



UNITED STATES
DEPARTMENT OF THE INTERIOR
Director of Budget

OCT 12 2011

Memorandum

To: Bureau Budget Officers
From: Director, Office of Budget
Subject: 2014 Budget Guidance – Attachment G

Deuse Flanagan

Attached please find instructions (Attachment G) related to development of the FY 2014 - FY 2018 Five-Year Deferred Maintenance and Capital Improvement Plans. Data formats will also be available electronically.

The initial Five-Year Plan submission for construction projects is due June 1, 2012, and the Five-Year Plan submission for deferred maintenance projects is due July 2, 2012. The funding guidance for the 2014 budget formulation process is not yet available. However, as in 2012 and 2013, no new construction starts in 2014 are permissible. Further direction regarding any funding thresholds will be distributed with the 2014 policy guidance.

This year's Attachment G guidance, while essentially the same as last year, continues our progress to focus funding to projects that are the most essential to mission delivery. We have changed the way to calculate the Asset Priority Index for a project that includes multiple assets and changed the weighting for the API from 35% to 65%. All of the changes are listed in the front of the attachment.

The Department partnered with OMB to develop a Real Property Cost Savings and Innovation Plan which is a dynamic document outlining bureau and office actions that will result in cost savings associated with real property and GSA occupancy agreements. The continuous improvement and revision of this plan offers bureaus an opportunity to consider bold actions that improve efficiencies in executing missions. To the extent that bureaus have coordinated with each other, and can demonstrate an integrated review of Five-Year Plans for both owned and leased assets, projects that support the goals of the DOI Real Property Cost Savings and Innovation Plan may be considered in the first year of the Five-Year Plan (2014) outside of the traditional rating criteria below.

Questions on this may be directed to Kathy Lawson in the Office of Budget (202-208-3564) or to Craig Lasser (202-254-5504) in the Office of Acquisition and Property Management.

Attachment

cc: DAS-BFPA
Chief Information Officer
Director, Office Procurement and Acquisition Management
Director, Office of Financial Management
POB Analysts

**DEPARTMENT OF THE INTERIOR
FACILITIES DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENTS**

The Department of the Interior (DOI) owns and operates over 153,000 buildings and structures, 123,000 miles of roads, and a wide variety of other constructed assets. These facilities serve nearly 479 million visits annually. They provide schooling for approximately 41,000 Native American children and a place of work for DOI employees. The value of these assets is measured in billions of dollars. Many are considered priceless for their historical significance. As the steward of these assets, DOI is committed to improving the maintenance of these existing facilities and making the capital investments in facilities that are critical to its mission. To this end, the facilities maintenance and construction management practices described in this Attachment have been instituted Department-wide.

This Attachment includes the following:

- Guidance for developing the Five-Year Plan.
- Exhibit 1, Reserved.
- Project Data Sheet, Exhibit 2a.
- Definition of Project Data Sheet Data Elements, Exhibit 2b.
- Deferred Maintenance vs. Capital Improvements in the Five-Year Plan Submission, Exhibit 3.
- Summary Project Data Sheet, Exhibit 4.
- Completion Report for reporting years 2008 - 2012, Exhibit 5.
- Definitions of Data Elements for Summary Project Data Sheet (Exhibit 4) & Completion Report (Exhibit 5), Exhibit 6.

Changes in Attachment G guidance issued for FY 2014 – 2018 are listed below:

Five-Year Funding Levels and General Guidance on Project Lists

Changed the way that dam safety project priorities are determined to align with industry; the priorities are to be determined by risk-based management/potential failure modes.

Interior Budget Priorities

Reversed the multipliers for API Score (now .65) and Ranking Factor Score (now .35) to better align with DOI vision of focusing funding on highest priority assets.

Incorporated reference to and allowance for projects that support the DOI Real Property Cost Savings Plan.

FIVE-YEAR DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENT PLAN

OBJECTIVES OF THE FIVE-YEAR PLAN

Development of the Five-Year Deferred Maintenance and Capital Improvement Plan (the Five-Year Plan) is an important step in sustaining DOI's infrastructure. Attachment G for the FY 2014 – FY 2018 Five-Year Plan provides a corporate methodology for implementing investment priorities across the diverse portfolio of capital assets. The methodology is executed through an annual process in which bureaus analyze, prioritize, and select capital investment projects that best support bureau missions and DOI emphasis areas. After DOI approves each bureau's priority project list, they are submitted as part of each bureau's budget justification to Congress.

The Five-Year Plan update in support of the FY 2014 budget starts with FY 2014 and covers the five-year period through FY 2018. The plan will continue to be updated annually. The Five-Year Plan has two major components: construction and deferred maintenance. The construction portion of the plan is funded through the bureau's construction activity and historically consists of new construction, capital improvements, and major maintenance activities. The deferred maintenance portion of the plan consists of projects that have a combination of deferred maintenance work and capital improvements and is funded through the deferred maintenance activity at each Bureau.

