.

Since the proposed acquisition strategy utilizes the same contractor for both P-332 and P-334, the contractor can leverage lessons learned to significantly reduce the technical risk associated with the generator installation, streamline supporting facility requirements, and effectively eliminate mobilization costs. In accordance with this acquisition strategy, the reprogramming source to finance the increased cost for P-332 will utilize currently available funding from P-334. The contract structure will be used to construct all components of P-332 and P-334 subject to the availability of funds.

A 10 U.S.C. § 2853 cost variation notification dated September 5, 2024, was submitted to the Congressional committees.

Source of Funds: Savings from the following project are cited as a source of funds for this cost increase.

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Camp Lemonnier, Djibouti Electrical Power Plant (P-334)	2024	75,000	78,500 ^{1/}	47,593 ^{2/}
Total				47,593

^{1/} A 10 U.S.C. § 2853 cost reduction notification dated September 5, 2024, was submitted to the Congressional committees reducing the authorized cost from \$126.839 million to \$78.5 million.

^{2/} Remaining required funds of \$51.1 million for P-334 to exercise the five additional generator options will be requested in a future budget submission.