



PERSONNEL AND  
READINESS

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

**APR 14 2021**

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

Dear Mr. Chairman:

The Department of Defense's report in response to the Joint Explanatory Statement, accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141) is enclosed. The report provides a quarterly update on the progress of all hospital construction projects, including any settlements reached for contractor error or project management deficiencies, for the first quarter of Fiscal Year (FY) 2021.

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 the first quarter of FY 2021, one new clinic has commenced construction activities. The enclosed report on the progress of medical military construction projects provides construction timelines and current working estimates of active hospital and clinic construction projects for the first quarter of FY 2021.

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

Sincerely,

*Virginia S. Penrod*

Virginia S. Penrod  
Acting

Enclosure:  
As stated

cc:  
The Honorable John Boozman  
Ranking Member



PERSONNEL AND  
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**UNDER SECRETARY OF DEFENSE**

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

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Virginia S. Penrod  
Acting

Enclosure:  
As stated

cc:  
The Honorable James M. Inhofe  
Ranking Member



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

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

**APR 14 2021**

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Acting

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As stated

cc:  
The Honorable Mike D. Rogers  
Ranking Member



PERSONNEL AND  
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**UNDER SECRETARY OF DEFENSE**

4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

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

**APR 14 2021**

Dear Madam Chairwoman:

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Virginia S. Penrod  
Acting

Enclosure:  
As stated

cc:  
The Honorable John Carter  
Ranking Member

# **Report to Congressional Defense Committees**



## **First Quarter, Fiscal Year 2021, 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 is approximately \$3,100.00 for the 2021 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 first quarter report for Fiscal Year (FY) 2021 is in response to the Joint Explanatory Statement, page 998, accompanying H.R. 1625, 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 December 15, 2020, representing the first quarter in FY 2021. There are 27 active hospital and clinic projects in construction, 18 projects in the design phase, and one settlement was reached for contractor error.

**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 of title 10, United States Code and Department of Defense Directive 4270.5, "Military Construction," 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 first quarter of FY 2021. Other projects include projects that are complete and waiting for financial closeout by the construction agents.

**Table 1: Status of Active Hospital and Clinic Projects in Construction (4<sup>th</sup> Quarter FY 2020)**

Fiscal Year	Project Number	Project	CWE (000)	% Complete	NTP	BOD
2009	70354	Ft Irwin, CA; Hospital Replacement	\$288,061	100%	30-May-12	22-Mar-19
2010	72481	Ft Bliss, TX; Hospital Replacement	\$1,370,000	99%	25-Aug-11	29-Feb-20
2012	71408	JB Andrews, MD; Dental Clinic Replacement	\$22,472	100%	1-Mar-13	3-Jan-19
2012	76007	Rhine Ordnance Barracks, Germany; Medical Center Replacement	\$1,003,575	11%	13-Jan-14	30-Dec-25
2013	71325	Seymour Johnson AFB, NC; Clinic Replacement	\$53,524	99%	24-Oct-13	8-Jun-18
2013	72419	Osan AB, Korea; Hospital Addition/Alteration	\$27,114	100%	26-Sep-13	31-Oct-19
2014	81436	Bahrain NSA, Bahrain; Medical/Dental Clinic Replacement	\$28,594	99%	20-Apr-16	30-DEC-19
2015	72414	Peterson AFB, CO; Dental Clinic	\$16,686	100%	3-Nov-15	23-Oct-18
2015	81423	JBSA, Lackland AFB, TX; Reid Clinic Replacement	\$38,050	100%	28-Sep-15	10-Jun-18
2015	81430	JB Langley-Eustis, VA; Hospital Addition/CUP Replacement	\$57,300	47%	1-Jun-19	18-Aug-21
2016	86953	Ft Knox, KY; Medical Clinic	\$63,760	91%	13-Apr-17	16 Nov 21
2016	80412	Schofield Barracks, HI; Behavioral Health/Dental Clinic Phase 1	\$116,464	95%	16-Jun-16	21-Feb-21
2016	77986	Spangdahlem AB, Germany; Medical/Dental Clinic Addition	\$35,559	86%	14-Dec-16	31-Jul-21
2016	78150	MCB Kaneohe Bay, HI; Medical/Dental Clinic Replacement	\$93,000	100%	14-Nov-16	31-Jul-20
2016	81422	JBSA, Lackland AFB, TX; Ambulatory Care Center, Phase IV	\$60,649	42%	24-Oct-18	7-May-21
2017	72738	Sheppard AFB, TX; Medical Dental Clinic Replacement	\$87,784	79%	26-Oct-17	8-Feb-21
2017	80906	NSA Bethesda, MD; Medical Center Add / Alt	\$695,000	15%	22-Dec-17	1-Mar-26
2017	14019	MCB Camp Lejeune, NC; Dental Clinic Replacement	\$31,000	80%	20-Jul-18	4-Mar-21
2017	71509	Naval Shipyard Portsmouth, ME Medical/Dental Clinic Replacement	\$27,100	59%	1-Feb-19	31-May-21
2018	77987	Schriever AFB, CO Medical/Dental Clinic Add / Alt	\$13,508	29%	23-Oct-18	16-Aug-21
2018	91884	Fort Leonard Wood Hospital Replacement, Phase 1 & Phase 2	\$381,300	25%	14-Oct-19	13-Oct-23



<b>2018</b>	14021	MCB Camp Pendleton, CA Ambulatory Care Center Replacement (Area 13)	\$26,400	22%	2-Jan-20	10-May-20
<b>2018</b>	14041	MCB Camp Lejeune, NC; Ambulatory Care/Dental Center Replacement (Hadnot Point)	\$21,400	30%	12-Oct-19	30-Oct-21
<b>2018</b>	14042	MCB Camp Lejeune, NC; Ambulatory Care/Dental Center Replacement (Wallace Creek)	\$22,000	26%	12-Oct-19	30-Oct-21
<b>2019</b>	89838	MCAS New River, NC; Ambulatory Care/Dental Center Replacement	\$32,580	13%	30-Sep-19	28-Feb-22
	MED020	Camp Humphreys, Korea; Hospital Replacement	\$214,858	100%	1-Aug-12	1-Jun-19
<b>2020</b>	89906	MCB Camp Pendleton, CA: Ambulatory Care Center Replacement (Area 21)	\$22,250	1%	30-Nov-20	30-Aug-22

**CWE – Current Working Estimate      NTP – Notice to Proceed      BOD – Beneficial Occupancy Date**

## CONCLUSION

As of the submission of this report, there are currently 27 active hospital and clinic projects in construction, and 18 projects in the design phase. As of December 15, 2020, the Camp Pendleton, 21 Area Ambulatory Care Center Replacement project has commenced construction activities.

During the first quarter of FY 2021, one settlement was reached for contractor error, and no settlements were requested or reached for contractor project management deficiencies. The United States Army Corps of Engineers reached a single settlement with a designer of record for the Fort Bliss Hospital Replacement and Lackland Air Force Base Ambulatory Care Center projects.

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, title 10, United States Code reports in December 2020. This data will be appropriately updated in future quarterly reports.