



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
INSTALLATIONS AND ENVIRONMENT
110 ARMY PENTAGON
WASHINGTON DC 20310-0110



October 8, 2003

REPLY TO
ATTENTION OF

The Honorable John Ensign
Chairman
Subcommittee on Readiness and
Management Support
Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr. Chairman:

Pursuant to 10 USC 2853, enclosed is a report on cost variation for the Digital Multi-Purpose Range Complex, Fort Hood, Texas. Additional details, including the source of funds, are provided in the enclosure. A similar letter is being sent to the Chairman and Ranking Member of the Subcommittee on Military Installations and Facilities, Armed Services Committee, House of Representatives.

Sincerely,

Joseph W. Whitaker
Deputy Assistant Secretary of the Army
(Installations and Housing)
OASA(I&E)

Enclosure

cc: The Honorable Daniel K. Akaka
Ranking Member



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October 8, 2003

REPLY TO
ATTENTION OF

The Honorable Joel Hefley
Chairman
Subcommittee on Readiness
Committee on Armed Services
House of Representatives
Washington, DC 20515-6035

Dear Mr. Chairman:

Pursuant to 10 USC 2853, enclosed is a report on cost variation for the Digital Multi-Purpose Range Complex, Fort Hood, Texas. Additional details, including the source of funds, are provided in the enclosure. A similar letter is being sent to the Chairman and Ranking Member of the Subcommittee on Readiness and Management Support, Armed Services Committee, United States Senate.

Sincerely,

Joseph W. Whitaker
Deputy Assistant Secretary of the Army
(Installations and Housing)
OASA(I&E)

Enclosure

cc: The Honorable Solomon P. Ortiz
Ranking Member

Bid Expiration date: N/A

**COST VARIATION REPORT
As Required by 10 USC 2853**

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Amount Authorized</u>	<u>Current Estimate</u>	<u>Change Percent</u>	<u>Construction Percent Complete</u>
Fort Hood/TX						
Multi-Purpose Digital Range Complex						
Total Project			\$29,000,000	\$38,900,000	34.1%	
- Phase I	2001	\$16,000,000	\$26,000,000	\$21,450,000		80
- Phase II	2002	\$13,000,000	+3,000,000	\$17,450,000		80

AUTHORIZATION:

National Defense Authorization Act for FY2001, Public Law 106-398 (\$26,000,000) and National Defense Authorization Act for FY2002, Public Law 107-107 (amends P.L. 106-398 to \$29,000,000)

DESCRIPTION:

This project was programmed over two fiscal years using incremental funding. The project involves the construction of a fully instrumented, 8-lane, range complex that supports the current family of digital weapon systems and Army Transformation. The project also includes support facilities such as Range Operations Control and After-Action Report Buildings. The projects as approved included unexploded ordnance (UXO) removal from the existing impact zone.

JUSTIFICATION

The construction contract was awarded in September 2001 with a Current Working Estimate (CWE) of \$29,380,000 that was \$380,000 over the authorized amount. Thereafter, the CWE increased by \$840,000 due to mandatory changes. This initial reprogramming was within the cost variance allowed by 10 USC 2853. In December 2002, while performing trenching operations, several UXO rounds were encountered by the contractor at various locations outside the identified impact area. No UXO was expected in this area based on pre-design surveys. The occurrence of UXO in the non-impact area required a partial suspension of work and necessitated a revised method of excavation beyond the contractor's original work plan. This has resulted in additional costs.

Concurrent with the above delays, problems with the topography of the site had resulted in several of the Battle Positions (locations from where the tanks and other armored equipment shoot) not having a clear line-of-site (LOS) to all of the required targets. A survey, and analysis of the survey data, revealed several areas on the range that require additional excavation and vegetation clearing to provide a clear LOS to the required target positions.

The cumulative impact of the prior reprogramming (\$1,220,000), additional earthwork needed for LOS (\$2,430,000), revised trenching method requirements (\$1,880,000), contract delays through 30 November 2003 (\$4,370,000), has raised the CWE for the project to \$38,900,000. Prorated between the two increments, the CWE of Phase I (PN 051915) becomes \$21,450,000 and the CWE for Phase II (PN 054058) becomes \$17,450,000.

Source of Funds:

Funds for this \$9,900,000 cost increase will be provided from the following projects:

<u>Location/ Project</u>	<u>Fiscal Year</u>	<u>Approp Amount (\$000)</u>	<u>Auth Amount (\$000)</u>	<u>Current Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Fort Bragg, NC/ Consolidated Fuel Facility PN046971	2003	17,500	17,500	14,500	3,000
Fort Lewis, WA/ Combined Arms Collective Training Facility PN013643	2003	29,800	29,800	24,800	5,000
Fort Hood, TX/ Tactical Vehicle Shop PN022993	2002	23,000	23,000	21,100	1,900