



UNITED STATES
DEPARTMENT OF THE INTERIOR
Director of Budget

July 17, 2012

Memorandum

To: Bureau Budget Officers
From: Director, Office of Budget
Subject: 2015 Budget Guidance – Attachment G

Demise Flanagan

Attached please find instructions (Attachment G) related to development of the FY 2015 - FY 2019 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 3, 2013, and the Five-Year Plan submission for deferred maintenance projects is due July 1, 2013. The funding guidance for the 2015 budget formulation process is not yet available. Further direction regarding any funding thresholds or policy decisions will be distributed with the 2015 policy guidance.

Responding to bureau requests for updated criteria and methodology for project selection contained in Attachment G, the Office of Budget (POB) and the Office of Acquisition and Property Management (PAM) worked with bureaus in a collaborative process to develop a new criteria and methodology for project prioritization of the deferred maintenance and construction projects. The collaborative process included a presentation to the Asset Management Team of an initial concept for new criteria and methodology; and the assembly of a team that consisted of representatives from the bureaus (BLM, BOR, USGS, FWS, NPS and IA) as well as POB and PAM. The result of this collaborative process is a new criteria and methodology described in the attached guidance.

The new criteria are:

- Asset Priority Index versus Facility Condition Index (API/FCI) – Emphasizes projects that involve mission critical assets in unacceptable condition with less emphasis on non-mission critical assets.
- Scope of Benefits (SB) – Emphasizes projects that are clearly aligned with DOI, Bureau, Office and program missions, initiatives, and strategic goals.
- Investment Strategy (IS) – Emphasizes projects that can clearly define a positive return on investment, leverage outside interest, and reduce operation and maintenance liabilities. This element is structured to deemphasize projects that increase DOI operation and maintenance liabilities.
- Consequences of Failure to Act (CFA) – Emphasizes projects that have unacceptable risk levels should the project not be completed.

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.

Attachments

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

**DEPARTMENT OF THE INTERIOR
DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENT
PLANNING GUIDELINES**

The Department of the Interior (DOI) owns and operates over 140,000 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 current replacement value (CRV) of these assets exceeds \$240 billion, with more than \$1 billion spent annually on operations and maintenance. Many are considered priceless for their historical significance. As the steward of these assets, DOI is committed to improving the condition of these existing facilities and making the capital investments in facilities that are critical to its mission. The facilities maintenance and construction management practices described in this Attachment have been instituted Department-wide to ensure responsible investments within the appropriations provided.

This Attachment includes the following:

- Guidance for developing the FY 2015 – 2019 Five-Year Plan.
- Project Data Sheet, exhibit 1A.
- Project Scoring Sheet, exhibit 1B (for bureau use to determine project score, this may be requested for submittal to DOI for random checks of application).
- Instructions for completing Project Data Sheet, exhibit 1C.
- Summary Project Data Sheet, exhibit 2.
- Status Report for reporting years 2009 - 2013, exhibit 3.
- Deferred Maintenance vs. Capital Improvements in the Five-Year Plan Submission, exhibit 4.

**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 2015 – FY 2019 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 to OMB for review and ultimately included as part of each bureau's budget justification to Congress.

The Five-Year Plan update in support of the FY 2015 budget covers the five-year period through FY 2019. 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. During the economic downturn,

bureaus were instructed to focus their resources on maintaining existing facilities and not request any new construction projects. Specific guidance such as this will be incorporated into the budget guidance letter to be distributed for FY 2015 budget formulation. The deferred maintenance portion of the plan consists of projects that have a combination of deferred maintenance work and capital improvements and are funded through the deferred maintenance activity at each bureau.

The ultimate success of improving the stewardship of constructed assets will be measured by the Department's ability to direct its 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 asset sustainability, annual and cyclic maintenance must 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. The planning and performance measurement processes required herein 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. Furthermore, the Five-Year Plan is an important component in meeting cost savings goals, especially when developed in coordination with the bureau's Five-Year Space Management Plan. The integration of these two plans will allow bureaus to leverage both programs to meet mission requirements while reducing costs. Categories for ranking projects include Asset Priority and Facility Condition Index; Scope of Project Benefits; Investment Strategy; and, Consequences of Failure to Act.

