



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

DEC 21 2012

COMPTROLLER

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

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. A detailed justification is enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
<u>Army</u> Ft. Lewis, Washington	Child Development Center	2009	4,333,000
<u>Air Force</u> Bagram Air Base, Afghanistan	Fighter Hangar	2011	1,842,000
<u>Defense Logistics Agency</u> Naval Base Coronado, California	Replace Fuel Storage Tanks and Pipeline	2012	10,000,000

A similar letter is being sent to the Chairman of the Senate Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Additional details will be provided separately. Thank you for your continued support of DoD programs.

Sincerely,

Robert F. Hale

Enclosure:  
As stated

cc:  
The Honorable Sanford D. Bishop, Jr.  
Ranking Member



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COMPTROLLER

DEC 21 2012

The Honorable Tim Johnson  
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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Robert F. Hale

Enclosure:  
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cc:  
The Honorable Mark Kirk  
Ranking Member

Bid Expiration Date: N/A  
Military Construction, Army  
Reprogramming Request

Installation: Fort Lewis, Washington  
Project: Child Development Center  
Authorization: Duncan Hunter National Defense Authorization Act for Fiscal Year 2009,  
Public Law 110-417

Estimated Cost (\$000):

Previously Appropriated	27,000
Previously Reprogrammed	0
Requested Reprogramming	4,333
Total Estimated Cost	31,333

Description: Construct new additions on the three existing Child Development Centers (CDCs) at Fort Lewis, Washington, consisting of child activity modules, music motor skill rooms, a parent conference room, a teacher work area, and outdoor play areas. Work will also include renovations to the three existing CDC facilities, including structural repair and system upgrades in support of the national accreditation and training standards, coupled with enhanced security requirements.

Justification: This requirement is needed to support the current troop level at Fort Lewis. There is insufficient permanent CDC capacity on base, forcing Soldiers to find alternate solutions for their child care needs. This impacts Soldier readiness through lost duty time due to conflicts between parent responsibilities and unit mission requirements.

Since all the facilities affected by this project were fully utilized during the planning and design period, the designer had restricted access to the facilities. Invasive or destructive testing and inspections were not permitted because of the concerns over those tests' impact on the children's health. The designer had to rely solely on visual inspections and the quality of the as-built drawings. Thus, the actual conditions inside the walls and under the floor slabs were unknown when the design was prepared. As result, discoveries were made during construction that differed from those conditions assumed during the planning and design period, including inadequate structural supports, differing site conditions, design deficiencies, and mold.

In an effort to minimize the impact of this project on the community, construction has been phased so that only one facility is removed from service at a time for facility renovations and the construction of the addition. Although there have been unforeseen conditions requiring additional funds during construction on the first two CDCs, significantly more mold was found at the third facility when demolition work began, than previously experienced at the first two CDCs. The existence of the mold has required extensive remediation and significantly more demolition and re-construction than planned, resulting in the requirement of an additional \$4,333 thousand to complete the project. A 10 U.S.C. §2853 cost increase notification was sent to the congressional committees on September 26, 2012.

Source of Funds: Funds for this increase will be provided from bid savings on the following project:

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>(Dollars in Thousands)</u>		
		<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Brigade Complex-Barracks Fort Drum, NY PN 66092	2009	\$24,000	\$17,700 <sup>1</sup>	\$4,333

PN = Project Number

<sup>1/</sup> A 10 U.S.C. §2853 cost reduction notification was sent to the congressional committees on May 13, 2009, for PN 66092 reflecting a current working estimate (CWE) of \$18.6 million. This project was completed in March 2012, with a final CWE of \$17.7 million. The Army previously used \$800 thousand of savings from this project for miscellaneous below threshold requirements on other military construction projects.

Bid Expiration Date: Not Applicable  
Military Construction, Air Force  
Reprogramming Request

Installation: Bagram Air Base, Afghanistan  
Project: Fighter Hangar  
Authorization: Ike Skelton National Defense Authorization Act for Fiscal Year 2011,  
Public Law 111-383

Estimated Cost (\$000):

Previously Appropriated <sup>1</sup>	9,430
Below Threshold Reprogramming	1,995
Previously Reprogrammed	0
Requested Reprogramming	1,842
Total Estimated Costs	13,267

<sup>1</sup> This project was authorized at \$16.480 million. The appropriated amount reflects the amount submitted in the spend plan, net of the \$7.050 million rescission required by P.L. 112-10, Division E and Section 1119.

