



PERSONNEL AND  
READINESS

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

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

**JUN 18 2020**

Dear Mr. Chairman:

The Department's response to House Report 115-188, pages 27-28, accompanying H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2018, is enclosed. The report provides the second quarter status of the Fort Bliss Hospital Replacement Project.

The construction of the Fort Bliss Hospital Replacement Project is substantially complete, with significant efforts continuing on building commissioning and construction punch list inspections and corrections, as well as transition activities. The Construction Agent (U.S. Army Corps of Engineers) reports the project is 99.79 percent complete. The contractor and Construction Agent reports Beneficial Occupancy Date and Final Acceptance was February 29, 2020. The facility operational date of September 2020 remains unchanged. The report provides the status of the Fort Bliss Hospital Replacement Project as of March 31, 2020.

Thank you for your continued support for the health and well-being of our Service members, veterans, and their families. I am sending identical letters to the other congressional defense committees.

Sincerely,

//Signed//

Matthew P. Donovan  
US Under Secretary for P&R

Enclosure:  
As stated



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**JUN 18 2020**

The Honorable Brian Schatz  
Ranking Member  
Subcommittee on Military Construction,  
Veterans Affairs, and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Senator Schatz:

The Department's response to House Report 115-188, pages 27-28, accompanying H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2018, is enclosed. The report provides the second quarter status of the Fort Bliss Hospital Replacement Project.

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**JUN 18 2020**

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

Dear Mr. Chairman:

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**JUN 18 2020**

The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Senator Reed:

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

**JUN 18 2020**

Dear Mr. Chairman:

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WASHINGTON, D.C. 20301-4000

The Honorable William M. "Mac" Thornberry  
Ranking Member  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

**JUN 18 2020**

Dear Representative Thornberry:

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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

**JUN 18 2020**

Dear Madam Chairwoman:

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The Honorable John Carter  
Ranking Member  
Subcommittee on Military Construction,  
Veterans Affairs, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

**JUN 18 2020**

Dear Representative Carter:

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US Under Secretary for P&R

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# Report to Congressional Defense Committees



## Second Quarter Report for Fiscal Year 2020, 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 Act, 2018

The estimated cost of this report or study for the Department of Defense (DoD) is approximately \$2,500.00. This includes \$ 0.0) in expenses and \$2,500.00) in DoD labor.

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RefID: 4-50C0918

# **Status of the Fort Bliss Hospital Replacement Project**

## **EXECUTIVE SUMMARY**

This second quarter report for fiscal year (FY) 2020 is in response to House Report 115–188, pages 27-28, accompanying H.R. 2998, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2018. The data presented below, as reported by the United States Army Corps of Engineers (USACE), is for the period of March 1, 2019 through March 31, 2020. This report uses data reported by USACE for the March 17, 2020 Planning Design Team Meeting.

The construction of this project is substantially complete, with significant efforts continuing on building commissioning and construction punch list inspections and corrections, as well as transition activities. The Construction Agent reports the project is 99.79 percent complete as of March 31, 2020. The contractor and Construction Agent reports Beneficial Occupancy Date and Final Acceptance was February 29, 2020. The facility operational date of September 2020 remains unchanged.

## **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 10 U.S.C. § 2851 and Department of Defense Directive 4270.5, “Military Construction Responsibilities,” February 12, 2005, this construction project is being directed and supervised by 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 \$966M. Subsequent cost variation notifications bring the current authorized cost to \$1.370B, which equals total funding for the project.

The contractor continues to submit change requests; however, the number of submitted changes continues to decrease. With the completed cost and schedule risk assessment update, USACE remains confident existing funding will be sufficient to complete the project within the \$1.370B authorized cost.

Originally the construction completion date was expected to be November 26, 2016. The Beneficial Occupancy Date and Final Acceptance by the Government was February 29, 2020. The facility operational date of September 2020 remains unchanged.

The Defense Health Agency continues to support assessment of the Fort Bliss Hospital Replacement Project. 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 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 99.79 percent complete as of March 31, 2020, and the project Beneficial Occupancy Date and Final Acceptance by the Government was February 29, 2020. The facility operational date of September 2020 remains unchanged. The most recent report from the data provided by the Construction Agent shows the current working estimate remains at \$1.370B.