



OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

JAN 18 2019

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:

Please find enclosed a report addressing the status of active construction projects for the fourth quarter of fiscal year (FY) 2018. This report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the Department provide quarterly updates on the progress of all hospital construction projects, including any settlements that have been reached for contractor error or project management deficiencies.

The military construction of medical facilities is progressing. The Defense Health Agency and construction agents, including the United States Army Corps of Engineers and Naval Facilities Engineering Command, have provided increased oversight and project management to mitigate impacts to both cost and schedule. Since the Committee report was published, nine hospitals and clinics completed construction and opened for business, and four commenced construction activities as of September 2018. The enclosed report on the progress of hospital construction projects provides construction timelines, and the current working estimates of active hospital and clinic construction projects for the fourth quarter of FY 2018.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the other congressional defense committees.

Sincerely,

James N. Stewart
Assistant Secretary of Defense for Manpower
and Reserve Affairs, Performing the Duties
of the Under Secretary of Defense for
Personnel and Readiness

Enclosure:
As stated

cc:
Ranking Member



OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable John Boozman
Chairman
Subcommittee on Military Construction
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

JAN 18 2019

Dear Mr. Chairman:

Please find enclosed a report addressing the status of active construction projects for the fourth quarter of fiscal year (FY) 2018. This report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the Department provide quarterly updates on the progress of all hospital construction projects, including any settlements that have been reached for contractor error or project management deficiencies.

The military construction of medical facilities is progressing. The Defense Health Agency and construction agents, including the United States Army Corps of Engineers and Naval Facilities Engineering Command, have provided increased oversight and project management to mitigate impacts to both cost and schedule. Since the Committee report was published, nine hospitals and clinics completed construction and opened for business, and four commenced construction activities as of September 2018. The enclosed report on the progress of hospital construction projects provides construction timelines, and the current working estimates of active hospital and clinic construction projects for the fourth quarter of FY 2018.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the other congressional defense committees.

Sincerely,

A handwritten signature in black ink, appearing to read "James N. Stewart", written over a large, stylized flourish.

James N. Stewart
Assistant Secretary of Defense for Manpower
and Reserve Affairs, Performing the Duties
of the Under Secretary of Defense for
Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Brian Schatz
Ranking Member



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JAN 18 2019

The Honorable James M. Inhofe
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Please find enclosed a report addressing the status of active construction projects for the fourth quarter of fiscal year (FY) 2018. This report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the Department provide quarterly updates on the progress of all hospital construction projects, including any settlements that have been reached for contractor error or project management deficiencies.

The military construction of medical facilities is progressing. The Defense Health Agency and construction agents, including the United States Army Corps of Engineers and Naval Facilities Engineering Command, have provided increased oversight and project management to mitigate impacts to both cost and schedule. Since the Committee report was published, nine hospitals and clinics completed construction and opened for business, and four commenced construction activities as of September 2018. The enclosed report on the progress of hospital construction projects provides construction timelines, and the current working estimates of active hospital and clinic construction projects for the fourth quarter of FY 2018.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the other congressional defense committees.

Sincerely,

A handwritten signature in black ink that reads "James N. Stewart". The signature is fluid and cursive, with a large loop at the end.

James N. Stewart
Assistant Secretary of Defense for Manpower
and Reserve Affairs, Performing the Duties
of the Under Secretary of Defense for
Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JAN 18 2019

The Honorable Adam Smith
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Please find enclosed a report addressing the status of active construction projects for the fourth quarter of fiscal year (FY) 2018. This report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the Department provide quarterly updates on the progress of all hospital construction projects, including any settlements that have been reached for contractor error or project management deficiencies.

The military construction of medical facilities is progressing. The Defense Health Agency and construction agents, including the United States Army Corps of Engineers and Naval Facilities Engineering Command, have provided increased oversight and project management to mitigate impacts to both cost and schedule. Since the Committee report was published, nine hospitals and clinics completed construction and opened for business, and four commenced construction activities as of September 2018. The enclosed report on the progress of hospital construction projects provides construction timelines, and the current working estimates of active hospital and clinic construction projects for the fourth quarter of FY 2018.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the other congressional defense committees.

Sincerely,

A handwritten signature in black ink that reads "James N. Stewart". The signature is fluid and cursive, with a large loop at the end.

James N. Stewart
Assistant Secretary of Defense for Manpower
and Reserve Affairs, Performing the Duties
of the Under Secretary of Defense for
Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable William M. "Mac" Thornberry
Ranking Member

Report to Congressional Defense Committees



Fourth Quarter Report on the U.S. Army Corps of Engineers Projects within the Defense Health Agency Fiscal Year 2018

In Response To: Joint Explanatory Statement, Accompanying the Consolidated Appropriations Act, 2018 (Public Law 115–141)

The estimated cost of this report or study for the Department of Defense (DoD) is approximately \$5,000.00 for the 2019 Fiscal Year. This includes \$0.00 in expenses and \$5,000.00 in DoD labor.

Generated on 2018Oct29

RefID: 3-1AEA3C8

DEFENSE HEALTH AGENCY'S HOSPITAL CONSTRUCTION PROGRAM STATUS OF ACTIVE CONSTRUCTION PROJECTS

EXECUTIVE SUMMARY

The fourth quarter report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act of 2018 (Public Law 115–141), which requests the status of active Medical Military Construction projects. Specifically, the committee requests the Defense Health Agency (DHA) to report to the congressional defense committees “on the progress of all hospital construction projects to include any settlements that have been reached for contractor error or project management deficiencies.” The data presented below, as reported by Design and Construction Agents, reflects data submitted with the title 10, U.S. Code, section 2851, report for September 2018, representing the fourth quarter in Fiscal Year (FY) 2018. As of the submission of this report, there are 22 active hospital and clinic projects in construction. In addition to active construction projects, there are 28 projects in the design phase as of September 2018.

