

SECTION 2-1: FUNDING SOURCES FOR FACILITIES PROJECTS

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2-1-00 POLICY

The purpose of this section is to provide policy and guidelines for using funds appropriately for facilities projects and preparing facility project budgets for inclusion in budget submissions. This policy applies to all Departmental facilities activities, including facilities owned or leased by HHS, or operated by HHS or on behalf of HHS. These policies and guidelines apply unless inconsistent with an agency's appropriations act or other applicable law. Any exceptions to the provisions of this section must be approved in writing by the Office for Facilities Management and Policy (OFMP), Office of the Secretary (OS).

A. MAJOR FACILITY PROGRAM ACTIVITIES

The HHS facilities program generally includes all activities necessary to provide land, structures, and equipment (whether owned or leased) required by a Department Operating Division (OPDIV) to carry out its mission. The facilities program includes construction, improvements, repairs, maintenance, and temporary construction. Congress requires a specific appropriation for purpose of the erection, repair or furnishing of public buildings, 41 USC§ 12. Congress has also authorized appropriations for health care facilities for the benefit of Indian tribes, 25 USC§ 13. An appropriation act satisfying the requirements of 41 USC§ 12 or which is authorized by 25 USC§ 13 could include funds for several of the major facilities program activities as defined in this section, such as "Construction," "Improvements" and "Repair-by-Replacement."

These definitions and all other definitions in this Manual must be read consistently with all other similar relevant definitions set forth in any other potentially relevant and applicable laws, regulations and similar government-wide requirements.

1. Construction - The erection of a building, structure or facility, including the installation of equipment, site preparation, landscaping, associated roads, parking, environmental mitigation and utilities, which provides space not previously available. It includes freestanding structures, additional wings or floors, enclosed courtyards or entryways, and any other means to provide usable program space that did not previously exist (excluding temporary facilities). Construction projects are capitalized in accordance with the accounting principles of the Federal Accounting Standards Advisory Board (FASAB).
2. Improvements (Renovations/Alterations) - Any betterment or change to an existing property to allow its continued or more efficient use within its designated purpose (Renovation), or for use for a different purpose or function (Alteration). Building improvements also include improvements to or upgrading of primary mechanical, electrical, or other building systems, and site improvements not associated with construction projects. Improvements typically increase the useful life of a facility and are capitalized against the existing property in accordance with the accounting principles of the FASAB. Improvements do not include the addition of wings, floors, or other increases to usable program space; such projects constitute construction as defined in paragraph 1 above. The only added space, which may be construed as a building improvement rather than construction, would be new stairwells, elevator towers, pipe chases, etc., not providing usable

program space. If, however, an increase in usable program space is incidental to the overall improvement project, the OPDIV may request a waiver from classification as construction. After reviewing the project's Facility Project Approval Agreement (FPAA), OFMP may waive the classification of the project as construction on a case-by-case basis.

3. Minor Renovations - Renovations that are directly related to the installation of special-purpose equipment, as well as related design and inspection services. These renovations may include extending utility services, providing suitable safety and environmental conditions for proper operations, and making structural changes such as cutting walls and floors, and new partitions, provided such improvements are proximately incident to the installation, operation and use of special purpose equipment and necessary to conduct the functions of the program(s). Renovations could include the removal of interior walls and partitions and their replacement or rearrangement to accommodate the installation of special purpose equipment. Minor renovation projects do not change the value of the underlying asset or increase the useful life of the facility. Projects that change the permitted use or function of a space or add program space are not classified as minor renovations. Some examples of the types of work that would not be considered Minor Renovations are: the addition of wings, floors, or other increases in useable program space, which would constitute construction as defined in paragraph 1 above. Projects that changes the use or function of a space or add program space would also not be classified as Minor Renovations: for example, a laboratory that is converted to an office or an office converted to a laboratory, even if the office had previously been a laboratory, each of which would be classified as changes in use or function and therefore not Minor Renovations. However, an Institute or Center may make minor renovations to a laboratory that was previously used by another Institute or Center and still have those renovations considered being Minor Renovations. Sequential or concurrent projects in the same building will be evaluated as a single project.
4. Repair - The restoration of a failed or failing primary building system or real property component to a condition that restores its effective use for its designated purpose. A repair does not increase the underlying value of an existing facility and is typically not capitalized. An example of a primary building system would be the structural foundation and frame, domestic water system, or building HVAC system; a real property component would be a piece of the primary building system such as a roofing system, central chiller/boiler, generator, or elevators. A failed or failing primary building system or real property component may be the result of action of the elements, fire, explosion, storm and/or other disasters, and by use near to or beyond its expected useful life or technical obsolescence. Because of its nature or extent, this deterioration or damage cannot be corrected through maintenance. Like maintenance, repairs may require environmental documentation. Repairs may include reconstruction or replacement of a primary building system or real property component, but reconstruction or replacement of constituent parts or materials is classified as maintenance. Repairs do not include the addition of wings, floors, or other increases in usable program space; such projects constitute construction as defined on paragraph 1 above.
 - a. Repair-by-Replacement - Repair-by-Replacement is used to correct deficiencies in an existing building by replacing the building when it is more advantageous than using those funds to renovate the building. A building may be replaced under Repair-by-Replacement if the cost of documented eligible repairs is 75% of the cost to replace that building with a new equivalent building meeting current code and design standards. The OPDIV shall establish a process and document their analysis to support Repair-by-Replacement. Buildings replaced under Repair-by-Replacement must be demolished because, by definition, they are not worth renovating. Replacement buildings are not intended to house more programs or staff than the space they are replacing. However, a replacement building may be slightly larger to support improved functionality or to be compatible with current standard sizes, such as a pre-