Description: This project constructs a 3,400 SM high-bay aircraft maintenance hangar for disassembly, inspection, repair and storage of aircraft and related components involved in Combat Air Support operations throughout Afghanistan.

Justification: The site for the facility was shifted to allow continued use of existing fabric shelters originally slated for removal. Consequently, the contractor was required to site adapt the original Fighter Hangar design. This required a complete topographic survey, a limited geotechnical survey, final revised civil and structural designs, and a final revised site plan. Construction costs increased due to structural and foundation changes, the relocation of an existing fuel line running under the new site, and delayed construction.

To allow the contractor to proceed and avoid the cost of continued delay, project funding was increased using below threshold reprogramming (BTR) authority by \$1.995 million. The BTR partially funded the additional cost. This reprogramming request fully funds the cost of site changes and provides contingency funds at 5% of the unplaced work—construction is currently 11% complete. Contingency funds are required to preclude additional construction delays from unanticipated and unavoidable changes that could emerge during construction.

Source of Funds: The required funds are available from bid savings on the following projects.

<u>Location &amp; Project</u>	<u>Fiscal Year</u>	<u>Dollars in Thousands</u>		
		<u>Amount Appropriated<sup>12</sup></u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Maxwell AFB, Alabama / ASBC CATM Training Facility	2009	15,226	11,992	195
Andersen AFB, Guam / Strike FOL Electrical Infrastructure (TFI)	2010	29,807	27,444	364
Peterson AFB, Colorado / East Gate Realignment	2010	6,984	5,972	664
Creech AFB, Nevada / UAS Dining Hall	2009	8,679	4,566	367
Grand Forks AFB, North Dakota / Fire Station	2009	12,576	10,565	130
Hill AFB – F-22 Heavy Maintenance Facility and Composite Back Shop	2009	35,880	28,312	68
Cape Canaveral AFS – Satellite Operations Support	2009	7,631	5,997	54
Total				<u>1,842</u>

<sup>12</sup> *Appropriated amounts are net of rescissions.*

Bid Expiration Date: January 31, 2013

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: Naval Base Coronado, San Clemente Island, California  
Project: Replace Fuel Storage Tanks and Pipeline  
Authorization: National Defense Authorization Act for Fiscal Year 2012,  
Public Law 112-81

Estimated Cost (\$000):

Previously Appropriated	21,800
Previously Reprogrammed	0
Requested Reprogramming	10,000
Total Estimated Costs	31,800

Description: This project replaces and relocates existing 1940's fuel storage tanks from an eroding ocean front slope, which are currently about 50 feet from the Pacific Ocean. The work provides three modern bulk fuel storage tanks and a pump house building near the center of the island. The work also includes construction of a truck fill stand, other site improvements, and demolition of the existing underground storage tanks.

Replacement of these tanks is needed to prevent environmental contamination in the event of ocean front slope failure. This project will safeguard the environment by including fire protection water tanks, a leak detection system, cathodic protection, secondary containment dikes, automatic tank gauging, and storm drainage.

If the tanks fail, refueling operations on San Clemente would stop preventing the site from accomplishing its training, and other assigned missions. San Clemente Island is the only location at which Navy pilots can simulate nighttime operations of an Aircraft Carrier on land.

Justification: Congress authorized and appropriated this project in FY2012 for \$21.8 million. The Naval Facilities Engineering Command opened bids for a construction contract on June 29, 2012. The current working estimate is \$31.8 million which includes the results from a best value source selection and includes fees for supervision, inspection, and overhead.

The higher than expected bids for this project are driven by additional restrictions on performing construction site excavation using explosives on a military training range, and increases in shipping and personnel support costs associated with executing construction on this isolated island. Originally contractors planned to use explosives for excavation, but the Navy determined there was too much risk to aircraft from the debris. As a result, bidders were instructed not to use explosives as the means for excavation. The full extent of the cost impacts of these items was unknown when the project was originally programmed. This contract is currently pending award.

These variations in cost could not have been reasonably determined when DLA submitted this project to Congress for approval. This reprogramming request is required to award the project and to meet mission requirements.

Source of Funds: Bid savings from the following project are available to fund this requirement.

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>(Dollars in Thousands)</u>		
		<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Defense Distribution Depot Europe, Germershiem, Germany/ Logistics Distribution Center	2009	48,000	37,600	\$10,000