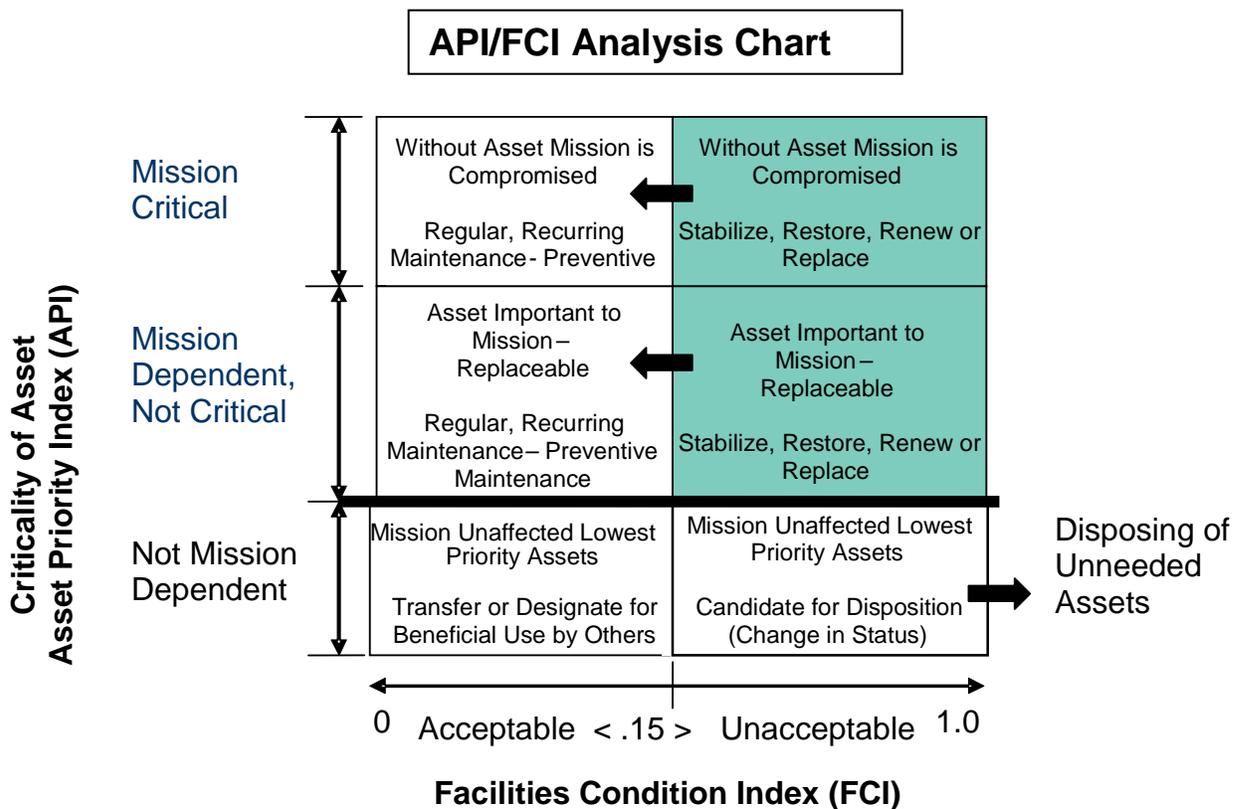
Building projects, regardless of type, must follow all applicable mandatory energy and sustainable buildings requirements within the scope of the project. Requirements for new and existing buildings are provided in the DOI Sustainable Buildings Assessment and Compliance Tool. For historic buildings, 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 overall condition relative to the deferred maintenance need of the asset. The FCI is used to populate a key data element (Condition Index) 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 also have an Asset Priority Index (API) (also known as mission dependency) 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 proportional to costs for each of the included assets.

The Department's goal is to focus 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 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.

Bureaus are directed to evaluate all health and safety issues in accordance with the Department of the Interior, Risk Assessment System (RAS) and mitigate the hazard or deficiency in the associated timeline according to the Risk Assessment Code (RAC). Departmental Manual 485 Chapter 6 explains the RAS and defines project completion timelines according to the RAC. Consideration shall be given when requesting a project with an assigned RAC or interim RAC level that the 5-year plan process will take approximately 2-years before you can execute the project.



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 with emphasis on critical health and safety. This revision of the criteria for Attachment G strives to meet the intent of the Executive Order and the direction provided by the Federal Real Property Council.

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

The Five-Year Plan is the foundation for the capital planning and investment control (CPIC) process 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 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, 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 with an 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 with an estimated cost greater than \$10 million must complete the OMB Exhibit 300 form for DOI review and approval prior to being submitted to OMB.

Refer to the Department's Construction Capital Planning and Investment Control Guide, available at the following [link](http://www.doi.gov/pam/CPICguide62107.pdf) (<http://www.doi.gov/pam/CPICguide62107.pdf>) for details on the CPIC process and timelines.

FY 2015 – FY 2019 BUDGET AND FIVE-YEAR PLAN SCHEDULE

Bureaus are to submit FY 2015 – FY 2019 Five-Year Plan information based on the following schedule:

June 3, 2013: Bureaus will submit to both the Office of Budget and the Office of Acquisition and Property Management, an electronic copy of the **construction portion** of their FY 2015 – FY 2019 Five-Year Plans. This submission will consist of the following:

- Complete descriptions of all FY 2015 construction projects, using the prescribed Project Data Sheet (exhibit 1A to be attached), hard copy and electronically in MS Word.
- A summary by year of all FY 2015 - FY 2019 construction projects (using the Summary Project Data Sheet exhibit 2) electronically in MS Excel.

