



PERSONNEL AND  
READINESS

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

**MAR 10 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 response to House Report 115-188, pages 27-28, accompanying H.R. 2998, the Military Constructions, Veterans Affairs, and Related Agencies Appropriations Act, 2018, is enclosed. The report provides the status of the Fort Bliss Hospital Replacement Project for the first quarter of Fiscal Year 2021.

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. The contractor and construction agent report a beneficial occupancy date of February 29, 2020, and the facility operational date is projected in March 2021. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of December 15, 2020.

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

Sincerely,

//SIGNED//

Virginia S. Penrod  
Acting

Enclosure:  
As stated

cc:  
The Honorable John Boozman  
Ranking Member



PERSONNEL AND  
READINESS

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

**MAR 10 2021**

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

Dear Mr. Chairman:

The Department of Defense's response to House Report 115-188, pages 27-28, accompanying H.R. 2998, the Military Constructions, Veterans Affairs, and Related Agencies Appropriations Act, 2018, is enclosed. The report provides the status of the Fort Bliss Hospital Replacement Project for the first quarter of Fiscal Year 2021.

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. The contractor and construction agent report a beneficial occupancy date of February 29, 2020, and the facility operational date is projected in March 2021. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of December 15, 2020.

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

Sincerely,

//SIGNED//

Virginia S. Penrod  
Acting

Enclosure:  
As stated

cc:  
The Honorable James M. Inhofe  
Ranking Member



PERSONNEL AND  
READINESS

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

**MAR 10 2021**

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

Dear Mr. Chairman:

The Department of Defense's response to House Report 115-188, pages 27-28, accompanying H.R. 2998, the Military Constructions, Veterans Affairs, and Related Agencies Appropriations Act, 2018, is enclosed. The report provides the status of the Fort Bliss Hospital Replacement Project for the first quarter of Fiscal Year 2021.

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. The contractor and construction agent report a beneficial occupancy date of February 29, 2020, and the facility operational date is projected in March 2021. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of December 15, 2020.

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

Sincerely,

//SIGNED//

Virginia S. Penrod  
Acting

Enclosure:  
As stated

cc:  
The Honorable Mike Rogers  
Ranking Member



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

**MAR 10 2021**

Dear Madam Chairwoman:

The Department of Defense's response to House Report 115-188, pages 27-28, accompanying H.R. 2998, the Military Constructions, Veterans Affairs, and Related Agencies Appropriations Act, 2018, is enclosed. The report provides the status of the Fort Bliss Hospital Replacement Project for the first quarter of Fiscal Year 2021.

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. The contractor and construction agent report a beneficial occupancy date of February 29, 2020, and the facility operational date is projected in March 2021. The enclosed report provides the status of the Fort Bliss Hospital Replacement Project as of December 15, 2020.

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

Sincerely,

//SIGNED//

Virginia S. Penrod  
Acting

Enclosure:  
As stated

cc:  
The Honorable John R. Carter  
Ranking Member

# Report to Congressional Defense Committees



## First Quarter Report for Fiscal Year 2021, 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 December 20, 2020

Report/Study Cost Estimate  
(E-ECAB5CC)

# **Status of the Fort Bliss Hospital Replacement Project**

## **EXECUTIVE SUMMARY**

This first quarter report for Fiscal Year (FY) 2021 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 December 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. The contractor and construction agent report the government accepted beneficial occupancy on February 29, 2020, and anticipate the facility will become operational in March 2021.

## **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 title 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, and 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 title 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. During this quarter, the USACE reports finalizing a settlement with the designer of record for previously identified design errors on the Fort Bliss Hospital Replacement project.

The original construction completion date was expected to be November 26, 2016. The government accepted beneficial occupancy on February 29, 2020, and anticipate the facility will become operational in March 2021.

The initial outfitting and transition activities to activate the Fort Bliss Hospital Replacement facility have encountered significant challenges. The most significant and easily measured impact was a contract award protest for the point-of-use dispensing system required for the clinical operation of the facility. The equipment protest was resolved and the contractor was notified to manufacture and install the system and its components in support of the projected facility operational date. Substantial progress has been made, however work continues, on additional activation challenges categorized as cyber-security certifications 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. Monthly meetings, including a Senior Leadership Board and governance reviews, continue to mitigate impacts to cost and schedule of hospital activation and the delivery of world-class care within the Ft Bliss Hospital Replacement facility.

## **CONCLUSION**

The construction agent reports the Fort Bliss Hospital Replacement Project is 99.8 percent complete and the government accepted beneficial occupancy on February 29, 2020, and anticipate the facility will become operational in March 2021. 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.