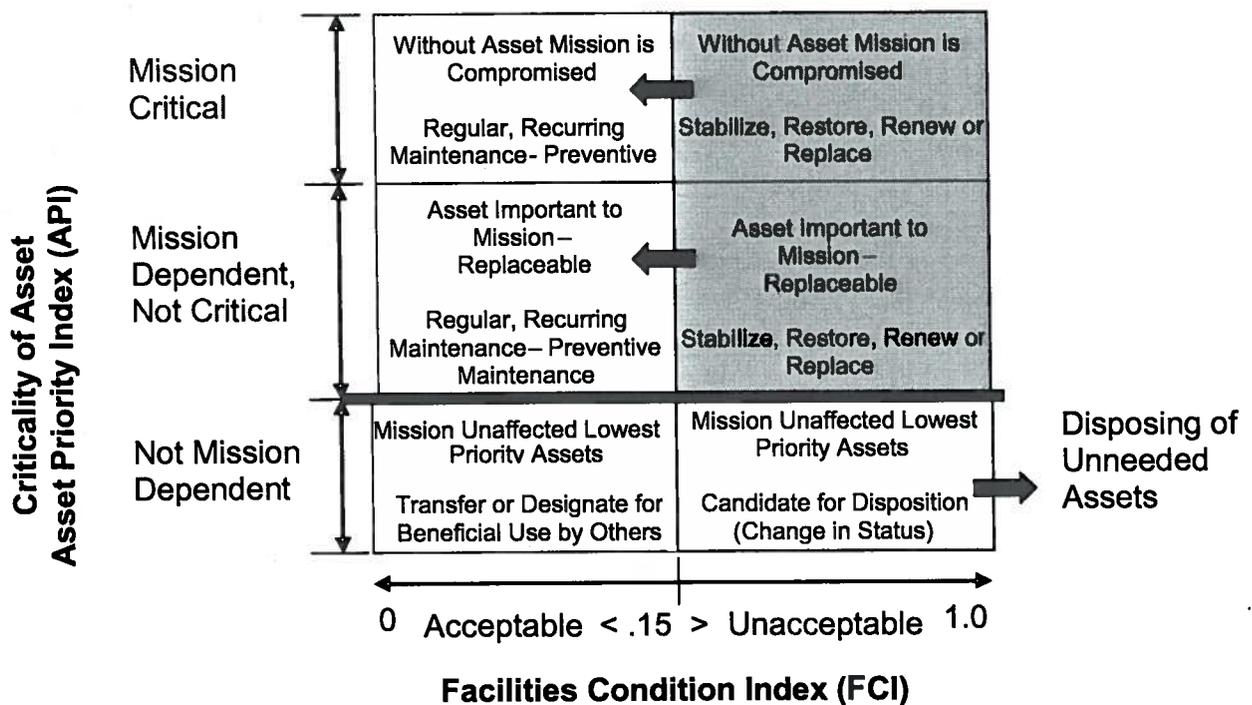
As with 2012 and 2013, we anticipate constrained funding issues in 2014, therefore the DOI policy to freeze all new construction will continue. The ultimate success of improving the stewardship of constructed assets will be measured by the ability to direct the Department's limited resources to high priority assets, reduce risks to human health and the environment, and sustain the long-term mission delivery capability of its asset portfolio. To ensure this sustainment, annual and cyclic maintenance would be adequately funded for priority assets, especially those that receive capital investments through the Five-Year Plan, so that essential maintenance is no longer deferred and capital investments are not wasted. However, this is the ideal situation and without this, bureaus and the Department must make difficult choices on what to fund. The planning and performance measurement processes required here will help establish that the funding level and the projects that comprise the Five-Year Plan are appropriate.

The Five-Year Plan is a critical element in the implementation of the DOI Asset Management Plan, Bureau Asset Management Plans, and Site-Specific Asset Business Plans. The Five-Year Plan focuses on projects that stabilize, restore, or replace constructed assets that are mission critical or mission dependent and are in poor condition. Categories for ranking projects include Critical Health Safety, Critical Resource Protection, Energy/Sustainability, Critical Mission, Code Compliance, and Other Deferred Maintenance.

Building projects, regardless of type, must follow all applicable mandatory energy and sustainable buildings requirements within the scope of the project. Requirements for new and existing buildings are provided in the DOI Sustainable Buildings Assessment and Compliance Tool. For historic buildings, the "Guidance on Historic Buildings" column of the tool provides suggested methods for achieving compliance while maintaining historic integrity.

All constructed assets in submitted projects must have a Facility Condition Index (FCI) which indicates the deferred maintenance need of the asset. The FCI is a key data element in the Federal Real Property Profile (FRPP) to which all Bureaus input their inventory of Buildings and Structures. All constructed assets, in submitted projects, must have an Asset Priority Index (API) which indicates the importance of that asset to the organization’s mission. For projects that incorporate multiple assets, the API shall be calculated using a weighted average based upon the project cost elements for each of the included assets.

The Department’s goal is to focus limited resources on the upper right quadrant of the following “API/FCI Analysis” chart. This quadrant contains the constructed assets that are most important to mission delivery and that are in the worst condition. There will be situations where funding outside of this quadrant is warranted, such as in situations of critical health and safety concerns at lower priority assets used by the public and employees. Managers must exercise judgment in determining the most effective use of resources when health and safety concerns are at issue.



API/FCI Analysis Chart

The strategy depicted in the API/FCI analysis chart helps the Department implement the ongoing requirements of Executive Order 13327 “Federal Real Property Asset Management”, originally issued in 2004. The Executive Order directs Agencies to fund projects based upon asset priority. In previous fiscal years, the Department’s ranking formula prioritized projects based upon the elimination of deferred maintenance; this exclusive focus on deferred maintenance does not meet the intent of the Executive Order or the direction provided by the Federal Real Property Council. Accordingly, the project ranking formula has been modified to further emphasize the API with scoring factors that focus on the elimination of deferred maintenance. The new scoring formula will provide higher project scores to high priority assets, ensuring that elimination of deferred maintenance will take place first at those high priority assets. The revised formula is provided on page 13 of this document.

FIVE-YEAR PLANS AND THE CAPITAL PLANNING AND INVESTMENT CONTROL PROCESS

The Five-Year Plans are the foundation for the capital planning and investment control (CPIC) process that the Department uses to implement major capital asset acquisitions. Major capital asset acquisitions require special management attention because they have high development, maintenance, or operating costs; they are inherently high risk; or because they have a significant role in the administration of agency programs, finances, property, or other resources.

Development and maintenance of the Five-Year Plan will help bureaus identify major capital asset acquisitions early in the project planning process and enable application of the appropriate CPIC process elements. It is important to note that a project data sheet is required for every proposed project greater than \$100,000, including major capital asset acquisition projects, but the CPIC process elements are only required for major capital acquisitions.

Projects with an estimated cost greater than \$2 million or that possess a high degree of risk or are of unique importance, are defined as major capital asset acquisitions and are required to participate in the full CPIC process and complete an OMB Exhibit 300 in eCPIC. At the same time the project data sheet is incorporated into the first year of the Five-Year Plan, these projects must complete the OMB Exhibit 300 form. Projects of estimated cost between \$2 million and \$10 million must complete the OMB Exhibit 300 form for the Bureau’s capital investment review board for review and approval. Projects of estimated cost greater than \$10 million must complete the OMB Exhibit 300 form for DOI review and approval.

Please see version 2.0 of the Department’s Construction Capital Planning and Investment Control Guide for detail on the CPIC process (<http://www.doi.gov/pam/CPICGuide71707.pdf>).

FY 2014 – FY 2018 BUDGET AND FIVE-YEAR PLAN SCHEDULE

Bureaus are to submit FY 2014 – FY 2018 Five-Year Plan information based on the following schedule:

June 1, 2012. Bureaus will submit to the Department two (2) copies of the **construction**

portion of their FY 2014 – FY 2018 Five-Year Plans. This submission will consist of the following:

- Complete descriptions of all FY 2014 construction projects, using the prescribed Project Data Sheet, hard copy and electronically in MS Word (Exhibit 2a).
- A summary by year of all FY 2014 - FY 2018 construction projects (using the Summary Project Data Sheet (format) in Exhibit 4, hard copy and electronically in MS Excel).