July 1, 2013: Bureaus will submit an electronic copy of the **deferred maintenance portion** of their FY 2015-2019 Five-Year Plans to both the Office of Budget and the Office of Acquisition

and Property Management. This submission will consist of a summary by year of all FY 2015 - 2019 deferred maintenance projects using the Summary Project Data Sheet Exhibit 2 (to be attached) electronically in MS Excel. Bureaus are to retain on file, project data sheets for all FY 2015 deferred maintenance projects, to be made available upon request from Congress, OMB, or the Department. The Department will randomly review a sample of the project data sheets to ensure compliance.

July 1, 2013: The NPS will submit to both the Office of Budget and the Office of Acquisition and Property Management, a copy of the 2015 – 2019 Five-Year Recreation Fee plan for all projects in the 80% and the 20% categories requesting \$500,000 or more. These plans must contain project data sheets for the first year (2015) requests in the Project Data Sheet Exhibit 1A format and the summary project data sheet for all five years in the Summary Project Data Sheet Exhibit 2 format in MS Excel.

September 3, 2013: Bureaus will electronically submit corrected and approved FY 2015-2019 Five-Year Construction and Deferred Maintenance and Capital Improvement Plans to both the Office of Budget and Office of Acquisition and Property Management, along with written responses addressing each review comment previously provided. These Plans should include revised copies of each FY 2015 project data sheet for all construction projects and should be prepared as they will be shown in the OMB budget submission. Also for the construction plans, bureaus will present separately each of the four out-years at the 2015 funding level in the Summary Project Data Sheet format. All five years of the Deferred Maintenance and Capital Improvement plans shall be submitted in the Summary Project Data Sheet format with a page break between each year. In addition, bureaus are to submit the analysis of total deferred maintenance vs. capital improvements (exhibit 4 to be attached) in a separate file.

November 5, 2013 (or 10 business days after enactment of the FY 2013 appropriations bill or full-year CR): The bureaus will submit to the Office of Budget and the Office of Acquisition and Property Management, two (2) copies of their final FY 2013 deferred maintenance project list (in the Summary Project Data Sheet Exhibit 2 format) reflecting any changes based on *FY 2012 program execution* and the FY 2013 appropriations bill. The submittals must include project data sheets for any new projects added costing more than \$100,000, a list of any projects removed from the FY 2013 list, and updated summary sheets for FY 2014 - FY 2018.

December 15, 2013: Bureaus will submit two (2) copies of the FY 2013 Project Status Report using the format in Exhibit 3 (to be attached), in hard copy and electronically in MS Excel. This report updates the FY 2009 through FY 2013 project lists and reflects project status, completions, and other changes.

Five Business Days following the receipt of the OMB passback for the FY 2015 President's Budget: Through Bureau Directors and Assistant Secretaries, bureaus will submit three (3) hard copies and one electronic copy on CD of their final FY 2015 – FY 2019 Five-Year Plans for both construction and deferred maintenance to the Office of Budget. The plans should reflect the final project selections for inclusion in the FY 2015 President's Budget. Plans should include copies of 2015 project data sheets and summary sheets for construction and summary project data sheets for deferred maintenance FY 2015 – FY 2019. 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 (exhibit 4 to be attached).

January 15, 2014: After final Departmental approval, bureaus will furnish ten (10) hard copies of their FY 2015 - FY 2019 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. The Five-Year Plans are to be reviewed annually for updating and the addition of a new fifth year. Any proposed projects from FY 2014 that Congress does not fund are expected to be integrated into the project listing for FY 2015.

Similarly, with these annual updates of the Five-Year Plan in the FY 2015 budget, the Department will report completions for those projects funded in FY 2009 through FY 2013 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 Status Report Form (exhibit 3 to be attached). 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. In most cases this will require Bureaus to phase project requests so that planning and design is

requested in one phase and completing the construction is requested in another phase of the same project to be funded one or two years after the planning and design phase. This will allow for a full definition of project scope and cost, which will help minimize the project cost and schedule variances 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 “Project Planning and Design Requirements” section of this document.

DATA REQUIREMENTS

Bureaus must submit project information and justification on a Project Data Sheet (exhibit 1A) for construction projects in the first year of the Five-Year Plan. A project scoring sheet is provided as exhibit 1B to assist with calculating the DOI score. Construction and deferred maintenance projects for all five (5) years, however, should be included in the summary project data sheet, exhibit 2.

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 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. The data fields required for this electronic submission are shown in the Summary Project Data Sheet Exhibit 2 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 as part of the exhibit 1C for each form. Both the Project Data Sheet and Summary Project Data Sheet Exhibits will be part of DOI's submission to the OMB and the Congress for construction projects. The Summary Project Data sheet will be sent over under separate cover with the DOI's submission for deferred maintenance and capital improvement plans.

