

## **Rehab and Improvement Cost (RIC)**

### **FIMS Definition**

RIC is the estimated cost to rehab/improve/modernize a general purpose/conventional (GP/C) property to support current and planned mission activities as documented in the Ten Year Site Plan and other condition assessment and planning documents.

### **Purpose**

RIC estimates allow SC Hqs to gauge the rehab and improvement needs including modernization that the site believes necessary to assure mission activities can be conducted in a safe, secure and effective manner without un-planned and costly interruptions. RIC is separate from and additive to Deferred Maintenance costs.

### **Requirement**

RIC estimates are prepared annually for each asset like Deferred Maintenance Costs. RIC cost estimates (and the Modernization Planning Indicator – see below) must be entered at the same time as DM is updated. Sites should have a documented approach for assigning needs to DM versus RIC.

### **RIC Cost Estimates**

RIC estimates are to be fully burdened to reflect the method planned to address the need (i.e., line item, GPP, IGPP, etc.) Cost estimates for the October 2007 FIMS update should be in FY 09 dollars. For multi-year projects, projectized costs should be escalated from FY 09 to the mid-point of construction. The escalation rate should be consistent with DOE budget guidance adjusted to reflect local experience. The October 2008 FIMS update should be in FY 10 dollars, etc. The quality of the estimates should be consistent with the quality of the other estimates in the TYSP; i.e., the quality decreases the farther out you go.

### **RIC and Modernization Planning Indicator**

When determining RIC, the Modernization Planning Indicator (MPI) must also be updated. The MPI reflects planning activities. The possible MPI values are “1”, “2” or “3” based on the plans for that asset.

#### **MPI = 1 Replacing Assets**

If the asset is being demolished and replaced, the MPI is set to “1” for the existing assets. (Note: The new asset is not in FIMS because it is not yet built). There must be documentation that relates the new asset to those it replaces. This documentation is included in the Source Documentation.

An example: if a new building is proposed in the Ten Year Site Plan to replace 5 existing buildings, then the sum of the DM and RIC for the 5 assets being demolished should equal the total estimated cost of the new asset.

Note: new assets such as new programmatic facilities are not captured in any way in the RIC data.

### **MPI = 2 Demolishing Assets**

If an asset is simply being demolished per the TYSP then the RIC is the demolish costs (including removal of materials).

### **MPI = 3 Rehabbing and Improving Assets**

If the TYSP calls for rehabbing and improving (i.e., modernizing) an existing asset, the MPI is set to 3 for that asset. Since the project will most likely also address the DM in a facility, the RIC should be the project cost minus the DM costs. The total of DM and RIC should not exceed the asset's RPV.

### **FIMS Source Document**

A FIMS Source Document for RIC estimates and MPI must be prepared and updated annually to support the RIC estimates and MPIs entered into FIMS. The Source Document should clearly identify the process used to estimate RIC, the procedure for determining when DM becomes RIC, the asset relationships for when MPI= "1", other source documents and the calculation methods.

The RIC & MPI Source document must be reviewed and approved by the Site Office.