July 1, 2012. The NPS will submit to the Department two (2) copies of the 2014 – 2018 Five-Year Recreation Fee plan for all projects in the 80% and the 20% categories requesting \$500,000 or more. These plans shall contain project data sheets for the first year (2014) requests in Exhibit 2a format and the summary project data sheet for all five years in the Exhibit 4 format in MS Excel.

July 1, 2012. Bureaus will submit to the Department two (2) copies of the **deferred maintenance portion** of their FY 2014-2018 Five-Year Plans. This submission will consist of a summary by year of all FY 2014 - 2018 deferred maintenance projects (using the Summary Project Data Sheet (format) in Exhibit 4, hard copy and electronically in MS Excel). Bureaus are to retain on file, project data sheets for all FY 2014 deferred maintenance projects, to be made available upon request from Congress, OMB, or the Department. The Department will be performing random checks of the project data sheets to ensure compliance.

September 3, 2012. Bureaus will submit corrected and approved FY 2014-2018 Five-Year Construction Plans to the Department, Office of Budget and Office of Acquisition and Property Management, electronically along with written responses addressing each review comment previously provided. These Plans should include revised copies of all FY 2014 project data sheets for all construction projects and should be prepared as they will be shown in the OMB budget submission. Bureaus will present separately each of the four out-years at the 2014 funding level in the Summary Project Data Sheet found in Exhibit 4. In addition, Bureaus are to submit the analysis of total deferred maintenance vs. capital improvements (see Exhibit 3) in a separate file.

November 5, 2012 (or 10 business days after the FY 2012 Congressional Appropriation). Bureaus will submit to the Department, two (2) copies of their final FY 2012 project list (in Five-Year Plan Exhibit 4 format) reflecting any changes based on *FY 2013 Congressional appropriations*. Submittal shall include project data sheets for any new construction projects added costing greater than \$100,000, a list of any projects removed, and updated summary sheets for FY 2013 - FY 2017.

December 15, 2012. Bureaus will submit two (2) copies of Bureaus FY 2012 Project Completion Report (using the format in Exhibit 5, in hard copy and electronically in MS Excel). This report updates the completion of FY 2007 through FY 2012 project lists reflecting accomplishments, status, and changes.

Five Business Days following the receipt of the OMB passback. Through Bureau Directors and Assistant Secretaries, bureaus will submit three (3) hard copies and electronic copy on CD of

their final FY 2014 – FY 2018 Five-Year Plans for both construction and deferred maintenance to the Office of Budget. The plans should reflect the FY 2014 President’s Budget. Plans should include copies of 2014 project data sheets and summary sheets for both construction and deferred maintenance FY 2014 – FY 2018. This submission is to include a summary chart after the title page displaying both totals by program and year. In addition, bureaus are to submit the analysis of total deferred maintenance vs. capital improvements (see Exhibit 3).

January 15, 2013. After final Departmental approval, bureaus will furnish ten (10) hard copies of their FY 2014 - FY 2018 Five-Year Plans for submission to Congress and a CD copy for record retention.

ANNUAL UPDATE

In accordance with the timetable described above, DOI's Five-Year Plan must be updated annually. This is required so that the budget request will continue to reflect a five-year picture of the Bureaus' deferred maintenance and capital improvement needs and plans. The annual update presents the opportunity for Bureaus to adjust their project priorities based on newly identified mission drivers or previously identified needs that have become more critical during the previous year. Five-Year Plans are to be reviewed annually for updating and the addition of a new fifth year. Any proposed projects from FY 2013 that Congress does not fund are expected to be integrated into the project listing for FY 2014.

Similarly, with these annual updates of the Five-Year Plan in the FY 2014 budget, the Department will report completions for those projects funded in FY 2008 through FY 2012 and any changes to those lists based on the following criteria:

- 1) Work already completed,
- 2) Unfunded emergency work that required immediate attention,
- 3) Changes resulting from unforeseen site conditions, and
- 4) Work that no longer needs to be accomplished.

To accomplish this, use the Project Completion Report Form (Exhibit 5). A summary of all the various considerations is required.

PROJECT COMPLETION GOALS

The Department's objective is to complete all construction, rehabilitation, and repair projects in a timely and efficient manner to utilize available resources to the greatest possible benefit. Bureaus should develop project schedules to meet the project completion goals below.

- Estimated project cost of \$10 million or greater – Schedule one year for project planning, one year for design, and no more than two years for construction.
- Estimated project cost of \$2 million to \$10 million – Schedule one year for planning and design and no more than two years for construction.
- Estimated project cost below \$2 million – Schedule one year for planning and design and one year for construction.

Bureaus are to make funds available for planning and design work one or two fiscal years prior to requesting full project funding to implement construction, rehabilitation, and repair activities. This will allow for a full definition of project scope and cost, which will help minimize the project cost and schedule variances that the Department has experienced in recent fiscal years and ensure available funds are employed as efficiently as possible. It will also enable bureaus to meet the minimum estimate class requirements for individual projects contained in the "Controlling Project Schedule and Cost Variance" section of this document. The annual completion report (Exhibit 5) will provide the information needed to document project cost and schedule accomplishments.

DATA REQUIREMENTS

Bureaus must submit project information and justification on a Project Data Sheet (Exhibit 2a) for construction projects in the first year of the Five-Year Plan. All construction and deferred maintenance projects, however, should be included in the summary schedule, Exhibit 4.

Projects that are implemented in phases over two or more years should display the cost of all project phases on a single project data sheet. For each year a phase of the project requests funding, the project data sheet should be revised to describe the work to be completed in that phase with the funds being requested.

To facilitate project review, a Summary Project Data Sheet (Exhibit 4) will be prepared and submitted for each year of the Five-Year Plan. Each of the five years will be presented separately by year with projects listed in priority order by score. Provide electronic copies on a CD-ROM. The data fields required for this electronic submission are shown in Exhibit 4 and are to be prepared in MS Excel. All electronic submittals will be sent as part of the official Bureau submission.

Detailed descriptions of the data elements on the Project Data Sheet and Summary Project Data Sheet are provided in Exhibits 2b and Exhibit 6. Both the Project Data Sheet (Exhibit 2a) and Summary Project Data Sheet (Exhibit 4) will be part of DOI's submission to the OMB and the Congress.

REQUIRED DEFERRED MAINTENANCE & CAPITAL IMPROVEMENT ANALYSES

Bureaus are to prepare Exhibit 3 to record funds programmed to deferred maintenance work versus capital improvements in the Five-Year Plan. For each account and year, provide the following:

- Dollars and percentage of each ranking category and its total.
- Total number of projects by year.
- Summary of the same information showing totals for all five years.