REQUIRED DEFERRED MAINTENANCE & CAPITAL IMPROVEMENT ANALYSES

Bureaus are to compare funds programmed to deferred maintenance work versus capital improvement work 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 shown in exhibit 2 accounting for the following Five-Year Plan submissions:

| | |
|------|---|
| BLM | MLR Deferred Maintenance and Capital Improvement Plan, O&C Deferred Maintenance Plan, Wildland Fire Management Plan |
| USGS | USGS Deferred Maintenance and Capital Improvement Plan |
| FWS | NWRS 5-Year Deferred Maintenance and Capital Improvement Plan, NFHS 5-Year Deferred Maintenance and Capital Improvement Plan, Construction Plan |
| NPS | Five-Year Deferred Maintenance and Capital Improvement Plan, 5-Year Line-Item Construction Plan, Recreation Fee Comprehensive Plan |
| BIA | Deferred Maintenance and Capital Improvement Plan FY 2015 - 2019 |
| BOR | 5-Year Capital Improvement Plan |

FIVE-YEAR FUNDING LEVELS AND GENERAL GUIDANCE ON PROJECT LISTS

Initially bureaus should assume FY 2015 and additional years FY 2016 – FY 2019 will be funded at the President’s Budget levels in the FY 2014 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. This can be found at the following web address:
http://www.doi.gov/pam/programs/asset_management/upload/CPICguide62107.pdf

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 unless there is an overriding mission related priority that would indicate otherwise.

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;
- meeting the Guiding Principles for High Performance and Sustainable Buildings;
- accessibility upgrades and retrofits;

- asset disposals;
- radio facilities; and
- elimination of deferred maintenance.

INTERIOR BUDGET PRIORITIES

Bureaus will use the project scoring methodology 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 receive highest consideration 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 (2015) 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 or deferred maintenance and capital improvement plan. Such projects should be identified as a ‘Real Property Cost Savings Project’ in the Five-Year Plan and must be accompanied by a PDS that clearly explains 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 in accordance with the DOI Risk Assessment System, outlined in 485 Department Manual, Chapter 6, 12/22/09. Capital improvement projects that do not address health and safety or resource protection issues (e.g. obsolescence) should be reviewed carefully before funding is requested, and any such project requesting funds must demonstrate critical support of a high priority mission need.

DOI Scoring Calculation

Total Project Score = (0.4 * API/FCI) + (0.2 * SB (A, B, or C)) + (0.2 * IS (A, B, C, or D)) + (0.2 * CFA (A, B, or C))

Bureaus are required to use the DOI Element weights listed below. Bureaus are also required to use the criteria scores within each Element unless the bureau submits to DOI for review and

approval a corporate data structure and scoring model that improves upon the rigor of the DOI model while still meeting the strategic emphasis of the listed Element. Bureaus must also provide a crosswalk that illustrates how the proposed data structure will align with the DOI model.

Elements for Calculating DOI Score

I. Asset Priority Index versus Facility Condition Index (API/FCI) - Emphasizes projects that involve mission critical assets in unacceptable condition with less emphasis on non-mission critical assets.

Element weight in overall DOI score is 40%.

The element measures the relative priority of the project is based on the combination of the assets’ importance to the mission (API) and the amount of needed repair/DM relative to replacement value (FCI). This element is scored in accordance with the following criteria:

| | |
|---|-----|
| API>80 FCI≥0.15* | 100 |
| API>80 FCI<0.15* | 75 |
| API 50 - 80 FCI≥0.15* | 40 |
| API 50 - 80 FCI<0.15* | 30 |
| API <50 FCI<0.15* | 5 |
| API<50 FCI≥0.15* | 0 |
| <i>*BIA to use 0.10 for school assets</i> | |

II. Scope of Benefits (SB) – Emphasizes projects that are clearly aligned with DOI, Bureau, Office and program missions, initiatives, and strategic goals.

Element weight in overall score is 20%.

This element will measure the degree to which the project (rather than the asset) demonstrates a measurable contribution to the Department’s or Bureau’s mission and strategic goals. Bureaus shall develop specific guidance for regions and field offices scoring of the following criteria:

| | |
|---|-----|
| A. Project clearly demonstrates a major and measurable contribution to established goals and objectives of the Department and the Bureau, aligning with specific outputs and outcomes detailed in the strategic plans. | 100 |
| B. Project demonstrates a moderate contribution to established goals and objectives of the Department and the Bureau. | 50 |
| C. Project contribution to established goals and objectives of the Department and Bureau is minimal or not demonstrated. | 0 |

III. Investment Strategy (IS) – Emphasizes projects that can clearly define a positive return on investment, leverage outside interests, or reduce operation and maintenance costs. This element is structured to deemphasize projects that increase DOI operation and maintenance costs.

Element weight for overall score is 20%.