manufactured modular building. The FPAA for a Repair-by-Replacement project shall include documentation supporting the replacement in the project justification.

5. Maintenance - Work to keep a property, facility, and/or building system or component in a continuously usable state or condition. Maintenance may include inspection, cleaning, calibration, and adjustment, lubrication and replacement of constituent parts, materials and/or sub-assemblies worn, broken, damaged or otherwise compromised. Maintenance includes routine recurring work, which is incidental to everyday operations, as well as preventive work, which is programmed at scheduled intervals, and predictive work, which is indicated by analysis. Maintenance also includes the upkeep or replacement of landscaping, and the upkeep of utility distribution infrastructure systems. Examples of routine maintenance would be pavement coatings or overlays less than 7.62 cm or 3 inches, roof coatings or resurfacing. Replacement of roof systems, including finish roofing and pavers, insulation, sheathing and/or underlayment is repair not maintenance. Like repairs, maintenance may require environmental documentation.
6. Temporary Construction - Construction to provide a building, structure, or facility needed for a limited period of time to meet an urgent and compelling agency need. Such facilities should be of a clearly temporary nature to meet a temporary need. The temporary need is demonstrated by a facility requirement for less than 5 years or the long-term need has been programmed in the OPDIV Facilities Plan, but may not have been funded. Generally, structures in this category would have a lower initial cost, higher annual maintenance and utility cost and a shorter usable life than non-temporary structures of the same approximate size. Exterior enhancements solely to provide the appearance of permanence should not to be included in temporary construction.
7. Equipment –
 - a. Fixed Equipment –

Fixed, built-in, attached, and installed equipment normally included as part of the construction contract and capitalized as facility costs.

 - (1) Building Equipment - Building equipment is a permanently fixed, built-in part of a building or structure, the removal of which would generally require repairs or improvements to place the area in which it was located in a usable condition. Building equipment includes building service items, such as elevators; utility systems, such as heating, electrical and other utilities; main feeds coming into the building for telephone service; walk-in refrigerators; vaults; built-in autoclaves; generators; etc.
 - (2) Attached or Installed Equipment - Attached or installed equipment is a semi-permanent part of a building or structure, the removal of which terminates a utility or equipment service without affecting or damaging the integrity of a building, structure or utility system. Drinking fountains, laboratory casework and sinks, etc., are examples of installed or attached items.
 - b. Moveable Equipment –
 - (1) Major Moveable Equipment - This category consists of items having a useful life of 5 years or more. Major moveable equipment is typically capitalized. Moveable equipment does not require attachment to the building or utility service, other than that provided by an electrical plug or disconnect fitting. The placement of moveable equipment needs to be addressed in facilities programming such that electrical load and receptacles, structural

requirements such as vibration, floor loads and magnetic interference, etc., have been considered. Examples include cabling for telephone, computer networks and security systems, chairs, beds, bassinets, desk, microscopes, portable whirlpool units, exercise bars, refrigerators, linen carts, and systems and modular furniture.

- (2) Minor Moveable Equipment - This category consists of items having a useful life of less than 5 years. These items are of relatively small cost and size and lend themselves to on-site storage for replacement of lost or worn out equipment. Examples include washbasins, bedpans, pipettes, and surgical instruments.

c. Special-Purpose Equipment –

Special purpose equipment is technical, medical, or scientific equipment that is needed to operate a laboratory, a hospital, a clinic, a clinical research patient care unit, an animal care facility, or is specific to a single purpose and not generally suitable for other purposes. Examples of such equipment include incubators, electric ovens, sterilizers, vacuum and pressure pumps, centrifuges, water baths, cabinets, cupboards and shelving for laboratory supplies, workbenches for microscopes, sinks for mixing of chemicals and disposing of same, movable apparatus for laboratory animals, and electrical and gas appliances. Special-purpose equipment may be classified as either fixed or moveable equipment. A special purpose laboratory in some cases may be considered as special purpose equipment. A special purpose laboratory, in the context of special purpose equipment, could include a fully prefabricated structure meant to be installed within an existing building space. It is not a freestanding building with independent utilities and services.

