



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

PERSONNEL AND  
READINESS

SEP 14 2020

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:

The Department's response to the Joint Explanatory Statement, page 998, accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141) is enclosed. The report addresses the status of active hospital construction projects for the third quarter of Fiscal Year (FY) 2020.

The military construction of medical facilities is progressing. The Defense Health Agency and its construction agents, the United States Army Corps of Engineers and Naval Facilities Engineering Command, have provided increased oversight and project management to limit exposure of both cost and schedule. As of third quarter FY 2020, no new hospitals have commenced construction activities. The enclosed report on the progress of hospital construction projects provides construction timelines, and current working estimates of active hospital and clinic construction projects for the third quarter of FY 2020.

Thank you for your continued strong support for our Service members, civilian workforce, and families. I am sending identical letters to the other congressional defense committees.

Sincerely,

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Matthew P. Donovan

Enclosure:  
As stated



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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:

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**SEP 14 2020**

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

Dear Mr. Chairman:

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**SEP 14 2020**

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

Dear Senator Reed:

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SEP 14 2020

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

Dear Mr. Chairman:

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SEP 14 2020

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

Dear Representative Thornberry :

The Department's response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141) is enclosed. The report addresses the status of active hospital construction projects for the third quarter of Fiscal Year (FY) 2020.

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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

Dear Madam Chairwoman:

The Department's response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141) is enclosed. The report addresses the status of active hospital construction projects for the third quarter of Fiscal Year (FY) 2020.

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**SEP 14 2020**

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

Dear Representative Carter:

The Department's response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141) is enclosed. The report addresses the status of active hospital construction projects for the third quarter of Fiscal Year (FY) 2020.

The military construction of medical facilities is progressing. The Defense Health Agency and its construction agents, the United States Army Corps of Engineers and Naval Facilities Engineering Command, have provided increased oversight and project management to limit exposure of both cost and schedule. As of third quarter FY 2020, no new hospitals have commenced construction activities. The enclosed report on the progress of hospital construction projects provides construction timelines, and current working estimates of active hospital and clinic construction projects for the third quarter of FY 2020.

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# **Report to Congressional Defense Committees**



## **Third Quarter, Fiscal Year 2020, Report on the U.S. Army Corps of Engineers and Naval Facilities Engineering Command Projects within the Defense Health Agency**

**In Response To:** Joint Explanatory Statement, Page 998, 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 \$3,100.00 for the 2020 Fiscal Year. This includes \$0 in expenses and \$3,100.00 in DoD labor.

# **DEFENSE HEALTH AGENCY'S HOSPITAL CONSTRUCTION PROGRAM**

## **STATUS OF HOSPITAL CONSTRUCTION PROJECTS**

### **EXECUTIVE SUMMARY**

The third quarter report for Fiscal Year (FY) 2020 is in response to the Joint Explanatory Statement, page 998, accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the status of all hospital construction projects, including 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 through June 15, 2020 representing the third quarter in FY 2020. As of the submission of this report, there are 27 active hospital and clinic projects in construction. In addition to active construction projects, there are 10 projects in the design phase as of June 15, 2020.

### **BACKGROUND**

The Defense Health Agency 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 Department of Defense 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 Command, as the design and construction agents for the current active projects identified in this report. Therefore, data herein corresponds with that provided by the construction agents.

## **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, which represents the third quarter of FY 2020. Other projects 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 third quarter of FY 2020.