The element measures the degree to which the project supports a strategic business investment by decreasing the current operation and maintenance requirements for the Bureau (including demolition/ disposal), the project economizes current mission processes, or has significant partner contributions which reduce the cost to the Federal government. Bureaus shall develop specific guidance for regions and field offices in scoring projects in accordance with the following criteria:

| | |
|---|-----|
| A. Project investment strategy clearly demonstrates a major and measurable net savings for the Government, strongly supports financial sustainability efforts, or leverages significant non-DOI resources. | 100 |
| B. Project investment strategy demonstrates a steady state position on operation and maintenance costs and a moderate leveraging of non-DOI resources. | 50 |
| C. Project investment strategy does not reduce operation and maintenance or does not have any matching contributions. | 0 |
| D. Project investment strategy indicates an increase in operation and maintenance costs for the organization, regardless of any resource leveraging. | -25 |

IV. Consequences of Failure to Act (CFA) – Emphasizes projects that have unacceptable risk levels should the project not be completed.

Element weight for overall score is 20%.

This element measures the degree of impact that may result from not completing the project. This includes risks to public or employee health and safety as well as natural or cultural resource damage. Bureaus shall develop specific guidance for regions and field offices in scoring projects in accordance with the following criteria:

| | |
|---|-----|
| A. Failure to complete this project would have major and measurable direct impacts on employee or public health and safety. | 100 |
| B. Failure to complete this project would have major and measurable direct impacts on natural or cultural resources. | 50 |
| C. Failure to complete this project would not have major and measurable direct impacts on personnel, natural or cultural resources. | 0 |

Example of Calculating DOI Score

Project Description: This project will provide a new collocation Administrative Office Building for the Kanab Field Office and the Grand Staircase – Escalante National Monument (GSENM). This project will also provide a warehouse for the collocation and include a land swap in the city of Kanab.

This project will provide three contracts to private industry (design, construction, and inspection). This project will be funded in two phases:

- Phase 1 Planning and Design \$1,000,000
- Phase 2 Construction \$6,500,000

The Kanab Field Office is a BLM owned facility approaching the end of the identified life-cycle with significant accessibility and maintenance issues and a utilization value of 228. The GSENM Office is a leased facility with a utilization value of 343 and can be directly associated with the available leasable facilities in the city of Kanab. Through the development of the Asset Business Plans for the Kanab Field Office (KFO) and the Grand Staircase – Escalante National Monument Office (GSENM), Utah BLM has identified a situation where Office Space Utilization could be improved by the collocation of the KFO with GSENM, located in Kanab, Utah.

This project is going to dispose of an owned 6,200 sf facility and a leased 18,000 sf facility and consolidate their missions into a 13,000 sf LEED Gold building. The project will result in a net disposal of 11,200 sf. The new project will co-locate BLM personnel and improve business efficiencies that previously were duplicated or separated due to location. The project will decrease the current O & M responsibilities by \$200,000 a year through the loss of the lease expense (\$185,000) plus the O & M costs of the old facility (\$80,000) as the new facility net O & M cost is estimated at \$65,000.

The benefits for the co-location in Kanab, Utah will be substantial, both operational and administrative. The BLM will increase its ability to share information within natural resources and will provide the public with a one stop shop, with both offices in one building. Training and support function effectiveness will increase with BLM personnel in one office, utilizing common facilities, which will enhance the cohesiveness within the BLM organizations.

Sample Scoring of a Project: Kanab Field Office Collocation

| Kanab Field Office Co-location | Project API | Project FCI | Standard Index Points | Selected Index Points | Element % | Calculated Points |
|--|-------------|-------------|-----------------------|-----------------------|-----------------------|-------------------|
| API/FCI Asset Priority and Facility Condition Index | | | | | | |
| Asset has a high API (>80) & FCI (≥.15) | | | 100 | | 40 | 0 |
| Asset has a high API (>80) & FCI (<.15) | 92 | 0.09 | 75 | 75 | 40 | 30 |
| Asset has a moderate API (50-80) & FCI (≥.15) | | | 40 | | 40 | 0 |
| Asset has a moderate API (50-80) & FCI (<.15) | | | 30 | | 40 | 0 |
| Asset has a low API (<50) & FCI (<.15) | | | 5 | | 40 | 0 |
| Asset has a low API (<50) & FCI (≥.15) | | | 0 | | 40 | 0 |
| | | | | | Element Points | 30.00 |
| Scope of Benefits (SB) | | | | | | |
| A. Project clearly demonstrates a major and measurable contribution to established goals and objectives of the Department and the Bureau, aligning with specific outputs and outcomes detailed in the strategic plans. | | | 100 | 100 | 20 | 20 |
| B. Project demonstrates a moderate contribution to established goals and objectives of the Department and the Bureau. | | | 50 | | 20 | 0 |
| C. Project contribution to established goals and objectives of the Department and Bureau is minimal or not demonstrated. | | | 0 | | 20 | 0 |
| | | | | | Element Points | 20 |
| Comments | | | | | | |
| The new building will meet all the federal requirements for a federal facility on sustainability. The building fulfills the co-location and partnership initiatives of the Dept and Bureau. | | | | | | |
| Investment Strategy (IS) | | | | | | |
| A. Project investment strategy clearly demonstrates a major and measurable net savings for the Government, strongly supports financial sustainability efforts, or leverages significant non-DOI resources. | | | 100 | 100 | 20 | 20 |

| |
|---|
| B. Project investment strategy demonstrates a steady state position on operation and maintenance costs and a moderate leveraging of non-DOI resources. |
| C. Project investment strategy does not reduce operation and maintenance or does not have any matching contributions. |
| D. Project investment strategy indicates an increase in operation and maintenance costs for the organization, regardless of any resource leveraging. |

| | | | |
|-----|--|----|---|
| 50 | | 20 | 0 |
| 0 | | 20 | |
| -25 | | 20 | 0 |

| | |
|-----------------------|----|
| Element Points | 20 |
|-----------------------|----|