In addition to the hardcopy submission, an electronic copy is required. A separate table should be provided in the format of Exhibit 3 accounting for the following Five-Year Plan submissions:

BLM	MLR Maintenance, O&C Maintenance, Wildland Fire, Construction
USGS	Maintenance, Construction
FWS	Refuge Maintenance, Fisheries Maintenance, Construction
NPS	Repair and Rehab, Construction
BIA	Education Construction, Improvement and Repair (Major and Minor FI&R, Replacement School Construction, Replacement Facility Construction, Employee Housing Repair), Detention Facilities (FI&R, Replacement, Employee Housing, Fire Protection) IPSOD (NIIP, SOD)
BOR	Construction and Maintenance

FIVE-YEAR FUNDING LEVELS AND GENERAL GUIDANCE ON PROJECT LISTS

Initially Bureaus should assume FY 2014 and out-years FY 2015 – FY 2018 will be funded at the President’s Budget levels in the FY 2013 Five-Year Plans.

For dam safety projects, the bureaus with dam safety responsibilities are moving toward risk-based management to prioritize major projects. The purpose of a risk based approach will: 1) identify potential failure modes that warrant action to reduce the risk associated with them; 2) provide a systematic method of ranking potential failure events considering both likelihood and consequences of failure (risk); and 3) mitigate risks in the order of their relative magnitude. Bureaus are to cite the DOI Dam Safety rank and hazard classification when a dam is included in the Five-Year Plans. Similarly, the Bureau of Reclamation should continue progress on the Department's Dam Safety Priority List.

Projects involving construction, restoration, rehabilitation, and/or disposition must comply with Section 106 of the National Historic Preservation Act. Useful guidance for compliance, called “Requirements for Heritage Assets during the CPIC Process” is an appendix to the DOI CPIC Guide.

Projects that primarily are for seismic rehabilitation should be included in the Five-Year Plans in the order of the Bureaus' Seismic Rehabilitation Priority Ranking Lists.

Upon request, bureaus should be able to identify, for DOI reporting, those work components and funding amounts in their Five-Year Plan projects that are related to:

- upgrading security and combating terrorism at mission essential facilities, monuments and dams;
- energy conservation and renewable energy elements;
- buildings meeting the Guiding Principles for High Performance and Sustainable Buildings;
- accessibility upgrades and retrofits;
- asset disposals;
- radio facilities; and
- elimination of deferred maintenance.

In order to reduce the time required by the Bureaus and the Department in reviewing and approving the Five-Year Plan projects, the Bureaus shall:

- Indicate projects that have received Departmental approval and have no subsequent changes in scope, score/ranking or cost. See Project Data Sheet (Exhibit 2a) and Summary Project Data Sheet (Exhibit 4) for indicator box; and
- Resubmit projects for Departmental review in the order of the initial submission. Resubmitted projects will ultimately be presented in new rank order in the final list. This is necessary because it will enable Departmental reviewers to easily locate changed projects for reconsideration.

CATEGORIES OF FACILITIES MAINTENANCE AND CONSTRUCTION NEEDS

Projects listed in the Bureaus' Five-Year Plans are to be identified in one or more of the categories below based on the overall intent of the project.

Critical Health and Safety Deferred Maintenance Need. A facility deferred maintenance need that poses a **serious threat** to public or employee safety or health.

Examples:

- Repair of a public building that is diagnosed to be at high risk for structural failure.
- Compliance with Notices of Violation (Occupational Safety and Health Administration (OSHA), Environmental Protection Agency (EPA), etc.).
- Implementation of court-ordered repair or clean-up schedules.
- Mitigation of safety deficiencies at "High Hazard" and "Significant Hazard" dams that if not corrected may cause the structure to fail, resulting in public or employee injury or death.
- Correction of serious safety deficiencies to road projects (non-SAFETEA_LU eligible).
- Repair of a failing fire alarm and/or existing sprinkler system.
- Repair of a radio tower that must be climbed to perform equipment maintenance, if climbing the tower is an unacceptable safety hazard due to the tower's condition/design.
- Permanent correction of emergency temporary repairs to mitigate RAC 1 and RAC 2 findings.

Critical Health and Safety Capital Improvement Need. A condition that poses a **serious threat** to public or employee safety or health and can only be reasonably abated by the construction of some capital improvement.

Examples:

- Construction of new facilities to comply with a notice of violation.
- Construction of additional vault toilets at a recreational site that has experienced increased visitation resulting in the overflow of existing vault toilets and/or visitors using other than provided facilities.
- Installation of a fire alarm system in a public or employee occupied building where one did not previously exist.

Critical Resource Protection Deferred Maintenance Need. A facility deferred maintenance need at an asset designed to protect or improve natural or cultural resources that without correction pose a **serious threat** to natural or cultural resources.

Examples:

- Correction of a deficiency that poses the risk of serious decline in a fish or wildlife resource.
- Repairs to a building housing a museum collection, which is threatened because of the poor building condition.
- Repair of a sewage system that has breached and is leaking into a perennial stream system.
- Repairs to cultural/historic buildings, including original fabric, to prevent loss.

Critical Resource Protection Capital Improvement Need. A condition that requires

construction of a new asset or major alteration of an existing asset to mitigate a **serious threat** to natural or cultural resources.

Examples:

- Construction of a dike to keep wetlands from draining resulting in the loss of endangered species habitat.
- Installation of a fire sprinkler system for the protection of a building or its contents where the system did not previously exist.
- Construction of a structure to protect large fossils, petroglyphs, or pictographs from deterioration.

Critical Mission Deferred Maintenance Need. A facility deferred maintenance need that poses a **serious threat** to a Bureau's ability to carry out its assigned mission.

Examples:

- Replacement of a deteriorated generator that supplies power to mission critical assets.
- Repair of deferred maintenance items at a visitor center or other public facility that, if not accomplished, will quickly compromise the public's investment in the structure.

Energy Policy, High Performance, Sustainable Building Capital Improvement Need. A facility capital improvement whose primary intent is to reduce greenhouse gas emissions and/or bring the facility into compliance with energy management and sustainability requirements of the Energy Policy Act of 2005, the Energy Independence and Security Act of 2007, Executive Orders (EO) 13423 and 13514, and DOI Sustainable Buildings Implementation Plan. While projects scored under other categories must incorporate elements of the requirements listed above, this category is for projects that are primarily focused towards meeting or exceeding energy and sustainability goals.

