

**FISCAL YEAR (FY) 2014
President's Budget Submission**

April 2013



CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE

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**FISCAL YEAR (FY) 2014 BUDGET ESTIMATES
CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE**

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CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE

APPROPRIATION LANGUAGE

Fiscal Year 2014

For expenses, not otherwise provided for, necessary for the construction of facilities and infrastructure upgrades to support destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of Section 1412 of the National Defense Authorization Act, 1986 (50 U.S.C. 1521), \$122,536,000 to become available on October 1, 2013 and to remain available until September 30, 2018.

JUSTIFICATION OF FY 2014 BUDGET ESTIMATE SUBMISSION
CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE

APPROPRIATION JUSTIFICATION

	(In Thousands of Dollars)
FY 2014 Estimate	\$122,536
FY 2013 Budget	\$151,000
FY 2013 CR Adjustment	\$-75,227
FY 2013 Annualized CR	\$75,773
FY 2012 Actual	\$75,312

Part I – Purpose and Scope

This account provides funding for design and construction of full-scale chemical agent-destruction pilot plant facilities and associated projects to upgrade installation support facilities and infrastructures required to support the Assembled Chemical Weapons Alternatives (ACWA) portion of the Chemical Demilitarization Program. This account was established starting in FY 2005 to comply with Section 141 (b) of the FY 2003 National Defense Authorization Act.

Part II – Justification of Funds Required

The funds requested in this budget submission are required to carry out the Congressional mandate of Public Law 99-145 and support the commitments of this nation under the Chemical Weapons Convention (CWC). The Chemical Demilitarization Program is this nation's response to the mandate of public law and commitments under the CWC. The major milestones anticipated for the ACWA Program during FY 2013 are defined primarily for the construction phase as shown in Part III of this document.

The original FY 2013 military construction (MILCON) funding request for the ACWA program was \$151M. However, the program received an additional \$36.434M of reprogrammed FY 2010 MILCON funding in FY 2013 for the Blue Grass Chemical Agent-Destruction Pilot Plant (BGCAPP).

This document and the budget exhibits contained herein provide justification for FY 2014 financial requirements in support of the ACWA portion of the Chemical Demilitarization Program. The FY 2014 funding increment request consumes the remaining portion of the \$746M MILCON authorization for BGCAPP. No additional MILCON funds will be requested in future years. Requirements for this Program, other than those addressed herein, are budgeted in the Chemical Agents and Munitions Destruction, Defense appropriation.

The costs for facilities construction for each chemical agent-destruction pilot plant to be built are based on site-specific design criteria and depot infrastructure requirements. These requirements include planning, acquisition, construction and other supporting activities necessary to construct the destruction facilities.

Part III – Program Descriptions and Milestones

The Assembled Chemical Weapons Alternatives (ACWA) program is a separately managed part of the Chemical Demilitarization Program, responsible for implementing alternative technologies for the destruction of the chemical weapons stockpile at the Pueblo Chemical Depot in Colorado and the Blue Grass Army Depot in Kentucky.

In 2008, Public Laws 110-116 and 110-181 mandated that the U.S. chemical weapons stockpile must be destroyed by the deadline established by the CWC and under no circumstances later than December 31, 2017. In response, DoD submitted the May 2009 Semi-Annual Report to Congress on progress toward destruction of the U.S. stockpile of lethal chemical agents and munitions. In that report, DoD stated its proposed plan to seek additional resources to (in part) “accelerate the ACWA program schedule toward completing destruction of an additional eight percent of the U.S. stockpile at Pueblo in 2017 and the remaining two percent of the U.S. stockpile at Blue Grass in 2021”. In June 2011, DoD certified a restructured ACWA program pursuant to 10 U.S.C 2433a. In February 2012, the Program Manager position was changed to a Program Executive Officer (PEO) position. In March 2012, the ACWA program received Milestone B approval and an approved Acquisition Program Baseline that reflects revised cost and schedule estimates. The restructured ACWA program and the PEO’s estimates underlying the restructured program are the basis

for the program milestones and funding requirements reflected in this document. In July 2012, permanent orders were signed to re-designate the U.S. Army Element, ACWA to the Program Executive Office (PEO), ACWA effective 1 October 2012.

The Pueblo Chemical Agent-Destruction Pilot Plant (PCAPP) requires no new MILCON funding in FY 2014. The PCAPP milestones to be accomplished in FY 2014 will be funded with FY 2013 and prior-year MILCON funds.

