



PERSONNEL AND
READINESS

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

JUL 24 2019

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

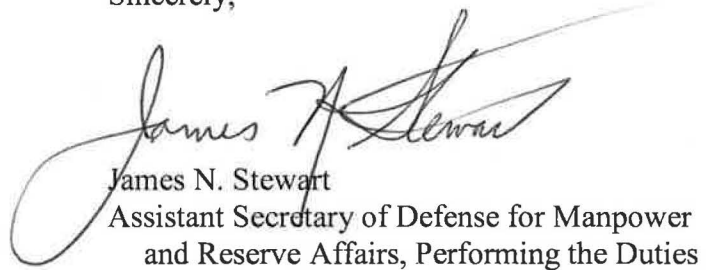
Dear Mr. Chairman:

The enclosed report is in response to House Report 115-188, pages 27-28, which accompanies H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2018, requesting a quarterly status of the Fort Bliss Hospital Replacement Project.

The Fort Bliss Hospital Replacement Project is progressing, but remains over budget and behind schedule. The Defense Health Agency and United States Army Corps of Engineers have provided increased oversight and project management to minimize further delays and expenditures. The project is 94 percent complete and construction is expected to be completed in September 2019. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of May 31, 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.

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:
The Honorable Jack Reed
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

JUL 24 2019

Dear Mr. Chairman:

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Sincerely,

A handwritten signature in black ink that reads "James N. Stewart". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

JUL 24 2019

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

Dear Mr. Chairman:

The enclosed report is in response to House Report 115-188, pages 27-28, which accompanies H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2018, requesting a quarterly status of the Fort Bliss Hospital Replacement Project.

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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, reading "James N. Stewart", is 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 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

JUL 24 2019

Dear Madam Chairwoman:

The enclosed report is in response to House Report 115-188, pages 27-28, which accompanies H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2018, requesting a quarterly status of the Fort Bliss Hospital Replacement Project.

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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:
The Honorable John Carter
Ranking Member

Report to Congressional Defense Committees



Second Quarter Report for Fiscal Year 2019, on the Status of the Fort Bliss Hospital Replacement Project

In Response to: House Report 115-188, Pages 27-28, Accompanying H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2018

The estimated cost of this report or study for the Department of Defense (DoD) is approximately \$5,000.00. This includes \$ 0.0) in expenses and \$5,000.00) in DoD labor.

Generated on 2019/03/31

Report/Study Cost Estimate
(1-B61CC2D)

Status of the Fort Bliss Hospital Replacement Project

EXECUTIVE SUMMARY

This second quarter report for fiscal year (FY) 2019 is in response to House Report 115-188, pages 27-28, accompanying H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2018, requesting a quarterly report on the status of the Fort Bliss Hospital Replacement Project. Specifically, the committee requests the Defense Health Agency (DHA) to report, at a minimum, the following information: (1) future funding requests as they are known; and (2) notice of any further delay. The data presented below, as reported by the United States Army Corps of Engineers (USACE), as the Construction Agent, is for the period of January 1, 2019 through May 30, 2019.

The Construction Agent reports the project is 94 percent complete and construction will be completed in September 2019. The facility operational date is projected in September 2020.

BACKGROUND

The Fort Bliss Hospital Replacement Project replaces the existing William Beaumont Army Medical Center, and is designed to support the 95,000 eligible beneficiaries in the Fort Bliss market. Upon occupancy, the Fort Bliss hospital will encompass 1,132,460 square feet in new construction, supporting 135 inpatient beds, 12 operating rooms, 269 exam rooms, and ancillary patient care services. The project also supports 15 graduate medical education, nursing, and enlisted training programs. Additional features include a new grade-separated interchange, a dedicated electric substation, two-way approach helipad, and more than 4,000 parking spaces.

In accordance with title 10 U.S.C. § 2851 and Department of Defense (DoD) Directive 4270.5, this construction project is being directed and supervised by the USACE. The first project increment was awarded for construction on January 29, 2013 to the Joint Venture of Clark-McCarthy Healthcare Partners, and construction started on May 29, 2013.

PROJECT STATUS

The Fort Bliss Hospital Replacement Project is an incrementally-funded project initially authorized in FY 2010 at \$9.66 million. Subsequent 10 U.S.C. § 2853 cost variation notifications bring the current authorized cost to \$1.37B, which equals total funding for the project.

The contractor continues to submit change requests that are actively being reviewed for merit and further negotiation; however, with the completed Cost and Schedule Risk Assessment update, USACE is confident existing funding will be sufficient to complete the project within the \$1.370 billion authorized cost.

Originally the construction completion date was expected to be November 6, 2019; however, the anticipated completion date is now September 2019.

The DHA continues to support assessment of the Fort Bliss Hospital Replacement Project, and is investigating acceleration of the schedule without adverse cost impact. Management processes involving all stakeholders have been implemented to resolve issues in a timely manner and to minimize schedule and cost impacts. Senior management oversight focusing on change management is readdressing the efficacy of changes and limiting changes to only those which are mandatory. Additionally, revisions to executive leadership oversight have been instituted for a more integrated and collaborative governance process. Monthly meetings, including a Senior Leadership Board and governance reviews, continue to emphasize that the Construction Agent mitigates impacts to cost and schedule in order to stay on-track for delivering a ready and resilient facility to provide world-class care to the eligible beneficiaries at Fort Bliss.

CONCLUSION

The Construction Agent reports the Fort Bliss Hospital Replacement Project is 94 percent complete and the project will be completed in September 2019. The most recent report from the data provided by the Construction Agent identified the current working estimate at \$1.370 billion.