Examples:

- Project's primary intent is to add Energy and Water Conservation Projects that meet the intent of EPACT 2005, EISA, and EO including installation of energy and water conservation measures to reduce energy and water consumption; installation of on-site renewable energy systems to increase facility renewable energy use and reduce greenhouse gas emissions; installation of utility meters, and additional costs due to designing buildings 30 percent more energy efficient than relevant code.
- Project's primary intent is to add a sustainable feature to meet the requirements of the DOI Sustainable Buildings Implementation Plan, such as a building modification to meet daylighting and lighting controls requirements.

Other Deferred Maintenance Need. A non-critical deferred maintenance need that will improve public or employee safety, health, or accessibility; complete unmet programmatic needs and mandated programs; provide protection of natural or cultural resources, or enhance a bureau's ability to carry out its assigned mission.

Example:

- Facility repair or rehabilitation to increase program efficiency.
- Repair or maintenance of existing energy systems or system components.

Note: Needs identified under this category should be coded to enable retrieval of those needs addressing health, safety, accessibility requirements ("unfunded requirements").

Code Compliance Capital Improvement Need. A capital improvement need that is intended to bring an asset into compliance with a new code, standard, or law that was not previously required.

Examples:

- Compliance with Federal, State, and/or local building codes.
- Providing accessibility to comply with the Architectural Barriers Act of 1968 or the Rehabilitation Act of 1973.

Other Capital Improvement Need. Other capital improvement is the construction of a new facility or the expansion or rehabilitation of an existing facility to accommodate a change of function or new mission requirements.

Examples:

- Construct a visitor's center at a new national park.
- Perform major alterations to a school dormitory to convert its function to academic classroom use.

INTERIOR BUDGET PRIORITIES

The Department of the Interior has two overarching priorities for the management of real property assets: 1) sustaining the long-term mission delivery capability of its asset portfolio by directing investment funds to highest priority assets; and 2) reducing accumulated deferred maintenance on existing facilities to lower asset FCI values rather than constructing new facilities. To ensure both priorities are addressed when developing the budget and the Five-Year Plans, bureaus will use the project scoring methodology provided in this attachment to prioritize projects. The methodology integrates the Asset Priority Index (API) with ranking categories to ensure assets that are a priority to mission also receive priority in the scoring process. The scoring methodology will allow bureaus to develop Five-Year plans that implement the strategy displayed on the API/FCI Analysis Chart displayed on page three of this document and the Department's overall asset management program, which was developed to comply with Executive Order 13327 "Federal Real Property Asset Management".

In response to the Presidential Memorandum- Disposing of Unneeded Federal Real Estate, the Department partnered with OMB to develop a Real Property Cost Savings and Innovation Plan. The DOI Real Property Cost Savings and Innovation Plan is a dynamic document outlining bureau and office actions that will result in cost savings associated with real property and GSA occupancy agreements. The continuous improvement and revision of this plan offers bureaus an opportunity to consider bold actions that improve efficiencies in executing missions. To the extent that bureaus have coordinated with each other and can demonstrate an integrated review of Five-Year Plans for both owned and leased assets, projects that support the goals of the DOI Real Property Cost Savings and Innovation Plan may be considered for the first year of the Five-Year Plan (2014) outside of the rating criteria displayed below. For example, if through an integrated review, a bureau identifies an opportunity to replace a high cost lease by renovating an owned facility to improve utilization, the bureau is encouraged to submit this project within their construction program. Such projects should be identified as a 'Real Property Cost Savings

Project' in the Five-Year Plan and the PDS must clearly explain how the investment will result in real savings for the bureau. In addition, the savings should be identified by object class.

Projects involving health and safety components of work should be coordinated with the bureaus' safety managers, and management discretion must be used to ensure health and safety issues are addressed promptly. New capital improvement projects that do not address health and safety or resource protection issues should be reviewed carefully before funding is provided, and any such project receiving funds must meet a high priority mission need.

Total project score is calculated by combining both the API Score and the Ranking Category Factor Score, as shown below. The API score is the API of the asset multiplied by 10. If more than one asset is covered by the project, use a weighted average API of the assets included in the project based upon the percentage of project cost elements attributed to each included asset.

The ranking factors to be applied are:

Critical Health and Safety Deferred Maintenance (CHSdm)	10
Critical Health and Safety Capital Improvement (CHSci)	9
Critical Resource Protection Deferred Maintenance (CRPdm)	7
Critical Resource Protection Capital Improvement (CRPci)	6
Energy Policy, High Performance, Sustainable Buildings CI (EHPBSci)	6
Code Compliance Capital Improvement (CCci)	4
Critical Mission Deferred Maintenance (CMdm)	4
Other Deferred Maintenance (Odm)	3
Other Capital Improvements (Oci)	1

Based on these weight factors, a Ranking Category Factor Score is calculated as:

$$(\%CHSdm \times 10) + (\%CHSci \times 9) + (\%CRPdm \times 7) + (\%CRPci \times 6) + (\%EHPBSci \times 6) + (\%CCci \times 4) + (\%CMdm \times 4) + (\%Odm \times 3) + (\%Oci \times 1) = \text{Ranking Factor Score}$$

NOTE: The sum of the percentages for a project must equal 100%.

The API Score is equal to: Asset API multiplied by 10 = API Score.

The Total Project Score = (.35*Ranking Factor Score) + (.65*API Score)

The ranking factor score formula may appear to be complex. However, it is designed to accommodate all types and sizes of projects, from the simple to the complex. It can be easily adapted to personal computer spreadsheet software for ease of computation. It places the highest priority on maintaining the mission delivery capability of the Department's highest priority assets (through inclusion of the API) and reducing facility-related Critical Health and Safety and Critical Resource Protection deferred maintenance needs. As bureaus reduce the accumulated deferred maintenance on assets with high API scores, funding will be directed to lower priority deferred maintenance and new capital improvement projects. Complex projects, including many items of work involving both maintenance and capital improvements, may have portions of the

project in several of the ranking categories. Smaller, less complex projects may include work in only one or two of the ranking categories. Category percentages are based on the approximate scope of the project in each category, and should be estimated in no less than 5% increments. An example project and its TOTAL SCORE calculation are shown below:

Sample Project: Rehab Headquarters Office Facility to Meet Codes - \$165,000

The asset’s API is 90.

The rehabilitation is to correct critical health and safety deficiencies by:

- (1) Providing a fire alarm system which is currently lacking for the new headquarters office annex building,
- (2) Providing fire suppression systems for storage rooms in the old headquarters office building,
- (3) Installing a fume hood and,
- (4) Installing an eye wash station. To comply with the requirements for the National Electrical Code, the project includes replacing and repairing the portions of the electrical system in the old headquarters office building.

