



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

The Honorable Jerry Moran
Chairman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. Senate
Washington, DC 20515

MAR 01 2018

Dear Mr. Chairman:

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 projects is enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Army</u>			
1	United States Military Academy, New York	Cadet Barracks	2013	32,800,000
	<u>Defense Logistics Agency</u>			
2	Marine Corps Air Station, Beaufort, South Carolina	Replace Fuel Distribution Facilities	2015	19,495,000

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

David L. Norquist

Enclosures: As stated

cc:
The Honorable Brian Schatz
Ranking Member



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MAR 01 2018

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

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David L. Norquist

Enclosures: As stated

cc:
The Honorable Debbie Wasserman Schultz
Ranking Member

Bids Expiration Date: May 29, 2018

Military Construction, Army

Reprogramming Request

Installation: United States Military Academy, New York

Project: Cadet Barracks

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2013, Public Law 112-239 and NDAA for FY 2016, Public Law 114-92

Estimate Cost (\$000):

Previously Appropriated	185.886
Previously Reprogrammed	0
Requested Reprogramming	32,800
Total Estimated Cost	218.686

Description: This project constructed a barracks for 650 Cadets. Primary facilities include two-person rooms; battalion support area; latrines and showers; laundry, trash/recycling, storage, day, and study rooms; building information systems; and offices for tactical officers, tactical noncommissioned officers, and duty orderlies. Supporting facilities include utilities; exterior lighting; paving, walks, curbs, and gutters; storm drainage; information systems; site improvements; an access road; an access control point; a formation/staging area. The FY 2016 NDAA authorized the Secretary of the Army to install mechanical equipment and distribution lines sufficient to provide chilled water for air conditioning the nine existing historical Cadet barracks.

Justification: An additional \$32.8 million is required to award a contract for construction of the scope authorized by the FY 2016 NDAA. The Army is upgrading the historical cadet barracks through the Cadet Barracks Upgrade Program (CBUP) initiative which includes installing interior mechanical systems to permit air conditioning of the existing barracks. Chilled water must be supplied to the nine buildings to produce cooled, dehumidified air. This capability is essential for protecting the CBUP investment and providing equivalent quality of life for Cadets in all barracks.

Source of Funds: Bid savings from the following projects will fund this requirement.

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Fort Wainwright, AK Aviation Storage Hangar PN 76601	2014	58,000	55,505 ^{/1}	540
Fort Carson, CO Central Energy Plant PN 80433	2014	34,000	3,859 ^{/2}	30,141
Fort Leonard Wood, MO Simulator Facility PN 75019	2014	4,700	4,307	393
Joint Base Langley-Eustis, VA Advanced Individual Training Barracks Complex, Phase 3 PN 53584	2014	50,000	48,827	950
Yakima Training Center, WA Automated Multipurpose Machine Gun Range PN 54106	2014	9,100	8,603	39
Joint Base Lewis- McChord, WA Aircraft Maintenance Hangar PN 76777	2014	79,000	78,326 ^{/3}	611
Joint Base Lewis- McChord, WA Aviation Battalion Complex PN 78196	2014	37,200 ^{/4}	34,850	126
			Total:	32,800

¹ A 10 U.S.C. §2853 cost reduction notification dated March 30, 2015 was sent to the congressional committees reflecting a current working estimate (CWE) of \$49.3 million. Current CWE reflects cost to complete the project.

² A 10 U.S.C. §2853 scope & cost reduction notification dated August 7, 2015 was sent to the congressional committees reflecting a CWE of \$4.1 million. Current CWE reflects cost to complete the project.

³ A 10 U.S.C. §2853 cost reduction notification dated November 2, 2015 was sent to the congressional committees reflecting a CWE of \$69.3 million. Current CWE reflects cost to complete the project.

⁴ Reflects a revised PA of \$37.2 million as a result of a reprogramming increase approved by Congress in August 2016.

Bid Expiration Date: March 31, 2018

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: Marine Corps Air Station, Beaufort, South Carolina

Project: Replace Fuel Distribution Facilities

Authorization: National Defense Authorization Act for Fiscal Year (FY) 2015,
Public Law 113-291

Estimated Cost (\$000):

Previously Appropriated	40,600
Below Threshold Reprogramming	1,999
Requested Reprogramming	19,495
Total Estimated Cost	62,094

Description: Construct a 10-position aircraft direct fueling station with four jet fuel storage tanks and two bulk fuel storage tanks. Construct three pump houses with filter separators, and a fuel transfer line. Work includes secondary containment, product recovery system, site improvements, and demolition or decommissioning of six existing storage tanks and associated piping and remediation of fuel-contaminated soil funded by other appropriations. The work was to be located at three separate tank farms A, B and C.

Justification: This project was initially advertised on December 24, 2014. Bids received were nearly \$10 million above the amount appropriated by Congress. The higher than expected bids were attributed to an unanticipated need for pile foundations at the tanks, pump shelter structures, and the hold-down slabs, and less favorable construction market conditions in the geographic area.

As a result, DLA awarded a contract in November 2015 to replace the most deteriorated portions of the fuel system at tank farms B and C, and requires additional funds now to construct the remaining project scope associated with tank farm A. Completing construction at tank farm A is critical and is needed to meet mission requirements as approved by Congress.

Additional funding for tank farm A is necessary to cover:

1. The remaining cost of construction including the escalation of steel prices, changing market conditions, and to support the re-mobilization of sub-contractors to the site (\$17.3 million).
2. Supervision, Inspection and Overhead (SIOH), contingency, and post construction award services (\$2.2 million).

A Title 10 USC 2853 notification was submitted to Congress on November 30, 2017.

Source of Funds: Savings from the following projects are available to fund this requirement.

(Dollars in Thousands)				
<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Appropriated Amount</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Replace Fuel Storage/ RAF Mildenhall, UK	2014	17,732	- ^{1/}	17,732
Improve Wharf Refueling Capability/Diego Garcia	2017	30,000	27,700	1,763
Total:				19,495

^{1/} A Title 10 USC 2853 cancellation notification was sent to Congress on May 5, 2015.