



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE

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

MAY 21 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:

As requested in the Joint Explanatory Statement accompanying H.R. 1625, the Consolidated Appropriations Act, 2018 (164 Cong. Rec. H2801, 2018), please find the enclosed report for the first quarter of fiscal year (FY) 2020 on the progress of all hospital construction projects, including any settlements 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 Naval Facilities Engineering Command, have provided increased oversight and project management to limit exposure of both cost and schedule. As of first quarter FY 2020, one new hospital has commenced construction activities.

Thank you for your continued support of 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 of Defense for P&R

Enclosure:
As stated



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MAY 21 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:

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

Dear Mr. Chairman:

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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

Dear Mr. Chairman:

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MAY 21 2020

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

Dear Representative Thornberry:

As requested in the Joint Explanatory Statement accompanying H.R. 1625, the Consolidated Appropriations Act, 2018 (164 Cong. Rec. H2801, 2018), please find the enclosed report for the first quarter of fiscal year (FY) 2020 on the progress of all hospital construction projects, including any settlements reached for contractor error or project management deficiencies.

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MAY 21 2020

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:

As requested in the Joint Explanatory Statement accompanying H.R. 1625, the Consolidated Appropriations Act, 2018 (164 Cong. Rec. H2801, 2018), please find the enclosed report for the first quarter of fiscal year (FY) 2020 on the progress of all hospital construction projects, including any settlements reached for contractor error or project management deficiencies.

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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

Dear Representative Carter:

As requested in the Joint Explanatory Statement accompanying H.R. 1625, the Consolidated Appropriations Act, 2018 (164 Cong. Rec. H2801, 2018), please find the enclosed report for the first quarter of fiscal year (FY) 2020 on the progress of all hospital construction projects, including any settlements reached for contractor error or project management deficiencies.

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US Under Secretary of Defense for P&R

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Report to Congress



First 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 Accompanying the Consolidated Appropriations Act, 2018 (164 Cong. Rec. H2801, 2018)

The estimated cost of this report or study for the Department of Defense (DoD) is approximately \$3,000.00 for the 2020 Fiscal Year. This includes \$0.00 in expenses and \$3,000 in DoD labor.

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January 22, 2020

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

EXECUTIVE SUMMARY

The first quarter report for fiscal year (FY) 2020 is in response to a request provision in the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (164 Cong. Rec. H2801, 2018), for quarterly reports 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 with the 10 U.S.C. § 2851 report through January 15, 2020, representing the first quarter in FY 2020. As of January 15, 2020, there are 27 hospital and clinic projects in active construction and 27 projects in the design phase.

BACKGROUND

The Defense Health Agency (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 10 U.S.C. § 2851 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. 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 hospital and clinic projects in active 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 2020. 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 2020.

Table 1: Status of Active Hospital and Clinic Projects in Construction (1st Quarter FY 2020)

Project Number	Project	CWE (000)	% comp	NTP	BOD
71325	Seymour Johnson AFB, NC Clinic Replacement	\$ 53,524	98%	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 Nov 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	1 Oct 19
81422	JBSA, Lackland AFB, TX Ambulatory Care Center, Phase IV	\$ 60,649	21%	23 Oct 18	1 Apr 21
MED020	Camp Humphreys, Korea Hospital Replacement	\$ 214,858	98%	1 Aug 12	1 Jun 19
77986	Spangdahlem AB, Germany Medical/Dental Clinic Addition	\$ 35,559	69%	14 Dec 16	26 Feb 21
81436	Bahrain NSA, Bahrain Medical/Dental Clinic Replacement	\$ 28,595	92%	20 Apr 16	20 Jan 20
86953	Ft Knox, KY Medical Clinic	\$ 63,760	90%	13 Apr 17	22 May 21
72481	Ft Bliss, TX Hospital Replacement	\$ 1,370,000	99%	23 Aug 11	1 Feb 20
72738	Sheppard AFB, TX Medical Dental Clinic Replacement	\$ 87,784	39%	26 Oct 17	31 Oct 20
80412	Schofield Barracks, HI Behavioral Health/Dental Clinic Ph 1	\$ 123,510	49%	16 Jun 16	21 Nov 20
76007	Rhine Ordnance Barracks, Germany Medical Center Replacement	\$ 1,003,575	9%	13 Jan 14	30 Dec 25
71408	JB Andrews, MD Dental Clinic Replacement	\$ 22,472	100%	1 Mar 13	15 Feb 19
77154	JB Andrews, MD Ambulatory Care Center	\$ 229,684	98%	1 Mar 13	30 Jul 20
78150	MCB Kaneohe Bay, HI Medical/Dental Clinic Replacement	\$ 93,000	96%	14 Nov 16	31 Mar 20
81430	JB Langley-Eustis, VA Hospital Addition/CUP Replacement	\$ 57,300	23%	1 Jun 19	18 Mar 21
80906	NSA Bethesda, MD Medical Center Add / Alt	\$ 695,000	5%	22 Dec 17	30 Nov 24
14019	MCB Camp Lejeune, NC Dental Clinic Replacement	\$ 31,000	32%	20 Jul 18	2 Jan 21
77987	Schriever AFB, CO Medical/Dental Clinic Add / Alt	\$ 12,184	12%	23 Oct 18	17 Jun 21
71509	Naval Shipyard Portsmouth, ME Medical/Dental Clinic Replacement	\$ 27,100	25%	1 Feb 19	24 Jan 21
91884	Fort Leonard Wood Hospital Replacement, Ph 1 & Ph 2	\$ 381,300	1%	14 Oct 19	13 Oct 23
14021	MCB Camp Pendleton, CA Ambulatory Care Center Replacement (Area 13)	\$ 26,400	1%	2 Jan 20	10 May 20
14041	MCB Camp Lejeune, NC Ambulatory Care/Dental Center Replacement (Hadnot Point)	\$ 21,400	1%	12 Oct 19	30 Oct 21

14042	MCB Camp Lejeune, NC Ambulatory Care/Dental Center Replacement (Wallace Creek)	\$ 22,000	1%	12 Oct 19	30 Oct 19
89839	MCAS New River, NC Ambulatory Care/Dental Center Replacement	\$ 32,580	1%	30 Sep 19	30 Oct 21
CWE – Current Working Estimate					
NTP – Notice to Proceed					
BOD – Beneficial Occupancy Date					

CONCLUSION

As of January 15, 2020, there are 27 hospital and clinic projects in active construction and 27 projects in the design phase. As of January 15, 2020, one new hospital has 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 January 2020. This data will be appropriately updated in future quarterly reports.