The percentage of this project in the categories might be 70% CHSdm and 30% CCci.
 The project’s TOTAL SCORE would be: $(70 \times 10) + (30 \times 4) = 790$.

The API Score is $90 \times 10 = 900$

The Ranking Category Factor Score is: 70% CHSdm and 30% CCci. or: $(70 \times 10) + (30 \times 4) = 820$.

Total Project Score = $\{.35 \times 820\} + \{.65 \times 900\} = 872$

PROJECT PLANNING AND DESIGN REQUIREMENTS

Projects in the first year of the Five-Year Plan should achieve the estimate class in the table below prior to final submission in January. This will result in more thorough project planning and design and will also limit the potential for cost and schedule variance. The Department will improve its project planning and design in order to limit the occurrence of cost and schedule variances on deferred maintenance and capital improvement projects. Performance in this area is targeted for improvement in order to ensure that the greatest possible benefit is realized within available funds. Diverting funds to address costs imposed by project schedule and cost variances is inefficient and does not support the Department’s mission or Congressional intent.

Minimum Estimate Class When Requesting Full Project Funding

Estimated Project Cost	Estimate Class (see exhibit 2b for definitions of cost estimate classes)
\$2 million or greater	Class B
\$500,000 to \$2 million	Class C
Less than \$500,000	Class D

Bureaus should make funding available to complete project planning and design such that the estimate classes above are achieved prior to requesting construction funds. Project development schedules should include time to receive design funds and achieve the specified estimate prior to requesting full project funding. Bureaus should plan to achieve the more rigorous estimate class if a project will potentially cross into a higher cost threshold as project planning becomes more detailed and complete.

CONDITION ASSESSMENTS

The validity of the Five-Year Plan is dependent upon the bureaus having accurate and complete facilities information. In order to assure that the most critical needs are being addressed, it is essential that the bureaus have a complete inventory of their constructed assets and that they identify and document the cost of correcting the deferred maintenance needs associated with each asset in a condition assessment.

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**DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENT PLAN
FY 2014 – 2018**

[Bureau Name]		Total Project Score/Ranking:		
PROJECT DATA SHEET		Programmed Funding FY:		
		Funding Source:		
Project Identification				
Project Title:				
Project No.:		Unit/Facility Name:		
Region/Area/District:		Congressional District:		State:
Project Justification				
DOI Asset Codes:	Real Property Unique Identifier:	API:	FCI-Before:	FCI-Projected:
Project Description:				
Project Need/Benefit:				
Ranking Categories: Identify the percent of the project that is in the following categories of need.				
% Critical Health or Safety Deferred Maintenance (10)		% Energy Policy, High Performance Sustain Bldg CI (6)		
% Critical Health or Safety Capital Improvement (9)		% Critical Mission Deferred Maintenance (4)		
% Critical Resource Protection Deferred Maintenance(7)		% Code Compliance Capital Improvement (4)		
% Critical Resource Protection Capital Improvement (6)		% Other Deferred Maintenance (3)		
		% Other Capital Improvement (1)		
Capital Asset Planning Required? (Y or N):				Total Project Score:
VE Required (Y or N):	Type:	Scheduled (YY):	Completed (YY):	
Project Costs and Status				
Project Cost Estimate (This PDS):		Project Funding History (Entire Project):		\$'s
Deferred Maintenance Work:	\$'s	%	Appropriated to Date:	
Capital Improvement Work:			Requested in FY14 Budget:	
Total:		100%	Future Funding to Complete Project:	
			Total:	
Class of Estimate (circle one): A B C D		Planning and Design Funds: \$'s		
Estimate Escalated To FY: _____ (yy)		Planning Funds Received in FY _____ \$ _____		
		Design Funds Received in FY _____ \$ _____		
Dates:		Project Data Sheet		DOI Approved:
Construction Start/Award: (QTR/YY)	Sch'd _____/____	Prepared/Last Updated: _____/____		YES NO
Project Complete: (QTR/YY)	_____/____	mm/yy		
Annual Operation & Maintenance Costs (\$s)				
Current:	Projected:	Net Change:		

DEFINITION OF PROJECT DATA SHEET ELEMENTS

Project Data Sheet Quality Checklist

Ensure that each PDS meets the checklist below prior to submittal:

- The standard PDS format is used.
- All fields have been populated.
- Data has been verified as accurate for all fields.
- Spelling and grammar have been checked.
- The project score is calculated properly.

Project Data Sheet Data Elements

Project Score/Ranking

This is to be the same number as shown in the “Total Project Score” block in the Project Justification section of the Project Data Sheet. The “Ranking” number is developed by the bureau to list all projects within a fiscal year in priority order.

Planned Funding FY

The fiscal year in which a project is planned for funding.

Project Title

A brief (100 characters or less) title of the project. The location and facility name of the property should not be included as there are other categories for those. Use descriptive words to indicate the action(s) being taken.

Examples:

Deer Lake Drinking Water System Upgrade
Rehabilitate Unsafe Historic Residence #5
Retrofit Existing Oil & Paint Storage Building

Project No.

The identification code used to distinguish this project from all others within a bureau. The code can be any combination of characters and numbers. The current form will accommodate approximately 16 characters.

Unit/Facility Name

The name of the unit, facility, or location at which the project will be implemented.

Region/Area/District

The Region, Area, or District within which a project is located.

Congressional District

The Congressional District in which the facility is located.

State

Two letter postal abbreviation for the State in which the facility is located.

Project Justification

DOI Asset Code:

DOI Asset Code (8 digits). List an Asset Code for each constructed asset that is involved in this project. The asset codes are found in the standard Department asset code list.

Real Property Unique Identifier:

The number used in the FRPP to identify a specific constructed asset. List an FRRP Identifier for each constructed asset that is involved in this project.

API:

The Asset Priority Index of the constructed asset. List the API for each constructed asset that is involved in this project. For projects that include multiple assets, provide a weighted API based upon the proportion of project cost elements associated with each asset.

FCI-Before:

The FCI of the constructed asset(s) involved in the project, calculated using the most current deferred maintenance and current replacement value (CRV) figures available. List an FCI for each constructed asset that is involved in the project.

FCI-Projected:

Projected FCI of the constructed asset(s) after project completion. Calculate by subtracting from the current deferred maintenance (before the project) the amount of deferred maintenance eliminated by the project, and then dividing that value by the CRV. List an FCI for each constructed asset that is involved in this project. If the FCI-Projected will remain at or above 0.15, the Project Description (below) must include a statement on why the remaining deferred maintenance is not being addressed as part of the current project request.