Major Milestones for Assembled Chemical Weapons Alternatives Program are as follows:

Pueblo Chemical Agent-Destruction Pilot Plant (PCAPP):

- Complete plant modifications to meet Destruction/Removal Efficiency air emission criteria 4th Qtr FY 2013
- Continue Explosive Destruction Technology infrastructure support 2nd Qtr FY 2014

Blue Grass Chemical Agent-Destruction Pilot Plant (BGCAPP):

- Primary Facility and Balance of Construction, Field Activities March 2008 to FY 2017
- Complete construction, Energetic Neutralization Reactor Systems September 2010
 - Complete construction, Agent Neutralization Reactor System December 2011
 - Complete construction, Energetics Batch Hydrolyzer February 2012
 - Complete construction, Rocket Cutting Machine 2nd Qtr FY 2013
 - Complete construction, Rocket Shear Machine 1st Qtr FY 2014
 - Begin construction, Entry Control Facility 2nd Qtr FY 2014
 - Complete construction, Control and Support Building 3rd Qtr FY 2014
 - Begin Chemical Limited Area upgrades 3rd Qtr FY 2014
 - Complete construction, Personnel Maintenance Building 4th Qtr FY 2014
 - Complete construction, Utility Building 4th Qtr FY 2014
 - Begin construction, Gas Mask Storage Building 4th Qtr FY 2014

BGCAPP Explosive Destruction Technology (EDT):

- Award EDT design (dependent on NEPA action) 1st Qtr FY 2014
- Finalize EDT design (dependent on NEPA action) 4th Qtr FY 2014

**Funded Financial Summary
(In Thousands of Dollars)**

The FY 2012, 2013 and 2014 resource levels required to support the following facilities are shown below:

Locations/Facilities Facilities Destruction	FY 2012 Actual	FY 2013 Budget	FY 2014 Estimate
BGCAPP, KY	59,974	115,000	122,536
PCAPP, CO	15,338	36,000	0
Total Funded	75,312	151,000	122,536
FY 2013 CR Adjustment		-75,227	
FY 2013 Annualized CR		75,773	

DEPARTMENT OF THE ARMY
 FISCAL YEAR 2014
 MILITARY CONSTRUCTION
 (DOLLARS ARE IN THOUSANDS)
 INSIDE THE UNITED STATES

STATE	INSTALLATION (COMMAND)	NEW/
----- PROJECT	-----	AUTHORIZATION APPROPRIATION CURRENT
NUMBER	PROJECT TITLE	REQUEST REQUEST MISSION PAGE
-----	-----	-----
Kentucky	Lexington-Blue Grass Dep Act (AMC)	3
	Lexington-Blue Grass Depot	
72654	Chemical Demil Stockpile Fac, Incr XIV	0 122,536 C 5
** TOTAL INSIDE THE UNITED STATES FOR ChemD		\$ 0 122,536
Total Cost of New Mission Projects		(0) \$ 0
Total Cost of Current Mission Projects		(1) \$ 122,536
Total Cost of other line items		(0) \$ 0
Total Cost of FY 2014 ChemD Projects		(1) \$ 122,536

