Bid Expiration Date: June 8, 2023

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: Joint Region Marianas, Guam

Project: X-Ray Wharf Refuel Facilities

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

Estimated Cost ($000):

Previously Appropriated	19,200
Previously Reprogrammed	0
Requested Reprogramming	28,765
Total Estimated Cost	47,965

Project Description: This project installs a fuel supply pipeline for Marine Diesel fuel from an existing transfer pipeline to the X-Ray Wharf located at the Naval Base Guam. The project will replace existing valve pits and associated components, and provide new piping, risers, and valve vaults to allow connection to docked vessels. The project includes all supporting civil, mechanical, and electrical utilities and site improvements.

Justification: Based on bids received, an additional $28.765 million is needed to award this project and provide a complete and useable facility that meets mission requirements. The additional funds are needed due to the following:

- Market Conditions and Construction Climate ($22.0 million): Cost increases are associated with local market conditions with high demand for construction activities and limited availability of trade labor and contractors/subcontractors with specialized welding/certification and inspection experience. There are multiple competing projects that further exacerbate contractor/labor availability such as a new 198 mega-watt electrical generation plant for Guam Power Authority and other Department initiatives and construction projects that serve to bolster the U.S. presence in the Pacific region.

- Execution Delays ($2.485 million): The project was initially solicited in 2020 with multiple cancellations and re-solicitations due to a lack of interest by industry and unreasonable bids from those that did submit.

- Contingency and Supervision, Inspection, and Overhead (SIOH) ($4.28 million): Increases are directly associated with higher construction costs.

A 10 U.S.C. §2853 cost variation notification dated January 30, 2023, was submitted to the congressional committees.

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

(Dollars in Thousands)

Location/Project	Fiscal Year	Amount Appropriated	Current Working Estimate	Proposed Reprogramming
Manchester, WA Bulk Fuel Storage Tanks Phase 1	2021	82,000	65,000	17,000
Wright Patterson AFB, OH Hydrant Fuel System	2021	23,500	18,700	2,720
Joint Base Lewis-McChord, WA Fuel Facilities (Lewis North)	2021	10,900	9,000	1,845
Joint Base Lewis-McChord, WA Fuel Facilities (Lewis Main)	2021	10,900	9,000	1,700
Kadena, AB, JA Operations Support Facility	2022	24,000	18,500	5,500
Total				28,765