2-1-10 PROCEDURES

A. FUNDING SOURCES

There are several key appropriation laws that apply to facilities programs. A primary statutory provision is 31 USC§ 1301, which provides that “appropriations shall be applied only to the objects for which the appropriations were made except as provided by law.” Another relevant statutory provision is 41 USC§ 12, which provides that “No contract shall be entered into for the erection, repair, or furnishing of any public building or for any public improvement which shall bind the Government to pay a larger sum of money than the amount in the Treasury appropriated for that specific purpose.” A third significant statute is 41 USC§ 14, which imposes the following limitation on acquisition of land, “No land shall be purchased on account of the United States, except under a law authorizing such purpose.” Additional statutes relevant for the planning, design, construction and renovation of health care facilities for the benefit of Indian tribes are 25 USC§ 13 and 25 USC§ 1631. In addition, appropriations law provides that Federal appropriated funds may not be used to make permanent improvements to non-Federal real property in the absence of statutory authority.

Each of the major land-holding OPDIVs receives a Building and Facilities (B&F) appropriation, or a B&F earmark within an OPDIV’s appropriation, most often as a lump sum for construction and several associated purposes. (Hereinafter when we refer to B&F appropriation it should also be read to include a B&F earmark within an OPDIV’s appropriation.) Sometimes specific construction projects are identified as earmarks in the appropriation, more often they are included in the legislative history of an appropriations act or an OPDIV’s Congressional Justification. The actual obligation of these funds must be consistent with the appropriation act and any other applicable statutes or regulations. As a matter of policy, obligation of funds must also be consistent with the President’s budget request, as amended by Congressional appropriation reports or HHS B&F budget process documents. There are circumstances in which

the funds must be reprogrammed in accordance with Congressional policy. OPDIVs should work with their budget office in this regard. Each OPDIV's annual operating appropriation may also be a source of funds for facilities program activities such as maintenance.

1. Buildings and Facilities (B&F) Funding – Except for IHS, each OPDIV in preparing its budget submission in the HHS budget request for the Buildings and Facilities (B&F) appropriation identifies two broad categories: (1) Construction and (2) Repair and Improvements (R&I). For IHS Health Care Facilities Construction (HCFC) is synonymous with Construction while Repair and Improvements are incorporated into the IHS category labeled Maintenance and Improvements (M&I). The exact language of each of the several HHS Buildings and Facilities (B&F) appropriations determines the flexibility an OPDIV may have to apply specific sources of funds to a project. As a general rule, unless there is a limitation in the appropriations act or some other statutory limitation, funds within a “lump sum” appropriation may be used for any item covered by that lump sum appropriations act. HHS requires that contracted design, construction inspection and construction management services for construction projects be funded from the B&F funding for that project. HHS also requires that the OPDIV use the same type of funds for contracted design, construction inspection, and construction management services as the OPDIV uses for the actual repair, maintenance and improvement projects. OPDIV annual operating funds are not to be used for contracted design, inspection or management services of any project funded from the B&F appropriations.
 - a. Construction (IHS Health Care Facilities Construction) - Construction projects as defined in 2-1-00A.1 shall be designed and constructed with funds specifically identified for that purpose in either an OPDIV's B&F appropriation or in an earmark in the OPDIV's appropriation. As a matter of policy, the use of such funds must also be consistent with the HHS B&F budget process documents (starting with an OPDIV's Preliminary Budget Submission to DHHS through the Congressional Justification to the Appropriations Committee), or a Congressional reprogramming action as defined in Section 1-2. These projects must be identified in the OPDIV's Annual Facilities Plan. If the project is not earmarked in the appropriation, the OPDIV shall identify the project by name and program amount within the appropriate OPDIV apportionment request. Because these projects add program space not previously available, they are typically NOT funded from Repair & Improvements or Maintenance & Improvements funds which are budgeted by the OPDIVs, with the exception of those funds that have been budgeted for Repair-by Replacement.