Project Description

The project description must include a statement of the identified problem(s), the impact, and the proposed solution, including dimensions, materials, quantities, and so forth. This section may be used to provide additional details on the property to be improved, the specific tasks to be accomplished, and the deficiencies to be corrected. Details on project phasing must also be discussed here if the overall project is divided into multiple funding years. It must be clear what has been accomplished in prior phases, what will be completed in the requested phase, and what is still to be accomplished in future phases. If an asset is being replaced in its entirety, disposition of the existing asset must be addressed and must be included in the project cost. If funds other than those appropriated by Congress are used to support the project, the source of funds and amount should be identified in the project description. The description should be detailed, yet non-technical, such that the public at-large would understand what exactly is being done with the funds requested.

Project Need/Benefit

Justify here the primary safety, resource, or mission needs to be satisfied and benefits to be gained with project accomplishment. These should relate directly to the problem or risk expressed in the project description. It must be written to clearly support the percentage in each ranking category included in the project. For deferred maintenance projects, reasons for the project should be provided, with a brief explanation of safety, resource, or mission risks and benefits. Also, state the quantifiable GPRA outputs (measures) and ultimate outcomes that this project will help achieve. For all projects, briefly state how the project will meet DOI and bureau Strategic Plan goals and objectives and the DOI and bureau Asset Management Plans and the Site Specific Asset Business Plans.

Ranking Categories

Identify the percentage of a project’s work, based upon dollar value that is in each of the categories listed below. These categories are described earlier in this guidance document. The percentages should be estimated in no less than 5% increments, must add to 100%, and support the narrative in the “Project Description” and “Project Need/Benefit” sections.

- Critical Health and Safety Deferred Maintenance
- Critical Health and Safety Capital Improvement
- Critical Resource Protection Deferred Maintenance
- Critical Resource Protection Capital Improvement
- Energy Policy, High Performance, Sustainable Buildings Capital Improvement
- Critical Mission Deferred Maintenance
- Code Compliance Capital Improvement
- Other Deferred Maintenance
- Other Capital Improvements

Capital Asset Planning

OMB requires preparation of a Capital Asset Plan and Justification (Exhibit 300 in OMB Circular A-11) for major capital acquisitions. Exhibit 300s are to be prepared in eCPIC for any construction project whose total project cost is \$2 million or greater, with those greater than \$10 M being reviewed and submitted to OMB. Enter “YES” or “NO.”

VE Required

Indicate whether a value engineering study is required for this project per Department Manual Part 369, OMB Circular A-131, and Public Law 104-106.

Type: Enter “C” for conceptual/planning VE analysis and “D” for a VE analysis performed on a design that is 15% - 40% complete. If both types of VE analysis will be performed, enter “C; D”.

Scheduled: Enter the fiscal year the VE analysis is scheduled. If both a conceptual and design VE analysis will be performed, enter both dates, such as “FY12; FY14”.

Completed: Enter the fiscal year the VE analysis was completed. If both conceptual and design VE is performed, enter both completion dates, such as “FY12; FY14”.

Total Project Score

The total project score is provided by the formula shown on page 13 of this guidance.

Project Cost and Status

Project Cost Estimate (This PDS)

This applies only to the project or portion of a project requesting funds in this Project Data Sheet and for the scope of work justified in the “Project Description” section of the PDS.

Deferred Maintenance Work

This is the estimated cost of the proposed project that addresses and/or eliminates deferred maintenance needs. For those projects addressing both deferred maintenance as well as capital improvement needs, it includes only those costs addressing deferred maintenance. The work classification includes separate requests for project planning, design, and any other direct costs attributable to the project.

Capital Improvement Work

This is the estimated cost of a proposed project that addresses and/or fulfills capital improvement needs. For those projects addressing both capital improvement as well as deferred maintenance needs, it includes only those costs addressing capital improvements. The work classification includes separate requests for planning, design, value engineering, construction management, and construction costs for which the bureau typically funds in the project cost.

Total

Cost of deferred maintenance portion plus cost of capital improvement portion of a project. This number must equal the amount of funding requested by the Project Data Sheet (the “Requested in FY14 Budget” data field).

Class of Estimate

Use the following to indicate the status of current cost estimate for the project:

A – Working Drawings and Specifications Complete – This estimate is based on complete quantity take-off from completed construction drawings and on specifications ready for a competitive bid. It reflects the best available estimate of construction costs based on a competitive bid situation.

B – 40% Design Complete – This estimate is based on the development of the selected alternative and tentative bid schedule items, either lump sum or unit price. It uses quantities based on design drawings. At the end of project planning, the project should be developed in sufficient detail to demonstrate that the design will fulfill the functional and technical requirements of the project. This is the first time in the planning and design process where a project construction cost estimate is accurate enough to support a budget request. Projects with estimated cost of \$2 million or greater must have at least a class B estimate completed prior to requesting funding in the President’s budget.

C – Planning Complete – This estimate is a conceptual cost estimate based on square footage or other unit cost of similar construction. The project identification/feasibility process should result in a description of facility goals, objectives, and needs and the information required to evaluate the feasibility of the project and to provide a preliminary project cost range and initial project schedule. This description is used to request future planning and engineering design funds only. The engineering design process is considered approximately 15 percent complete at end of this phase and the estimate is within -15 to +25 percent of project cost. Projects with estimated cost of \$500,000 up to \$2 million must have at least a Class C estimate completed prior to requesting funding in the President’s budget.

D – Pre-Planning – This estimate is based on a tentative project design, with project size and complexity that is still experiencing significant development. This class of estimate should only be used for projects with estimated costs of \$500,000 or less that are constrained such that insufficient time is available to achieve more precise estimates.

Estimate Escalated to FY: ___(yy) - This is the date (by year) to which the cost estimate has been escalated. Cost estimates will be escalated to the year in which project construction, repair, or rehabilitation is projected to begin. Refer to OMB Circular A-94 for guidance on assuming inflation rates.

Project Funding History (Entire Project)

This section lists all costs associated with a project over its entire development. It includes all funds requested, including those from previous fiscal years, and funds to be requested in future fiscal years.

Appropriated to Date

This is the total amount of funds that have been appropriated to this project from all funding sources up to, but not inclusive of, the current request documented in this Project Data Sheet. This total should include any lump sum planning funds.

Requested in FY14 Budget

This is the President’s Budget request.

