



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

PERSONNEL AND  
READINESS

DEC 17 2019

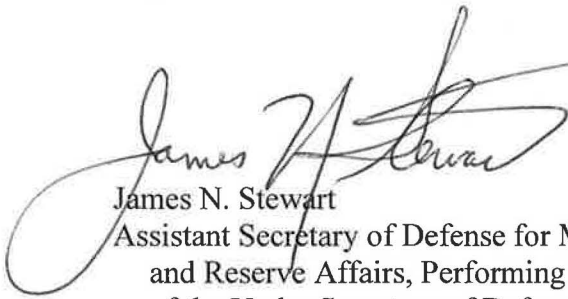
The Honorable John Boozman  
Chairman  
Subcommittee on Military Construction,  
Veterans Affairs, and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

Please find enclosed a report addressing the status of active hospital construction projects for the fourth quarter of fiscal year (FY) 2019. This report is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115-141), which requests the Department provide quarterly updates 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 fourth quarter FY 2019, one new hospital has 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 fourth quarter of FY 2019.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the other congressional defense committees.

  
James N. Stewart  
Assistant Secretary of Defense for Manpower  
and Reserve Affairs, Performing the Duties  
of the Under Secretary of Defense for  
Personnel and Readiness

Enclosure:  
As stated

cc:  
The Honorable Brian Schatz  
Ranking Member



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

**PERSONNEL AND  
READINESS**

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

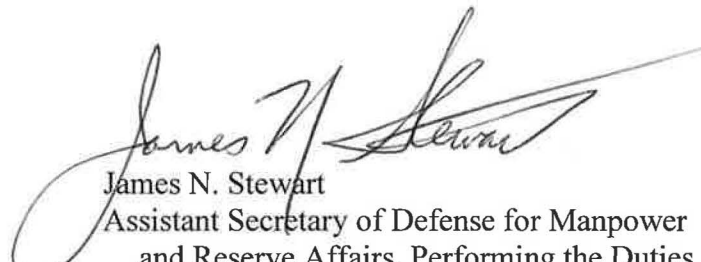
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James N. Stewart  
Assistant Secretary of Defense for Manpower  
and Reserve Affairs, Performing the Duties  
of the Under Secretary of Defense for  
Personnel and Readiness

Enclosure:  
As stated

cc:  
The Honorable Jack Reed  
Ranking Member



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

PERSONNEL AND  
READINESS

DEC 17 2019

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

Dear Mr. Chairman:

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A handwritten signature in black ink that reads "James N. Stewart". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James N. Stewart  
Assistant Secretary of Defense for Manpower  
and Reserve Affairs, Performing the Duties  
of the Under Secretary of Defense for  
Personnel and Readiness

Enclosure:  
As stated

cc:  
The Honorable William M. "Mac" Thornberry  
Ranking Member



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

PERSONNEL AND  
READINESS

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 17 2019

Dear Madam Chairwoman:

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A handwritten signature in black ink, appearing to read "James N. Stewart", written over a light blue horizontal line.

James N. Stewart  
Assistant Secretary of Defense for Manpower  
and Reserve Affairs, Performing the Duties  
of the Under Secretary of Defense for  
Personnel and Readiness

Enclosure:  
As stated

cc:  
The Honorable John Carter  
Ranking Member

# Report to Congressional Defense Committees



## Fourth Quarter, Fiscal Year 2019, 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 (Public Law 115–141)

The estimated cost of this report or study for the Department of Defense (DoD) is approximately \$3,000.00 for the 2019 Fiscal Year. This includes \$0.00 in expenses and \$3,000 in DoD labor.

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

## **EXECUTIVE SUMMARY**

The fourth quarter report for fiscal year (FY) 2019 is in response to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2018 (Public Law 115–141), which requests the status of active medical military construction projects. Specifically, the Committees request the Defense Health Agency (DHA) to report 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 10 U.S.C. § 2851 report through October 15, 2019, representing the fourth quarter in FY 2019. As of the submission of this report, there are 23 active hospital and clinic projects in construction. In addition to active construction projects, there are 30 projects in the design phase as of October 15, 2019.

## **BACKGROUND**

The 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 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. 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 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 fourth quarter of FY 2019. 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 fourth quarter of FY 2019.

**Table 1: Status of Active Hospital and Clinic Projects in Construction (4<sup>th</sup> Quarter FY 2019)**

Project Number	Project	CWE (000)	% comp	NTP	BOD
71325	Seymour Johnson AFB, NC Clinic Replacement	\$ 53,524	97%	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
81422	JBSA, Lackland AFB, TX Ambulatory Care Center, Phase IV	\$ 60,649	15%	23 Mar 17	2 Mar 21
MED020	Camp Humphreys, Korea Hospital Replacement	\$ 214,858	98%	1 Aug 12	1 Jun 19
77986	Spangdahlem AB, Germany Medical/Dental Clinic Addition	\$ 35,589	65%	14 Dec 16	1 Aug 19
81436	Bahrain NSA, Bahrain Medical/Dental Clinic Replacement	\$ 28,648	90%	20 Apr 16	23 Sep 19
86953	Ft Knox, KY Medical Clinic	\$ 63,760	85%	13 Apr 17	16 Nov 21
72481	Ft Bliss, TX Hospital Replacement	\$ 1,370,000	98%	23 Aug 11	1 Feb 20
72738	Sheppard AFB, TX Medical Dental Clinic Replacement	\$ 87,784	39%	26 Oct 17	8 Feb 21
80412	Schofield Barracks, HI Behavioral Health/Dental Clinic Ph 1	\$ 123,838	49%	16 Jun 16	14 Jun 21
76007	Rhine Ordnance Barracks, Germany Medical Center Replacement	\$ 1,003,575	9%	13 Jan 14	30 Dec 23
71408	JB Andrews, MD Dental Clinic Replacement	\$ 22,472	100%	1 Mar 13	3 Jan 19
77154	JB Andrews, MD Ambulatory Care Center	\$ 229,684	98%	1 Mar 13	20 Jun 17
78150	MCB Kaneohe Bay, HI Medical/Dental Clinic Replacement	\$ 93,000	87%	14 Nov 16	19 Nov 19
81430	JB Langley-Eustis, VA Hospital Addition/CUP Replacement	\$ 57,300	15%	1 Jun 19	30 Jun 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	\$ 35,000	31%	20 Jul 18	13 Jul 20
77987	Schriever AFB, CO Medical/Dental Clinic Add / Alt	\$ 12,184	12%	23 Oct 18	16 Aug 21
71509	Naval Shipyard Portsmouth, ME Medical/Dental Clinic Replacement	\$ 37,400	25%	1 Feb 19	24 Dec 21
91884	Fort Leonard Wood Hospital Replacement, Ph 1 & Ph 2	\$ 381,300	1%	8 Aug 19	13 Oct 23
CWE – Current Working Estimate		NTP – Notice to Proceed	BOD – Beneficial Occupancy Date		

## **CONCLUSION**

As of the submission of this report, there are currently 23 active hospital and clinic projects in construction. In addition to active construction projects, there are currently 30 projects in the design phase. As of October 15, 2019, 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 October 2019. This data will be appropriately updated in future quarterly reports.