Comments

The completion of this project will have a substantial impact on the space requirements of the field location with a net disposal of 11,200 sf and savings of \$200,000 on annual maintenance and lease costs.

Consequences of Failure to Act (CFA)

| |
|---|
| A. Failure to complete this project would have major and measurable direct impacts on public or employee health and safety. |
| B. Failure to complete this project would have major and measurable direct impacts on natural or cultural resources. |
| C. Failure to complete this project would not have major and measurable direct impacts on personnel, natural, or cultural resources. |

| | | | |
|-----------|-----------|-----------|-----------|
| 100 | | 20 | 0 |
| 50 | 50 | 20 | 10 |
| 0 | | 20 | 0 |

| | |
|-----------------------|----|
| Element Points | 10 |
|-----------------------|----|

Comments

The project will eliminate multiple underground injection wells that currently pose a significant threat to downstream entities.

Project Summary Score

| | | |
|--|--|----|
| API/FCI Asset Priority and Facility Condition Index | | 30 |
| Scope of Benefits | | 20 |
| Investment Strategy | | 20 |
| Consequences of Failure to Act | | 10 |
| Total Project Score | | 80 |

PROJECT PLANNING AND DESIGN REQUIREMENTS

Funding requests for projects in the first year of the Five-Year Plan should achieve the cost 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. Performance in this area is targeted for improvement in order to ensure that the greatest possible benefit is realized within available funds. Redirecting funds to address additional costs imposed by poor estimating processes is inefficient and does not support the Department's mission or Congressional intent. Class D cost estimating should not be used for projects within the first year of the funding request. For any project, a detailed Class A cost estimate is acceptable, the requirement below is for the minimum class of cost estimate.

Minimum Estimate Class When Requesting Project Funding

| Estimated Project Cost | Estimate Class (see exhibit for definitions of cost estimate classes) |
|-------------------------------|---|
| \$2 million or greater | Class B |
| Less than \$2 million | Class C |

Bureaus should make funding available to complete project planning and design such that the estimate classes above are achieved prior to formally requesting project funds. Project development schedules should include time to receive planning and design funds and achieve the specified estimate prior to requesting project funding. Bureaus should plan to achieve the more rigorous estimate class for more complicated or unusual projects to ensure the risk of over runs is minimized after the budget request is final.

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 included in a Five-Year Plan in a condition assessment. Department of Interior requirements for condition assessments can be found at:

http://www.doi.gov/pam/programs/asset_management/upload/PolicyDMCRV53008.pdf

| Project Title | Project API | Project FCI | Standard Index Points | Selected Index Points | Element % | Calculated Points |
|--|-------------|-------------|-----------------------|-----------------------|-----------------------|-------------------|
| API/FCI Asset Priority and Facility Condition Index | | | | | | |
| Asset has a high API (>80) & FCI (≥.15) | | | 100 | | 0.4 | 0 |
| Asset has a high API (>80) & FCI (<.15) | | | 75 | | 0.4 | 0 |
| Asset has a moderate API (50-80) & FCI (≥.15) | | | 40 | | 0.4 | 0 |
| Asset has a moderate API (50-80) & FCI (<.15) | | | 30 | | 0.4 | 0 |
| Asset has a low API (<50) & FCI (<.15) | | | 5 | | 0.4 | 0 |
| Asset has a low API (<50) & FCI (≥.15) | | | 0 | | 0.4 | 0 |
| | | | | | Element Points | 0.00 |
| Comments | | | | | | |

| Scope of Benefits | | | | |
|--|-----|--|-----------------------|------|
| A. Project clearly demonstrates a major and measurable contribution to established goals and objectives of the Department and the Bureau, aligning with specific outputs and outcomes detailed in the strategic plans. | 100 | | 0.2 | 0 |
| B. Project demonstrates a moderate contribution to established goals and objectives of the Department and the Bureau. | 50 | | 0.2 | 0 |
| C. Project contribution to established goals and objectives of the Department and Bureau is minimal or not demonstrated. | 0 | | 0.2 | 0 |
| | | | Element Points | 0.00 |
| Comments | | | | |