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1.COMONENT ARMY		FY 2014 MILITARY CONSTRUCTION PROJECT DATA			2.DATE 18 MAR 2013	
3.INSTALLATION AND LOCATION Lexington-Blue Grass Depot Kentucky			4.PROJECT TITLE Chemical Demil Stockpile Fac, Incr XIV			
5.PROGRAM ELEMENT		6.CATEGORY CODE 216	7.PROJECT NUMBER 72654		8.PROJECT COST (\$000) APPROP 122,536	
9.COST ESTIMATES						
ITEM		UM (M/E)	QUANTITY		UNIT COST	COST (\$000)
<u>PRIMARY FACILITY</u>						451,491
Munitions Disposal Bldg		m2 (SF)	8,986 (	96,720)	24,403	(219,272)
Control and Support Bldg		m2 (SF)	3,437 (	37,000)	12,457	(42,820)
Filter Area		m2 (SF)	3,608 (	38,840)	1,291	(4,658)
Access Control Bldg		m2 (SF)	110.37 (	1,188)	32,305	(3,565)
Container Handling Bldg		m2 (SF)	1,823 (	19,624)	5,834	(10,637)
Total from Continuation page						(170,539)
<u>SUPPORTING FACILITIES</u>						112,607
Electric Service		LS	--	--	--	(38,567)
Water, Sewer, Gas		LS	--	--	--	(10,554)
Steam And/Or Chilled Water Dist		LS	--	--	--	(1,047)
Paving, Walks, Curbs & Gutters		LS	--	--	--	(13,073)
Storm Drainage		LS	--	--	--	(4,680)
Site Imp(34,315) Demo()		LS	--	--	--	(34,315)
Information Systems		LS	--	--	--	(10,371)
ESTIMATED CONTRACT COST						564,098
CONTINGENCY (5.00%)						<u>28,205</u>
SUBTOTAL						592,303
SUPV, INSP & OVERHEAD (5.70%)						33,761
DESIGN/BUILD - DESIGN COST						<u>120,178</u>
TOTAL REQUEST						746,242
TOTAL REQUEST (ROUNDED)						746,000
INSTALLED EQT-OTHER APPROP						(999,397)
10.Description of Proposed Construction Construct a Chemical Agent Destruction Pilot Plant facility complex using incremental appropriations against a total authorization level of \$746.000 million. The FY 2014 budget request is for increment XIV PN 72654 (\$122.536 million) which consumes the remaining portion of the \$746.000 million authorization. MDB changes since last submission reflect development of an EDT initial design and infrastructure, estimated cost of \$5.000 million. Previous appropriations are as follows: FY 2000, Increment I, PN 21994 (\$0.000); FY 2002, Increment II, PN 40845 (\$4.315 million); FY 2003, Increment III, PN 47847 (\$10.300 million); FY 2004, Increment IV, PN 50552 (\$16.632 million); FY 2005, Increment V, PN 51027 (\$37.094 million); FY 2006, Increment VI, PN 58391 (\$0.000); FY 2007, Increment VII, PN 58392 (\$89.157 million); FY 2008, Increment VIII, PN 59800 (\$69.017 million); FY 2009, Increment IX, PN 59801 (\$67.218 million); FY 2010, Increment X, PN 67602 (\$59.041 million); FY 2011, Increment XI, PN 67604 (\$59.283 million); FY 2012, Increment XII, PN 67605 (\$59.974 million, requested); and FY 2013, Increment XIII, PN 67703 (\$115.000 million). Additionally, the program received \$36.434 million of reprogrammed FY2010 funding in Dec 2012. This project will provide for the design and construction of toxic chemical munitions demilitarization (demil) complex based on						

1. COMPONENT ARMY	FY 2014 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 18 MAR 2013
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3. INSTALLATION AND LOCATION

Lexington-Blue Grass Depot, Kentucky

4. PROJECT TITLE Chemical Demil Stockpile Fac, Incr XIV	5. PROJECT NUMBER 72654
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9. COST ESTIMATES (CONTINUED)

Item	UM (M/E)	QUANTITY	Unit COST	Cost (\$000)
<u>PRIMARY FACILITY (CONTINUED)</u>				
Utility Bldg	m2 (SF)	2,341 (25,200)	19,649	(46,002)
SCWO Bldg	m2 (SF)	2,471 (26,596)	22,853	(56,465)
Hydrolysate Storage Tank Area	m2 (SF)	2,775 (29,869)	5,097	(14,143)
Standby Diesel Generator Area	m2 (SF)	557.42 (6,000)	5,499	(3,065)
Personnel Maintenance Bldg	m2 (SF)	1,417 (15,250)	5,358	(7,591)
Personnel Support Bldg	m2 (SF)	2,165 (23,300)	2,157	(4,669)
Entry Control Facility	m2 (SF)	129.60 (1,395)	30,603	(3,966)
Modular Laboratory Bldg	m2 (SF)	704.20 (7,580)	9,181	(6,465)
Lab Filter Area	m2 (SF)	92.90 (1,000)	22,688	(2,108)
Maintenance Bldg	m2 (SF)	2,606 (28,049)	1,721	(4,486)
Gas Mask Storage Bldg	m2 (SF)	232.26 (2,500)	1,637	(380)
Badging Facility	m2 (SF)	139.35 (1,500)	4,101	(572)
Toxic Maintenance Bldg / Vehicle	m2 (SF)	1,073 (11,550)	4,660	(5,000)
Warehouse	m2 (SF)	2,601 (28,000)	1,214	(3,157)
Above Ground Magazines	m2 (SF)	2,230 (24,000)	615.70	(1,373)
Igloos - Below Ground Magazines	m2 (SF)	1,115 (12,000)	1,386	(1,545)
EDT Area	m2 (SF)	3,716 (40,000)	1,345	(5,000)
IDS Installation	LS	--	--	(3,689)
Building Information Systems	LS	--	--	(863)
			Total	170,539