BACKGROUND

The DHA is responsible for facility life-cycle management of U.S. military medical facilities worldwide, to preserve ready and resilient facilities that sustain military medicine’s mission assurance of world-class health care for America’s warfighters and their families. These military medical facilities include medical centers, hospitals, ambulatory care centers, medical training facilities, medical research facilities and veterinary facilities in the Military Health System. In accordance with title 10, U.S. Code, section 2851, and Department of Defense (DoD) Directive 4270.5, military construction of such facilities is to be carried out under the direction and supervision of the U.S. Army Corps of Engineers and Naval Facilities Engineering as the Construction Agent for the current active projects identified in this report. Therefore, data herein corresponds with that provided by the Construction Agents. Title 10, U.S. Code, section 2851, further requires reporting project data at a frequency no less than once a month, which provides a foundation for information within this report.

RESULTS

Current Status of Active Construction Projects

The active hospital and clinic projects in construction identified in this report include projects that have been awarded through projects that reached substantial completion and are in transition. The status, including a construction timeline and current working estimate of the active hospital and clinic projects in construction, is included in Table 1 representing the fourth quarter of FY 2018. Other projects reported in the title 10, U.S. Code, section 2851, report include projects that are complete and waiting for financial closeout by the Construction Agents. No settlements were reached for contractor error or project management deficiencies during the fourth quarter of FY 2018.

Table 1: Status of Active Hospital and Clinic Projects in Construction (4th Quarter FY 2018)

Project Number	Project	CWE (000)	% comp	NTP	BOD
77979	Cannon AFB, NM Clinic Replacement	\$ 52,073	99%	12 Aug 14	9 Mar 18
71325	Seymour Johnson AFB, NC Clinic Replacement	\$ 53,524	94%	24 Oct 13	8 Jun 18
72414	Peterson AFB, CO Dental Clinic	\$ 16,686	99%	3 Nov 15	30 Oct 18
81423	JBSA, Lackland AFB, TX Reid Clinic Replacement	\$ 38,050	99%	28 Sep 15	10 Jun 18
70354	Ft Irwin, CA Hospital Replacement	\$ 288,061	99%	30 May 12	14 Aug 18
72419	Osan AB, Korea Hospital Addition/Alteration	\$ 25,564	93%	26 Sep 13	31 Dec 18
81422	JBSA, Lackland AFB, TX Ambulatory Care Center, Phase IV	\$ 60,649	4%	23 Mar 17	1 Oct 20
MED020	Camp Humphreys, Korea Hospital Replacement	\$ 214,858	97%	1 Aug 12	1 Dec 18
77986	Spangdahlem AB, Germany Medical/Dental Clinic Addition	\$ 35,559	31%	14 Dec 16	17 Jun 19
81436	Bahrain NSA, Bahrain Medical/Dental Clinic Replacement	\$ 28,648	42%	20 Apr 16	19 Aug 19
86953	Ft Knox, KY Medical Clinic	\$ 63,371	40%	13 Apr 17	13 Nov 19
72481	Ft Bliss, TX Hospital Replacement	\$ 1,253,324	88%	23 Aug 11	1 Feb 20
72738	Sheppard AFB, TX Medical Dental Clinic Replacement	\$ 87,784	6%	26 Oct 17	15 Jun 21
80412	Schofield Barracks, HI Behavioral Health/Dental Clinic Addition Ph 1	\$ 123,838	25%	16 Jun 16	14 Jun 21
76007	Rhine Ordnance Barracks, Germany Medical Center Replacement	\$ 1,013,000	7%	13 Jan 14	30 Dec 23
71408	JB Andrews, MD Dental Clinic Replacement	\$ 22,472	88%	1 Mar 13	17 Dec 18
77154	JB Andrews, MD Ambulatory Care Center	\$ 229,684	96%	1 Mar 13	20 Jun 17
78150	MCB Kaneohe Bay, HI Medical/Dental Clinic Replacement	\$ 93,000	51%	14 Nov 16	19 Nov 19
81430	JB Langley-Eustis, VA Hospital Addition/CUP Replacement	\$ 57,300	8%	1 Jun 19	30 Jun 21
80906	NSA Bethesda, MD Medical Center Addition and Alteration	\$ 510,000	10%	22 Dec 17	Nov 24
14019	MCB Camp LeJeune, NC Dental Clinic Replacement	\$ 35,000	0%	20 Jul 18	2 Aug 20
77987	Schriever AFB, CO Medical/Dental Clinic Addition and Alteration	\$ 12,184	0%	12 Oct 18	14 May 21
CWE – Current Working Estimate		NTP – Notice to Proceed		BOD – Beneficial Occupancy Date	

CONCLUSION

As of the submission of this report, there are currently 22 active hospital and clinic projects in construction. In addition to active construction projects, there are currently 28 projects in the design phase. The data presented above delineates status, construction timeline and the current working estimate of the active construction projects and reflects data provided by the Design and Construction Agents of each respective project which was also submitted with the title 10, U.S. Code, section 2851, report in September 2018. This data will be appropriately updated in future quarterly reports.