



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

COMPTROLLER

MAR 16 2022

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>
1	<u>Air Force</u> Patrick Space Force Base, Florida	Main Gate	2019	4,678,000
2	Kirtland Air Force Base, New Mexico	Combat Rescue Helicopter Simulator (CRH) ADAL	2020	4,662,000
3	Royal Australian Air Force Base Tindal, Australia	Jet Fuel Storage Tanks	2020	32,352,000

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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MAR 16 2022

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.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Air Force</u>			
1	Patrick Space Force Base, Florida	Main Gate	2019	4,678,000
2	Kirtland Air Force Base, New Mexico	Combat Rescue Helicopter Simulator (CRH) ADAL	2020	4,662,000
3	Royal Australian Air Force Base Tindal, Australia	Jet Fuel Storage Tanks	2020	32,352,000

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: April 22, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Patrick Space Force Base, Florida

Project: Main Gate

Authorization: John S. McCain National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019, Public Law 115-232

Estimated Cost (\$000):

Previously Appropriated	9,000
Previously Reprogrammed	0
Requested Reprogramming	4,678
Total Estimated Cost	13,678

Project Description: This project constructs a main Entry Control Facility (ECF) for Privately Owned Vehicles (POV) including a visitor center, POV traffic check house/gatehouse with ID check stations, and denial barriers.

Justification: The cost increase is due to market conditions and change in design to conform with entry control point standards, not resulting in a change to project scope. The Associated General Contractors of America-published report "Percentage Change in Producer Price Indexes" indicates that new non-residential construction costs rose 22.2% between May 2020 and May 2021. In addition, the government estimate did not capture accurately the requirements for security engineering and access control.

A 10 U.S.C. §2853 cost variation notification dated September 27, 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>
Royal Air Force Lakenheath, UK F-35A Dormitory	2019	29,541	23,159	4,678
Total				4,678

Bid Expiration Date: N/A

Military Construction, Air Force

Reprogramming Request

Installation: Kirtland Air Force Base (AFB), New Mexico

Project: Combat Rescue Helicopter Simulator (CRH) ADAL

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

Estimated Cost (\$000):

Previously Appropriated	15,500
Previously Reprogrammed	0
Requested Reprogramming	4,662
Total Estimated Cost	20,162

Project Description: This project constructs two high-bay rooms/addition for full motion CRH simulators with roll-up doors and 2.5-ton cranes for each bay. The addition includes space for the following functions: restrooms, mechanical/electrical, image generator, avionics desktop trainer, offices, classified and unclassified areas, multi-purpose to accommodate meeting, educational, and briefing functions, and other training apparatus.

Justification: Project bids received were higher than available funding due to higher than normal construction estimates in the local market associated with the increased overhead/productivity and material and labor costs. Updated project cost estimates reflect higher prices for commodities such as gas, bitumen, copper, lumber, and steel, which have increased in price between 30 to 50 percent. Additionally, skilled workers are in high demand causing increased project cost estimates, as contractors must attract workers with competitive rates.

A 10 U.S.C. §2853 cost variation notification dated December 1, 2021 was submitted to Congress.

Source of Funds: Savings from the following projects 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 San Antonio- Lackland, TX Aquatic Tank	2020	69,000	66,560	930
Edwards AFB, CA Joint Simulation Environment Facility	2020	43,000	38,397	3,732
Total				4,662

Bid Expiration Date: August 3, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Royal Australian Air Force (RAAF) Base Tindal, Australia

Project: Jet Fuel Storage Tanks

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

Estimated Cost (\$000):

Previously Appropriated	59,000
Previously Reprogrammed	0
Requested Reprogramming	32,352
Total Estimated Cost	91,352

Project Description: The project provides two 25,000-barrel (1 million gallon) jet fuel storage tanks and accompanying pumphouses, filter building, and truck loading/ offloading fillstands.

Justification: The cost increased due to current market conditions and cost impacts of the remote site. Construction materials must be brought into the port of Darwin and trucked to RAAF Base Tindal, a 3.5-hr one-way drive. Overhead costs also increased due to limited lodging in the nearby town and bonus pay to attract workers to the remote site. DoD fuel system standards resulted in higher costs for importation of U.S. products and specialized subcontractors. Current market conditions caused contractors to add schedule/cost risks to proposals due to workforce reductions, material price increases, and supply chain impacts.

A 10 U.S.C. §2853 cost variation notification dated October 28, 2021 was submitted to Congress.

Source of Funds: Savings from the following projects 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>
Edwards Air Force Base (AFB), CA Joint Simulation Environment Facility	2020	43,000	38,397	352
Nellis AFB, NV 365th ISR Group Consolidated Facility	2020	57,000	40,917 ^{1/}	16,000
Scott AFB, IL Joint Operations & Mission Planning Center	2020	100,000	83,992 ^{2/}	16,000
Total				32,352

^{1/} A 10 U.S.C. §2853 cost variation (decrease) and scope (reduction) notification dated September 29, 2020 was submitted to Congress.

^{2/} A 10 U.S.C. §2853 cost variation (decrease) notification dated June 30, 2021 was submitted to Congress.