**Table 1: Status of Active Hospital and Clinic Projects in Construction (3<sup>rd</sup> Quarter FY 2020)**

Project Number	Project	CWE (000)	% comp	NTP	BOD
71325	Seymour Johnson AFB, NC Clinic Replacement	\$ 53,524	99%	24 Oct 13	8 Jun 18
72414	Peterson AFB, CO Dental Clinic	\$ 16,686	100%	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	\$ 309,734	100%	30 May 12	14 Aug 18
72419	Osan AB, Korea Hospital Addition/Alteration	\$ 27,114	98%	26 Sep 13	31 Oct 19
71408	JB Andrews, MD Dental Clinic Replacement	\$ 22,472	100%	1 Mar 13	3 Jan 19
MED020	Camp Humphreys, Korea Hospital Replacement	\$ 214,858	100%	1 Aug 12	1 Jun 19
77154	JB Andrews, MD Ambulatory Care Center	\$ 229,684	99%	1 Mar 13	20 Jun 17
81436	Bahrain NSA, Bahrain Medical/Dental Clinic Replacement	\$ 28,648	99%	20 Apr 16	30 Jan 20
86953	Ft Knox, KY Medical Clinic	\$ 63,760	91%	13 Apr 17	16 Nov 21
72481	Ft Bliss, TX Hospital Replacement	\$ 1,370,000	99%	23 Aug 11	29 Feb 20
72738	Sheppard AFB, TX Medical Dental Clinic Replacement	\$ 87,784	61%	26 Oct 17	8 Feb 21
80412	Schofield Barracks, HI Behavioral Health/Dental Clinic Ph 1	\$ 123,838	68%	16 Jun 16	21 Feb 21
76007	Rhine Ordnance Barracks, Germany Medical Center Replacement	\$ 1,003,575	11%	13 Jan 14	30 Dec 25
77986	Spangdahlem AB, Germany Medical/Dental Clinic Addition	\$ 35,589	77%	14 Dec 16	26 Feb 21
78150	MCB Kaneohe Bay, HI Medical/Dental Clinic Replacement	\$ 93,000	99%	14 Nov 16	31 Jan 20
81422	JBSA, Lackland AFB, TX Ambulatory Care Center, Phase IV	\$ 60,649	32%	23 Mar 17	7 May 21

<b>81430</b>	JB Langley-Eustis, VA Hospital Addition/CUP Replacement	\$ 57,300	31%	1 Jun 19	30 Jun 21
<b>80906</b>	NSA Bethesda, MD Medical Center Add / Alt	\$ 695,000	9%	22 Dec 17	01 Mar 26
<b>14019</b>	MCB Camp Lejeune, NC Dental Clinic Replacement	\$ 35,000	45%	20 Jul 18	2 Jan 21
<b>77987</b>	Schriever AFB, CO Medical/Dental Clinic Add / Alt	\$ 12,184	53%	23 Oct 18	16 Aug 21
<b>71509</b>	Naval Shipyard Portsmouth, ME Medical/Dental Clinic Replacement	\$ 37,400	26%	1 Feb 19	31 May 21
<b>91884</b>	Fort Leonard Wood Hospital Replacement, Ph 1 & Ph 2	\$ 381,300	13%	14 Oct 19	13 Oct 23
<b>14021</b>	MCB Camp Pendleton, CA Ambulatory Care Center Replacement (Area 13)	\$ 26,400	3%	2 Jan 20	10 May 20
<b>14041</b>	MCB Camp Lejeune, NC Ambulatory Care/Dental Center Replacement (Hadnot Point)	\$ 21,400	7%	12 Oct 19	30 Oct 21
<b>14042</b>	MCB Camp Lejeune, NC Ambulatory Care/Dental Center Replacement (Wallace Creek)	\$ 22,000	7%	12 Oct 19	30 Oct 21
<b>89838</b>	MCAS New River, NC Ambulatory Care/Dental Center Replacement	\$ 32,580	2%	30 Sep 19	30 Oct 21
<b>CWE – Current Working Estimate      NTP – Notice to Proceed      BOD – Beneficial Occupancy Date</b>					

## CONCLUSION

As of the submission of this report, there are currently 27 active hospital and clinic projects in construction. In addition to active construction projects, there are currently 10 projects in the design phase. As of June 15, 2020 no new hospitals have commenced construction activities. The data presented above delineates status, construction timeline, and the current working estimate of the active construction projects, and reflects updated data provided by the design and construction agents of each respective project, which was also submitted with the section 2851 reports in June 2020. This data will be appropriately updated in future quarterly reports.