DESCRIPTION OF PROPOSED CONSTRUCTION: (CONTINUED)

neutralization followed by supercritical water oxidation (SCWO) as identified in the restructured Assembled Chemical Weapons Alternatives program certified on 14 June 2011. The work is being executed under a performance based design-build-operate cost reimbursement contract. Work includes a munitions demilitarization building (MDB) with blast containment areas, an adjoining control and support building, a corridor connecting the munitions container handling building, MDB filters, SCWO process building, hydrolysate storage tank area, a utility building with steam boilers, chilled water equipment, bulk chemical storage area, a personnel and maintenance facility with change rooms, maintenance storage, medical treatment area, a combination maintenance/warehouse building, personnel support building, gas mask storage building, chemical analysis laboratory with filter system, entry control facility, treaty compliance office building, access road and access control point, access control building, badge building, munitions storage magazines, toxic maintenance building, munitions transportation equipment storage building, an explosive destruction technology area for processing over-packed and reject munitions, and a fire station. Features include blast containment doors and gates, room entrance airlocks, fire detection and suppression

1. COMPONENT ARMY	FY 2014 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 18 MAR 2013
3. INSTALLATION AND LOCATION Lexington-Blue Grass Depot, Kentucky		
4. PROJECT TITLE Chemical Demil Stockpile Fac, Incr XIV	5. PROJECT NUMBER 72654	
<p><u>DESCRIPTION OF PROPOSED CONSTRUCTION: (CONTINUED)</u> systems, cascade heating, ventilation, and air conditioning (HVAC), charcoal and HEPA air filtration systems, protective clothing area, toxic chemical resistive coatings and surfaces, and explosion-proof electrical components, and an intrusion detection system (IDS). Supporting facilities include utilities; electric service with an electrical substation; standby electric generators; security fencing and lighting; paving, walks, curbs and gutters; storm drainage; information systems; fuel storage; and site improvements.</p>		
<p><u>11. REQ:</u> NONE <u>ADQT:</u> NONE <u>SUBSTD:</u> NONE <u>PROJECT:</u> Design and construct an Assembled Chemical Weapons Alternatives approved toxic chemical agent munitions demilitarization facility. (New Mission) <u>REQUIREMENT:</u> This project is required to provide the capability to demilitarize and dispose of the toxic chemical agents and munitions stored at the Blue Grass Army Depot (BGAD) Chemical Activity in a safe, environmentally acceptable manner. Congress has mandated the disposal of the existing unitary chemical stockpile and the Army submitted an implementation plan to Congress which cites this facility as an integral and essential part of the chemical stockpile disposal program. <u>CURRENT SITUATION:</u> Rockets and projectiles containing lethal chemical agents are stored in igloos at the installation. Some of these munitions are currently deteriorating at an accelerated rate. These munitions are of no strategic value but they must be safely stored and inspected so that there is no risk to the public or the environment. The monitoring and surveillance costs for safe storage continue to accrue. No other acceptable disposal facilities are available. <u>IMPACT IF NOT PROVIDED:</u> If the Chemical Agent Destruction Pilot Plant project is not provided, the Army will not comply with the Congressional mandate for chemical munitions stockpile disposal. Also, maintenance and surveillance costs will continue to accumulate. The threat to the health of Depot employees and to the environment will continue. <u>ADDITIONAL:</u> This project has been coordinated with the installation physical security plan, and all required physical security measures are included. Anti-terrorism/force protection measures have been designed as required. This project is mandated by Congress and is exempt from preparation of an economic analysis.</p>		
<p><u>12. SUPPLEMENTAL DATA:</u> A. Estimated Design Data: (1) Status: (a) Date Design Started..... <u>SEP 2003</u> (b) Percent Complete As Of January 2013..... <u>100.00</u> (c) Date 35% Designed..... _____ (d) Date Design Complete..... <u>JUN 2010</u></p>		

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1. COMPONENT ARMY	FY 2014 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 18 MAR 2013
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3. INSTALLATION AND LOCATION