| Investment Strategy | | | | |
|--|-----|--|-----------------------|------|
| A. Project investment strategy clearly demonstrates a major and measurable net savings for the Government, strongly supports financial sustainability efforts, or leverages significant non-DOI resources. | 100 | | 0.2 | 0 |
| B. Project investment strategy demonstrates a steady state position on operation and maintenance costs and a moderate leveraging of non-DOI resources. | 50 | | 0.2 | 0 |
| C. Project investment strategy does not reduce operation and maintenance and does not have any matching contributions. | 0 | | 0.2 | 0 |
| D. Project investment strategy indicates an increase in operation and maintenance costs for the organization, regardless of any resource leveraging. | -25 | | 0.2 | 0 |
| | | | Element Points | 0.00 |
| Comments | | | | |

| Consequences of Failure to Act | | | | |
|---|-----|--|-----|---|
| A. Failure to complete this project would have major and measurable direct impacts on employee or public health and safety. | 100 | | 0.2 | 0 |

B. Failure to complete this project would have major and measurable direct impacts on natural or cultural resources.

C. Failure to complete this project would not have major and measurable direct impacts on personnel, natural or cultural resources.

| | | | |
|----|--|-----|---|
| 50 | | 0.2 | 0 |
| 0 | | 0.2 | 0 |

| | | |
|-----------------|-----------------------|------|
| Comments | Element Points | 0.00 |
| | | |

| | |
|--|------|
| API/FCI Asset Priority and Facility Condition Index | 0.00 |
| Scope of Benefits | 0.00 |
| Investment Strategy | 0.00 |
| Consequences of Failure to Act | 0.00 |
| Total Project Score | 0.00 |

A. Project Data Sheets

1. Completely fill out PDS.
2. All four ranking categories must be used.
3. Round dollar amounts to the nearest thousand.
4. Provide the DOI Asset Code, FRPP Unique Id number, API, and FCI's for each asset being worked on.
5. Submissions can be more than one page.
6. Submit a separate project data sheet for each phase of a project. A phased project must have the same title for all phases, except to identify the phase. Phased projects must have the same write up for all phases. The write up must identify the work to be completed under each phase and should show the funding breakdown in the Project Description portion of the PDS. The funding information in the Project Funding History portion of the PDS needs to reflect the phased funding.

B. Procedures for Preparing the Project Data Sheet (See PDS form Exhibit 1A)

1. **Total Project Score/Ranking:** Enter the total score as determined in Exhibit 1B.
2. **Planned Funding FY:** Enter the fiscal year that you are requesting funding.
3. **Funding Source:** Type in the appropriate designation whether this project is submitted for DM or construction funding.
4. **Project Identification Section**
 - a. **Project Title:** A brief (100 characters or less) title of the project. The location and/or facility name of the property should be included, as well as descriptive words to indicate the action(s) being taken. Choose titles that reflect the funding categories/sub activities (i.e., DM, Construction).

Examples:
 - Kanab Field Office Construction Phase 1
 - Kanab Field Office Construction Phase 2
 - Lewis Mountain Camp Ground Repairs
 - b. **Project Number:** This is an optional field for bureau use.
 - c. **Unit/Facility Name:** The name of the unit, facility, or location at which the project is to be accomplished.
 - d. **Region/Area/District:** The Region, Area, or District within which a facility is located.

- e. **Congressional District:** The Congressional District in which the facility is located.
- f. **State:** Two letter postal abbreviation of the State where the facility is located.

5. **Project Justification Section**

- a. **DOI Asset Codes:** List the DOI Asset Code for each asset.
- b. **FRPP Unique Id Number:** List the identifier used in the Federal Real Property Profile for each constructed asset involved in the project.
- c. **Asset Priority Index:** List the API for each asset involved in the project. For projects that include multiple assets, provide a weighted API based upon the proportion of project cost elements associated with each asset.
- d. **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.
- e. **FCI Projected:** List a projected FCI for each asset. This must be a number. It cannot be “NA.” New assets are “0”.

The FCI-Projected number must be calculated. For each asset in the Project Justification section, obtain the CRV dollar amount, FCI (which is the FCI before number), and the current total of deferred maintenance planned.

Subtract the Estimated Construction Cost (ECC) for the asset from the total planned DM, divided by the CRV.

$$\text{FCI-Projected} = \frac{(\text{Total DM} - \text{Asset ECC})}{\text{CRV}}$$

6. **Project Description**

This section is used to provide a brief, but complete, description of the work to be accomplished. 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.

This section must include the following:

- The description should include any project phases and basic information of what is being done; i.e. miles of road, square feet of building, etc.
- Describe what is being done to mitigate the problem until it is repaired if it is assessed as a mission critical asset.

