



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

PERSONNEL AND
READINESS

MAY 15 2019

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

Dear Mr. Chairman:

Please find enclosed a report addressing the status of active medical military construction projects for the first quarter of fiscal year (FY) 2019. This report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the Department to provide quarterly updates on the progress of all hospital construction projects, to include 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 its construction agents, the United States Army Corps of Engineers and the Naval Facilities Engineering Command, have provided increased oversight and project management, in order to limit exposure of both cost and schedule. Since the committee report was published, nine hospitals and clinics have completed construction and opened for business. As of December 2018, construction activities have commenced on four more projects. 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 first quarter of FY 2019.

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.

A handwritten signature in black ink, appearing to read "James N. Stewart".

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



OFFICE OF THE UNDER SECRETARY OF DEFENSE
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PERSONNEL AND
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MAY 15 2019

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

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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
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WASHINGTON, D.C. 20301-4000

MAY 15 2019

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

Dear Mr. Chairman:

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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



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

PERSONNEL AND
READINESS

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

MAY 15 2019

Dear Madam Chairwoman:

Please find enclosed a report addressing the status of active medical military construction projects for the first quarter of fiscal year (FY) 2019. This report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the Department to provide quarterly updates on the progress of all hospital construction projects, to include any settlements that have been reached for contractor error or project management deficiencies.

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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 John R. Carter
Ranking Member

Report to Congress



First Quarter, Fiscal Year 2019, Report on the U.S. Army Corps of Engineers Projects within the Defense Health Agency

In Response To: Joint Explanatory Statement, Accompanying H.R. 1625, 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.

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

EXECUTIVE SUMMARY

The first quarter report for fiscal year (FY) 2019 is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act of 2018 (P.L. 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 in the report for December 2018, representing the first quarter in FY 2019 pursuant to section 2851 of title 10, United States Code. 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 December 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 section 2851 and 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. 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 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, is included in Table 1, which represents the first quarter of FY 2019. Other projects reported in the section 2851 report include projects that are complete and waiting for financial closeout by the construction agents. No settlements were requested or reached for contractor error or project management deficiencies during the first quarter of FY 2019.

**Table 1: Status of Active Hospital and Clinic Projects in Construction
(1st Quarter, FY 2019)**

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	\$ 26,686	95%	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	98%	1 Aug 12	1 Apr 19
77986	Spangdahlem AB, Germany Medical/Dental Clinic Addition	\$ 35,559	40%	14 Dec 16	17 Jun 19
81436	Bahrain NSA, Bahrain Medical/Dental Clinic Replacement	\$ 28,648	50%	20 Apr 16	23 Sep 19
86953	Ft Knox, KY Medical Clinic	\$ 63,371	54%	13 Apr 17	13 Nov 19
72481	Ft Bliss, TX Hospital Replacement	\$ 1,370,000	9%	23 Aug 11	1 Feb 20
72738	Sheppard AFB, TX Medical Dental Clinic Replacement	\$ 87,784	10%	26 Oct 17	15 Jun 21
80412	Schofield Barracks, HI Behavioral Health/Dental Clinic Addition Ph 1	\$ 123,838	30%	16 Jun 16	14 Jun 21
76007	Rhine Ordnance Barracks, Germany Medical Center Replacement	\$ 1,016,071	7%	13 Jan 14	30 Dec 23
71408	JB Andrews, MD Dental Clinic Replacement	\$ 22,472	98%	1 Mar 13	3 Jan 19
77154	JB Andrews, MD Ambulatory Care Center	\$ 229,684	97%	1 Mar 13	20 Jun 17
78150	MCB Kaneohe Bay, HI Medical/Dental Clinic Replacement	\$ 93,000	64%	14 Nov 16	19 Nov 19
81430	JB Langley-Eustis, VA Hospital Addition/CUP Replacement	\$ 57,300	13%	1 Jun 19	30 Jun 21
80906	NSA Bethesda, MD Medical Center Addition and Alteration	\$ 510,000	1%	22 Dec 17	Nov 24
14019	MCB Camp Lejeune, NC Dental Clinic Replacement	\$ 35,000	3%	20 Jul 18	13 Jul 20
77987	Schriever AFB, CO Medical/Dental Clinic Addition and Alteration	\$ 12,184	0%	23 Oct 18	17 Apr 20
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 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 section 2851 reports in December 2018. This data will be appropriately updated in future quarterly reports.