Lexington-Blue Grass Depot, Kentucky

4. PROJECT TITLE Chemical Demil Stockpile Fac, Incr XIV	5. PROJECT NUMBER 72654
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12. SUPPLEMENTAL DATA: (Continued)

A. Estimated Design Data: (Continued)

- (e) Parametric Cost Estimating Used to Develop Costs _____ NO
- (f) Type of Design Contract: Design-build

(2) Basis:

- (a) Standard or Definitive Design: NO

(3) Total Design Cost (c) = (a)+(b) OR (d)+(e): (\$000)

- (a) Production of Plans and Specifications..... _____
- (b) All Other Design Costs..... 120,178
- (c) Total Design Cost..... 120,178
- (d) Contract..... 120,178
- (e) In-house..... _____

(4) Construction Contract Award..... APR 2006

(5) Construction Start..... MAY 2006

(6) Construction Completion..... MAR 2017

B. Equipment associated with this project which will be provided from other appropriations:

<u>Equipment Nomenclature</u>	<u>Procuring Appropriation</u>	<u>Fiscal Year Appropriated Or Requested</u>	<u>Cost (\$000)</u>
Process Equipment	CAMD	2008	167,152
Process Equipment	CAMD	2009	122,010
Process Equipment	CAMD	2010	156,440
Process Equipment	CAMD	2011	143,675
Process Equipment	CAMD	2012	* 104,548
Process Equipment	CAMD	2013	* 167,986
Process Equipment	CAMD	2014	137,586
		TOTAL	<u>999,397</u>

* Prior submission of this document incorrectly listed costs for process equipment as \$727,997 for 2012 and \$218,990 for 2013. The corrected amounts of \$104,548 and \$167,986 reflect actual contract information.

1. COMPONENT ARMY		FY 2014 MILITARY CONSTRUCTION PROGRAM				2. DATE 18 MAR 2013	
3. INSTALLATION AND LOCATION Lexington-Blue Grass Depot Kentucky			4. COMMAND US Army Materiel Command			5. AREA CONSTRUCTION COST INDEX 0.98	
6. PERSONNEL STRENGTH:		PERMANENT		STUDENTS		SUPPORTED	
		OFFICER	ENLIST	CIVIL	OFFICER	ENLIST	CIVIL
A. AS OF 03 AUG 2012		5	45	798	0	0	0
B. END FY 2018		5	45	811	0	0	0
					27	105	447
					27	105	327
							1,427
							1,320
7. INVENTORY DATA (\$000)							
A. TOTAL AREA.....		5,906 ha		(14,594 AC)			
B. INVENTORY TOTAL AS OF 05 JUL 2012.....						1,162,111	
C. AUTHORIZATION NOT YET IN INVENTORY.....						1,703,500	
D. AUTHORIZATION REQUESTED IN THIS PROGRAM.....						122,536	
E. AUTHORIZATION INCLUDED IN FOLLOWING PROGRAM.....						0	
F. PLANNED IN NEXT THREE YEARS.....						0	
G. REMAINING DEFICIENCY.....						0	
H. GRAND TOTAL.....						2,988,147	
8. PROJECT APPROPRIATIONS REQUESTED IN THIS PROGRAM:							
CATEGORY PROJECT				COST		DESIGN STATUS	
CODE	NUMBER	PROJECT TITLE		(\$000)	START	COMPLETE	
216	72654	Chemical Demil Stockpile Fac, Incr XIV		122,536	09/2003	06/2010	
TOTAL				122,536			
9. FUTURE PROJECT APPROPRIATIONS:							
CATEGORY				COST			
CODE	PROJECT TITLE		(\$000)				
A. INCLUDED IN THE FOLLOWING PROGRAM (FY 2015) : NONE							
B. PLANNED NEXT THREE PROGRAM YEARS : NONE							
C. DEFERRED SUSTAINMENT, RESTORATION, AND MODERNIZATION (SRM):				N/A			
10. MISSION OR MAJOR FUNCTIONS:							
To operate a multi-purpose depot activity providing for the receipt, storage, issue and maintenance (COMSEC) of assigned commodities; provide installation support to attached organizations; and operate such other facilities as may be assigned.							
11. OUTSTANDING POLLUTION AND SAFETY DEFICIENCIES:							
						(\$000)	
A. AIR POLLUTION						0	
B. WATER POLLUTION						0	
C. OCCUPATIONAL SAFETY AND HEALTH						0	