



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

MAY 09 2022

COMPTROLLER

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>Navy</u>			
1	NAS Lemoore, California	F-35C Simulator Facility & Electrical Upgrades	2021	6,100,000
	<u>U.S. Special Operations Command</u>			
2	Hurlburt Field, Florida	SOF Special Tactics Operations Facility (23 STS)	2021	10,583,000

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



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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.

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	<u>U.S. Special Operations Command</u>			
2	Hurlburt Field, Florida	SOF Special Tactics Operations Facility (23 STS)	2021	10,583,000

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

Bid Expiration Date: June 30, 2022

Military Construction, Navy

Reprogramming Request

Installation: Naval Air Station Lemoore, California

Project: F-35C Simulator Facility & Electrical Upgrades

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021,  
Public Law 116-283

Estimated Cost (\$000):

Previously Appropriated	59,150
Previously Reprogrammed	0
Requested Reprogramming	6,100
Total Estimated Cost	65,250

Project Description: Constructs an operational training facility to house F-35C Full Mission Simulators. The project also constructs a utility substation and switchgear at the Operations Side (Ops Side) substation, along with a new transmission line to connect to Pacific Gas and Electric Company (PG&E) infrastructure.

Justification: The current funding requirement for additional funds is attributable to the following:

- Underestimated Supporting Facilities Cost: The Pacific Gas and Electric Company (PG&E), as the owner and operator of the off-base electrical distribution and supply system, is required to design and construct the off-base transmission line and interconnection with the on-base electrical system. The timing required to finalize project programming and budget submission did not align with PG&E developing the cost estimate for construction of this new off-base transmission line. Therefore, the project program amount did not adequately consider the cost for construction of the new off-base transmission line, capacitor bank station, electrical system appurtenances, communications systems technology support, and connection from the on-base system to the PG&E main electrical distribution line. Primary contracts for the construction of the simulator facility and electrical upgrades to the substation and switchgear were awarded on March 25, 2021. These contracts are currently in progress.
- Contingency and Supervision, Inspection & Overhead (SIOH) Costs: The contingency and SIOH increased due to higher construction costs.

A 10 U.S.C. §2853 cost variation notification is not required.

Source of Funds: Savings from the following project(s) 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>
Souda Bay, GR Strategic Aircraft Parking Apron Extension	2018	20,697	10,950 <sup>1/</sup>	6,100
Total				6,100

<sup>1/</sup> A 10 U.S.C. §2853 cost reduction notification dated April 14, 2022 was sent to the Congressional committees.

Bid Expiration Date: August 20, 2022

Military Construction, Defense-Wide (U.S. Special Operations Command)

Reprogramming Request

Installation: Hurlburt Field, Florida

Project: SOF Special Tactics Operations Facility (23 STS)

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021,  
Public Law 116-283

Estimated Cost (\$000):

Previously Appropriated	44,810
Previously Reprogrammed	0
Requested Reprogramming	10,583
Total Estimated Cost	55,393

Project Description: This project provides a facility to organize, train, and equip special tactics forces to rapidly provide airmanship expertise to establish and control the air-to-ground interface in an objective area on short notice. It also provides long-range operational and logistics planning areas, and the staging capacity and capability to deploy command and control elements during special tactics force employment. This facility will also provide space to maintain, store and issue support equipment and clothing for each squadron member along with team vehicles and boats.

Justification: Based on bids received, an additional \$10.583 million is needed to award this project and to provide a facility that meets mission requirements. The cost increase is due to current Gulf Coast market conditions. Costs have increased by over 30% for structural steel, Portland Cement and lumber over the past year with supply chain shortages and inflation compounding the overall impact. The shortage of skilled workers and the volume of new starts in the Gulf Coast region have also increased the pricing for construction projects in this area.

A 10 U.S.C. §2853 cost variation notification is not required.

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>
Kadena AB, JA Airfield Improvements	2018	4,730	848	3,882 <sup>1/</sup>
Cannon AFB, NM SOF C-130 AGE Facility	2018	8,228	6,297	205
JEB Little Creek-Ft. Story, VA SOF NSWG-10 Operations Support Facility	2020	32,600	26,797	1,000
Hurlburt Field, FL SOF Maintenance Training Facility	2020	18,950	14,296	1,000
Hurlburt Field, FL SOF Combat Aircraft Parking Apron-North	2021	38,310	31,102	4,496
Total				10,583

<sup>1/</sup> FY 2018 funds are available to fund this requirement. The FY 2016 Airfield Pavements project at Kadena, JA was partially funded using FY 2018 funds approved by Congress in a prior approval reprogramming action in January 2020. This project has since completed, leaving \$3.882 million of the FY 2018 funds unused. These funds are being utilized now to partially source the current reprogramming request.