Land Purchases - Undeveloped land acquisitions are generally for construction projects. All acquisitions of land require specific statutory authority, 41 USC§ 14, and specifically designated funding in an OPDIV's appropriation and/or budget. All land acquisitions must be submitted to and approved by the HHS Capital Investment Review Board. See Section 4-2 of this manual for developed land acquisitions.

Equipment - All fixed equipment installed as part of the original construction project shall be funded from the B&F appropriation. It is noted that some equipment may qualify as both fixed equipment and special-purpose equipment. If this equipment is included as part of the original construction process, it is to be considered fixed equipment and funded from the B&F account. If this equipment is added to an existing facility, it is to be considered special-purpose equipment and funded from operating funds. Moveable equipment may be funded from the B&F appropriation only when specifically authorized by law. Otherwise, purchases of moveable equipment are funded from operating funds. Equipment in leased facilities is to be funded using operating funds or with funds specifically identified by statute for equipment. Also, as noted previously, Federal appropriations law requires that Federal appropri-

ated funds may not be used to make permanent improvements to non-Federal property in the absence of statutory authority.

- b. Repair & Improvements (except for IHS) – Funds identified for Repair & Improvements (R&I) in an OPDIV’s B&F appropriation or budget may be used for all improvements and repairs as defined in 2-1-00A.2. and 2-1-00A.4. above, as well as associated equipment defined in 2-1-00A.7.

Improvements (Renovations or Alterations) - Improvement projects not Construction or Minor Renovations, as defined above, shall be funded from the B&F appropriations from funds identified in an OPDIV’s budget lump sum R&I funds. OPDIVs shall submit improvement projects costing \$1,000,000 or more to the OFMP and those costing \$10,000,000 or more to the Capital Investment Review Board. These projects must be identified in the OPDIV’s Annual Facilities Plan. If the project is not earmarked in the OPDIV’s appropriation, the OPDIV shall identify the project by name and program amount within the appropriate OPDIV apportionment request.

Repairs – Repairs, including Repair-by-Replacement, shall be funded from the B&F appropriation from funds either specifically identified in an OPDIV’s B&F appropriation or in its budget as lump sum R&I funds. OPDIVs shall submit repair projects costing \$3,000,000 or more to OFMP for prior written approval and costing \$10,000,000 or more to the Capital Investment Review Board. These projects must be identified in the OPDIV’s Annual Facilities Plan.

Maintenance - OPDIVs shall not use funds identified for R&I in either an OPDIV’s appropriation or in an OPDIV budget for maintenance, as defined in 2-1-00A.3., with the exception of IHS because IHS’ B&F appropriation typically includes maintenance within it.

- c. Maintenance & Improvements (IHS only) – Funds identified for Maintenance & Improvements (M&I) in the IHS budget can be used for all improvements, maintenance and repairs as defined in 2-1-00A.2. through 2-1-00A.4. above.

Improvements (Renovations or Alterations) – IHS shall fund improvement projects that are not Construction or Minor Renovations, as defined above, from its B&F appropriation using funds identified in the IHS budget as lump sum M&I funds. IHS shall submit improvement projects costing \$1,000,000 or more to the OFMP and those costing \$10,000,000 or more to the Capital Investment Review Board. These projects must be identified in the IHS Annual Facilities Plan. If a project is not earmarked in the IHS appropriation, IHS shall identify the project by name and program amount within the appropriate IHS apportionment request.

Maintenance – IHS shall fund maintenance projects, as defined above, from B&F appropriation using funds identified in the IHS budget as lump sum M&I funds. Routine maintenance projects, such as maintenance contracts for paving sealing, roof recoating, or mechanical equipment calibration, are not subject to the \$3,000,000 threshold requiring ASAM approval under the Capital Investment Review Board policy.

Repairs– IHS shall fund repairs, as defined above, including Repair-by-Replacement, from its B&F appropriation using funds identified in the IHS budget as lump sum M&I funds. IHS shall submit repair projects costing \$3,000,000 or more to OFMP for prior written approval and those costing \$10,000,000 or more to the Capital Investment Review Board. These projects must be identified in the IHS Annual Facilities Plan.

Equipment - The IHS budget includes a category of funds for medical equipment replacement in existing facilities, separate from the lump sum M&I funds. Medical equipment for existing facilities shall be funded from this budget line, unless included in a specific improvement or repair project.

2. OPDIV Annual Operating Appropriations - In addition to salaries, supplies, and other repetitive annual OPDIV operating expenses, these appropriations are to be used for certain facilities related work as listed below.

- a. Maintenance – Unless the appropriation act provides otherwise, OPDIVs (except IHS) are to perform maintenance of existing facilities, as defined in 2-1-00A.3., including related engineering and inspection services, with annual operating funds allocated for maintenance of facilities in the HHS operating budget request.