- Include any disposition information on any existing assets tied to the project.
- a. **Scope of Benefits (SB):** Include specific section or references of goals or requirements that directly aligns with the project’s need.
 - b. **Investment Strategy (IS):** Provide a clear and concise justification for the project that shows the overall cost benefit of the project. Does the project support the funding priorities of the Bureau? Can the Bureau support the project in a decreasing funding environment? Is there a positive return on the investment? Does the project decrease the current operational and maintenance requirement for the Bureau through demolition or disposal or does the project economize the current processes? Projected O & M projections must be included as a comparison to current expenses. New building work must include square footage data.
 - c. **Consequences of Failure to Act (CFA):** The determination of the effects a project may have on facilities, personnel, and natural or cultural resources must be clearly stated and supporting documentation must be included for maximum points.

This element highlights the consequences if action is not taken to remedy a current condition. Does the project improve or repair a health and safety hazard, repair a code violation or issue, protect a natural resource, or improve the condition of a mission priority?

- d. **Ranking Categories:** Use the definitions and category scores to fill out the Project Scoring Sheet (PSS) for each of the four categories. The percentages must add up to 100%. All 4 ranking categories must be used. Round the ranking factor to two decimal points.

$$\text{Combined Ranking Factor (CRF)} = (.40 \times \text{API/FCI score}) + (.20 \times \text{SB score}) + (.20 \times \text{IS score}) + (.20 \times \text{CFA score})$$

- e. **Capital Asset Planning:** OMB requires preparation of a Capital Asset Plan and Justification (Exhibit 300 in OMB Circular A-11) for major capital acquisitions. The Department has determined that Exhibit 300s should be prepared in eCPIC for any construction project whose total project cost is \$2 million or greater, with those greater than \$10 million being reviewed and submitted to OMB. Enter “YES” or “NO” in the PDS.
- f. **Value Engineering:** A value engineering analysis is required for projects with a total project cost (as defined on the PDS) of \$1 million or more. Indicate whether a value engineering study is required for this project per Departmental 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 is performed, enter both completion dates, such as “FY12; FY14”.

- g. **Total Project Score:** Enter the Total Project Score from the Project Scoring Sheet.

7. **Project Cost and Status Section**

a. **Project Cost Estimate:**

- **Deferred Maintenance Work:** This is the estimated cost and percentage of all DM needs.
- **Capital Improvement Work:** This is the estimated cost and percentage of all CI needs.
- **Total:** Cost and percentage of DM plus CI needs.

- b. **Class of Estimate:** Categorize the status of current cost estimates of CI and DM projects A, B or C. Class D should not be used for projects in the first year of the 5-Year Plan.

- **Estimate Escalated to FY (mm/yy):** This is the date (month and year) on which the current cost estimate will expire. Estimate should be valid for at least 2 years.

c. **Project Funding History:**

- **Appropriated to Date:** This is previous years funding needs, and should only be used for phased projects. This is the amount already requested for previous phases.
- **Requested in FY xx Budget:** “xx” is the first year of the submission year, i.e. for 2015 – 2019 plan, use “15”. This is the current year funding needs for the project or phase described in the PDS.
- **Future Funding to Complete Project:** This is out year funding needs, and should only be used for phased projects. This is the amount to be requested for future phases.
- **Total:** This is the total funding needs for the project (the sum of all of the above).

d. **Planning and Design Funds:**

- **Planning Funds Received in FY: __ \$__**

Specify the fiscal year (FY) planning funds were received. The FY should be in “YY” format. If no planning funds have been received, enter “NA” for the FY.

- **Design Funds Received in FY :__ \$ __**
Specify the FY design funds were received and the amount received. The FY should be in “YY” format. If no design funds have been received, enter “NA” for the FY.

e. **Dates:**

- **Construction Start/Award:** This is the projected date construction is planned or scheduled to begin. Fill in scheduled with mm/yy. Fill in the Actual, if known, with mm/yy.
- **Project Complete:** This is the projected date construction is planned to be completed. Fill in scheduled with mm/yy.

f. **Project Data Sheet:**

- **Prepared/Last Updated:** This is the date (by month, year) that the last significant alteration of data was made on this particular record by the originating office.

g. **DOI Approved:** Yes or No.

- For all projects submitted for the initial review this field should be blank.
- This field should be Yes prior to submittal for the Congressional Justification.

8. **Annual Operation & Maintenance Costs**

- a. **Current:** This should be provided in the bureau maintenance management system. For a new asset, enter “0”.
- b. **Projected:** Provide the projected annual costs for the assets in the scope of work.
- c. **Net Change:** From above, Projected minus Current. Provide the net change, including sign (+/-).

Bureau: _____
 Appropriation: _____
 Date: _____

| | DM | CI | Total |
|-----------------|----|----|-------|
| FY 2015 | | | |
| \$ | | | |
| % | | | |
| No. of Projects | | | |
| FY 2016 | | | |
| \$ | | | |
| % | | | |
| No. of Projects | | | |
| FY 2017 | | | |
| \$ | | | |
| % | | | |
| No. of Projects | | | |
| FY 2018 | | | |
| \$ | | | |
| % | | | |
| No. of Projects | | | |
| FY 2019 | | | |
| \$ | | | |
| % | | | |
| No. of Projects | | | |