



PERSONNEL AND
READINESS

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

DEC 10 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 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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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,

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated





PERSONNEL AND
READINESS

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

DEC 10 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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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,

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated



PERSONNEL AND
READINESS

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

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

DEC 10 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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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,

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated



PERSONNEL AND
READINESS

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

DEC 10 2020

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

Dear Senator Reed:

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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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,

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated



PERSONNEL AND
READINESS

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

DEC 10 2020

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

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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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,

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
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

DEC 10 2020

Dear Representative Thornberry:

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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated



PERSONNEL AND
READINESS

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

DEC 10 2020

Dear Madam Chairwoman:

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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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,

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated



PERSONNEL AND
READINESS

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

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

DEC 10 2020

Dear Representative Carter:

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 status of the Fort Bliss Hospital Replacement Project for the third and fourth quarters of Fiscal Year 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, the actual move into the William Beaumont Army Medical Center replacement is delayed until March 28, 2021 due to an equipment procurement protest. The delay is not expected to have any military construction cost implications. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of September 15, 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,

//SIGNED//

Matthew P. Donovan

Enclosure:
As stated

Report to Congressional Defense Committees



Third and Fourth 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 Bill, 2018

The estimated cost of this report or study for the Department of Defense (DoD) is approximately \$2,500.00. This includes \$ 0.00 in expenses and \$2,500.00 in DoD labor.

Generated on September 11, 2020

Report/Study Cost Estimate
(A-214CF4E)

Status of the Fort Bliss Hospital Replacement Project

EXECUTIVE SUMMARY

This third and fourth 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 Bill, 2018. The data presented below, as reported by the United States Army Corps of Engineers (USACE), as the construction agent, is as of September 15, 2020.

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 99.8 percent complete. Although the contractor and construction agent report a beneficial occupancy date of February 29, 2020, due to an equipment procurement protest the actual move into the William Beaumont Army Medical Center (WBAMC) replacement is delayed until March 28, 2021. The delay is not expected to have any military construction cost implications.

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, 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. 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 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; 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 \$1.37B authorized cost.

Originally the construction completion date was expected to be November 26, 2016. Although the beneficial occupancy date by the Government was February 29, 2020, due to an equipment procurement protest the actual move into the WBAMC replacement is delayed until March 28, 2021. The delay is not expected to have any military construction cost implications.

The initial outfitting and transition activities to activate the Fort Bliss Hospital Replacement facility has encountered significant challenges. The most significant and easily measured impact is a contract award protest for the point-of-use dispensing system required for the clinical operation of the facility. The revised facility operational date is an estimated timeline of the resolution of the protest and subsequent notice to the contact awardee to manufacture and install the system and its components. Additional activation challenges can be categorized as cyber-security certification for medical equipment and facility control systems; construction punch list items and rework; and identification of life-safety deficiencies and corrective actions.

The Defense Health Agency continues to support assessment of the Fort Bliss Hospital Replacement Project. Management processes involving all stakeholders remain in-place to resolve issues in a timely manner and to minimize schedule and cost impacts. Senior management oversight of change management is limiting changes to only those which are mandatory. 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 99.8 percent complete and the project beneficial occupancy date was February 29, 2020. Due to an equipment procurement protest the actual move into the WBAMC replacement is delayed until March 28, 2021. The delay is not expected to have any military construction cost implications. The most recent report from the data provided by the construction agent shows the current working estimate remains at \$1.37B, within the authorized cost.