This is the budget year and amount of funding being requested by this Project Data Sheet. This should be the same cost that is entered in the “Total” space in the “Project Cost Estimate (this PDS) block of the Project Data Sheet.

Future Funding to Complete Project

This is all funding required in out-years, not including the amounts included in “Requested in FY14 Budget”; show all funds necessary to complete the total project or remaining phases.

Total

The sum of the amounts entered in the “Appropriated to Date”, “Requested in FY14 Budget”, and “Future Funding to Complete Project” data fields.

Planning Funds Received in FY: ____ \$ ____

Specify the fiscal year planning funds were received and the amount received. The fiscal year should be in “yy” format. If no planning funds have been received, enter “NA” for the fiscal year.

Design Funds Received in FY: ____ \$ ____

Specify the fiscal year design funds were received and the amount received. The fiscal year should be in “yy” format. If no design funds have been received, enter “NA” for the fiscal year.

Construction Start

This is the projected date (by quarter and fiscal year) construction is planned to begin.

Project Complete

This is the date (by quarter and fiscal year) the project is scheduled to be complete. For contracted projects, it is not the contract close-out date or end of warranty.

Project Data Sheet Prepared/Last Updated

This is the date (mm/yy) that the last significant alteration of data was made on this Project Data Sheet. For most projects whose data are entered at the field level with only insignificant changes at the Regional and National levels, this would be the latest date the responsible facility personnel enter new data or verify data from previous years. For projects which are corrected or updated at Regional or National levels, this would be the latest date that a record has been (significantly) changed.

DOI Approved

This indicates whether the project has received Departmental review and approval. Enter “Yes” if the project has been previously reviewed and approved by the Department and has not experienced subsequent changes in scope, score/ranking, or cost since that approval. Enter “No” if the project is new or there have been subsequent changes in scope, score/ranking, or cost since last reviewed and approved by the Department.

Annual Operations & Maintenance Costs (\$s)

Current:

Annual O&M dollars currently spent to maintain this asset(s). Enter the value recorded in the bureau’s last annual Federal Real Property Profile submittal. If the project is for construction of a new asset, enter zero.

Projected:

Annual O&M dollars projected to maintain this asset(s) resulting from this project. If the project is for construction of a new asset, enter the estimated annual O&M costs that would be incurred once the asset is complete and functioning as designed.

Net Change:

Projected O&M cost minus current O&M cost.

Definitions of Data Elements for

**SUMMARY PROJECT DATA SHEET (Exhibit 4)
&
COMPLETION REPORT (Exhibit 5)**

Plan Fund FY

The Plan Fund FY field is the fiscal year in which a project received funding. If a project is delayed and remains unfunded at the time that Exhibit 5 is completed, enter “NO” in the “Project Status” column of the form. When the project receives funding, change the “Plan Fund FY” to the year the funding was received.

DM or CI

Is this project Deferred Maintenance (DM) or Capital Improvement (CI).

DOI Score

The result of the calculation shown in the Attachment G guidance.

Region/Area/District

The Region, Area, or District within which a project is located.

Unit/Facility Name

The name of the unit, facility, or location at which the project is to be implemented.

State

Two letter postal abbreviation for the State in which the facility is located.

Cong Dist

The Congressional District in which the facility is located.

Project #

The identification code used to distinguish this project from all others within a Bureau. The code can be any combination of characters and numbers.

Project Title

A brief (100 characters or less) title of the project. The location and facility name of the property should not be included as there are other categories for those. Use descriptive words to indicate the action(s) being taken.

Examples:

Deer Lake Drinking Water System Upgrade

Rehabilitate Unsafe Historic Residence #3

Retrofit existing Oil & Paint Storage Building

Proj Cat

Was this project in the first year of the Five-Year Plan submitted to Congress or did it come from somewhere else? Use the appropriate symbol:

	SYMBOL
Projects submitted in Plan to Congress	Plan
Congressional Add Project	CO
Other Added Projects (*)	O
Emergency Replacement Project (**)	ER
Replacement Project for other than an emergency (**)	OR

* There must be an accompanying narrative explaining the circumstances for the “add”.

** There must be an accompanying narrative explaining the circumstances causing the change. Cite listed project that has been displaced and identify displaced project with appropriate Status Code.

Ranking Categories

- % CHSdm = Critical Health and Safety Deferred Maintenance
- % CHSci = Critical Health and Safety Capital Improvement
- % CRPdm = Critical Resource Protection Deferred Maintenance
- % CRPci = Critical Resource Protection Capital Improvement
- % EPHPSBci = Energy Policy, High Performance, Sustainable Buildings Capital Improvement
- % CMdm = Critical Mission Deferred Maintenance
- % CCci = Code Compliance Capital Improvement
- % Odm = Compliance and Other Deferred Maintenance
- % Oci = Other Capital Improvements

Identify the percentage of the project’s work that is in each of the categories described early in this guideline. The percentages must add to 100%.

Orig Cost Est. (\$000)

This is the estimated cost of the project when it went to Congress. The estimate should include the cost of project planning, design, other direct and indirect cost if the bureau typically funds these activities in the project cost.

Appropriated Amount and Other Funds (\$000)

This is the amount that Congress appropriated and any other additional funds the bureau has dedicated to the project at the time the project is submitted in the President’s Budget.

Final Project Cost (\$000)

This is the amount that the project actually cost.

DOI Appr

This indicates whether the project has received prior Departmental review and approval. Mark “Y” if the project has been reviewed and approved by the Department and has no subsequent changes in scope, score/ranking or cost since that approval. Mark “N” if the project is new or

there are subsequent changes in scope, score/ranking or cost since last reviewed and/or approved by the Department.

Completion Date

Enter the date the project was completed in “mm/yy” format. This is the date the work on the project is completed. For contracted projects, it is completed on-site construction and not the contract close-out date or end of warranty. This field is only populated if the project is complete; leave it blank if the project is not completed.

Proj Status

Enter project status as of the last day of the fiscal year. Do not add any bureau-generated symbols or status codes to the list or report.

	SYMBOL
For projects that did not receive appropriations	NO
Project work deferred to out-year for funding (***)	D
Work no longer needs to be accomplished (***)	N
Project delay due to disputes, changes to the project resulting from unforeseen site conditions or concealed conditions in existing structures. (***)	DL
Project planning and engineering design in progress	PD
Construction contract awarded (Use only if on-site construction has not begun.)	CA
On-site construction started: either by force account, grant, or contract	CS
Construction at “substantial completion” on-site	SC

*** State in the narrative the circumstances causing the change.

Narrative

Include additional information to clarify the project as necessary.