



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
1322 PATTERSON AVENUE, SE SUITE 1000
WASHINGTON NAVY YARD DC 20374-5065

JUL - 3 2003

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

Dear Mr. Chairman:

Section 2853(b) of Title 10, United States Code, requires the reporting of any proposed cost increase to a previously reported family housing project that exceeds 25 percent. Enclosed is an update to the FY 2002 Navy Family Housing Construction program.

An identical letter has been sent to the Senate Armed Services Committee. The reprogramming request was approved by the House and Senate Appropriations Committees on June 16, 2003. We will continue to notify you of additions and any adjustments to current year projects.

Sincerely,

A handwritten signature in cursive script, reading "T. R. Liedke", is positioned above the typed name.

T. R. LIEDKE
Captain, CEC, U.S. Navy
Acting Vice Commander

Enclosure

Copy to:
The Honorable Ike Skelton

Bid Expiration Date: n/a

Military Construction, Navy

Cost Variation Request

Installation: Naval Air Station Sigonella, Italy

Project: Family Housing Replacement On-Base, H-588

Authorization: FY02 Public Law 107-107

<u>Estimated Cost:</u>	<u>FY 2002</u>
Previously Appropriated	\$ 2,376,000
Requested Reprogramming	\$ 1,077,000
Total Estimated Costs	\$ 3,453,000

Description: The project was budgeted to replace ten senior officer/field grade officer quarters at NAS Sigonella, Italy. Despite adding \$177K to the previously appropriated amount, two homes were dropped to make award as the bidding climate only supported the award of 8 units. The project also includes the demolition of the existing “duplex” style units and relocates all facilities and site features to allow a 25-meter force protection perimeter setback. Replacement construction consists of single-family homes with reinforced concrete masonry structure, terracotta tile roofing, stucco plastering on facades, white aluminum punched windows and garages. The site will be provided with a new sanitary sewer system, new storm drainage system, new potable waterline, irrigation system, landscaping and new independent electrical high voltage distribution panel and substation, street lighting and communication duct banks.

Justification: This reprogramming action is requested to add square footage to the FY02 Navy Family Housing new construction project at Naval Air Station Sigonella in accordance with FY03 standards.

The FY01 Defense Authorization Act deleted the old statutory limits and directed Services to construct to “Local Standards”. The FY02 projects were already budgeted at the old statutory sizes and could not be increased. As a result, OSD and the Services implemented new square footages for programming and budgeting with the FY03 program. Though the language was in place, it could not be applied before the FY02 program was approved by Congress. This reprogramming allows the language to be applied to the FY02 projects.

The increase to the amount provided by the As-Enacted 1391 is \$75K for the dwelling units.

Other special construction features include maintaining force protection set backs costing \$92K.

To accommodate the additional square footage and maintain anti-terrorism and force protection setbacks, adjustments to the existing road and utility infrastructure increase the Supporting Facility cost by \$796K.

The increase in project contingency is \$48K.

The increase in the project cost for SIOH cost is \$66K.

The reprogramming authority requested is \$1,077,000 ($\$75K + \$92K + \$796K + \$48K + \$66K$).

Actual total reprogramming amount required is \$900,000 as \$177K has already been added to the previously approved amount ($\$1,077M - \$177K = \$900K$)

Source of Funds:

Funds from FY03 family housing improvements will be used to fund the increased cost for these projects. The source of the improvement funds will be savings from the award of a family housing privatization agreement in Pearl Harbor, HI.

Bid Expiration Date: n/a
Military Construction, Navy
Cost Variation Request

Installation: Naval Station Pascagoula, Mississippi

Project: FY02 Family Housing Construction H-595

Authorization: FY02 Public Law 107-107

<u>Estimated Cost:</u>	<u>FY 2002</u>
Previously Appropriated	\$ 23,091,000
Requested Reprogramming	\$ 3,720,000
Total Estimated Costs	\$ 26,811,000

Description: The project constructs 160 enlisted units attached to Naval Station Pascagoula, Mississippi located at a remote site in the City of Gautier, MS. To make full award, \$720K was added to the previously approved amount bringing the total award amount to \$23,811,000. Construction consists of multi-family housing units (duplex) of wood frame, vinyl siding, attached garage, covered patios, privacy fencing, exterior storage and recreational facilities. Project provides new roadways, utility systems, site development, and perimeter fencing. Fire detection systems and hurricane wind bracing are also included. Costs include purchase of land.

Justification: This reprogramming action is requested to add square footage to the FY02 Navy Family Housing new construction project at NS Pascagoula in accordance with FY03 standards.

The FY01 Defense Authorization Act deleted the old statutory limits and directed Services to construct to "Local Standards". The FY02 projects were already budgeted at the old statutory sizes and could not be increased. As a result, OSD and the Services implemented new square footages for programming and budgeting with the FY03 program. Though the language was in place, it could not be applied before the FY02 program was approved by Congress. This reprogramming allows the language to be applied to the FY02 projects.

The increase to the amount provided by the As-Enacted 1391 is \$2,238K for the dwelling units. Other special construction feature cost to include hurricane wind bracing totals \$20K.

Supporting Facility costs increased by \$1,084K, primarily due to increase in sitework associated with the increase in the size of the homes.

The increase in project cost for contingency is \$167K.

The increase in the project cost for SIOH cost is \$211K.

The total reprogramming authority requested is \$3,720,000 ($\$2,238K + \$20K + \$1,084K + \$167K + \$211K$).

Actual total reprogramming amount required is \$3,000,000 as \$720K has already been added to the previously approved amount ($\$3,720 - \$720K = \$3,000K$)

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Source of Funds:

Funds from FY03 family housing improvements will be used to fund the increased cost for these projects. The source of the improvement funds will be savings from the award of a family housing privatization agreement in Pearl Harbor, HI.