Maintenance projects are not subject to the \$3,000,000 threshold requiring ASAM approval under the Capital Investment Review Board policy, e.g., maintenance contracts for paving sealing, roof recoating, mechanical equipment calibration, etc.

- b. Lease Facilities – HHS has delegated authority to some of the OPDIVs to enter into non-capital leases. Non-capital leases are typically funded with operating funds. B&F funds are not to be used for fit-out or permanent improvements of such leased facilities. However, equipment that would not be considered a permanent improvement to the leased property must be funded from annual operating appropriations unless the OPDIV has a specific appropriation for such equipment. Note, per OMB Circular A-11 capital leases require scoring of the entire cost of the lease in the year signed and shall be included in the OPDIV's budget submission.

- c. Minor Renovations - Operating funds may be used for minor renovations to install special purpose equipment as defined above, as well as related design and inspection services, unless appropriated funds for the special purpose equipment and its installation are specifically provided by statute. Operating funds may only be used for those physical changes directly incident to and required to accommodate special purpose equipment. Operating funds may not be used, however, for costs of more general improvements, such as alteration of existing laboratories, conversion of existing office space into laboratories, or other structural or physical changes to a facility which are not directly related to the installation of a specific item of special purpose equipment, 16 Comp. Gen 160 and 816 (1936), Comp. Gen. B-170587-O.M. (October 21, 1970) and Comp. Gen. B-164031(2) (November 24, 1972). A FPAA must be submitted to OFMP for prior written approval on any minor renovations projects with a total project cost \$1,000,000 or greater, including the special purpose equipment.

- d. Planning and Programming Documents - Operating funds may be used to develop Programs of Requirements, Program Justification Documents, NEPA documentation, planning and programming documents and/or other studies, and concept drawings necessary to establish project scope and funding requirements, unless B&F funds have been specifically identified for these purposes in an appropriations act, the HHS B&F budget process documents (starting with an OPDIV's Preliminary Budget Submission to DHHS through the Congressional Justification to the Appropriations Committee), or a Congressional reprogramming action as defined in Section 1-2,.

- e. Temporary Construction - Operating funds may be used for temporary buildings (as defined above) to support urgent, short-term needs. Written approval (through submittal of a FPAA) from OFMP must be obtained before using operating funds for any temporary construction exceeding 134 square meters.
- f. Equipment - Operating funds are used for the purchase of moveable equipment except when funding from the B&F appropriation has been specifically authorized by law. Operating funds are used for the purchase of special purpose equipment unless the equipment meets the definition of fixed equipment. For new facilities only, special purpose equipment that can be classified as fixed equipment per Section 2-1-00A.7.a. shall be funded from the B&F construction appropriation.
- g. Activation and Relocation Costs – Operating funds are used for activation and relocation costs such as telecommunications cabling, moving, etc. except where B&F funds have been specifically identified for these purposes in an OPDIV’s appropriation act, the HHS B&F budget process documents (starting with an OPDIV’s Preliminary Budget Submission to DHHS through the Congressional Justification to the Appropriations Committee), or a Congressional reprogramming action as defined in Section 1-2.

3. Other Sources of Funds

- a. Quarters Rental Return Funds - In accordance with P.L. 98-473, quarters rental return funds (i.e., funds collected as rent) are to be used for the operation and maintenance of quarters. These funds should be used prior to using appropriated funds.
- b. Medicare/Medicaid Reimbursements - Appropriation language normally permits the Indian Health Service (IHS) to utilize Medicare/Medicaid reimbursements to perform construction, repairs and improvements to meet accreditation requirements of the Joint Commission on Accreditation of Healthcare Organizations, exclusive of planning, design, and construction of new facilities or major renovation projects. The use of Medicare/Medicaid reimbursement for projects \$1,000,000 or more or for planning, design and construction of buildings requires congressional authorization. IHS will submit these projects for congressional authorization after providing notification to OFMP and the Department’s Budget Office.
- c. Gift Funds – The acceptance and use of gifts of money received from external sources shall be in accordance with the Section 231 of the Public Health Service Act, as codified in 42 USC§ 238. OFMP shall be notified of any project(s) that are being constructed using gift funds or gifts of real property in any form.
- d. Other – Appropriations language may from time to time authorize the use of other sources of funds for facilities construction. In such cases, the OPDIV shall refer to the language of that authorizing legislation in the FPAA documentation to ensure the appropriate use of the funds.

B. FACILITY PROJECT BUDGETS

- 1. General - Unless described otherwise in the justification for the HHS Budget request, a facility project budget is assumed to include all component costs necessary to design, construct, inspect and equip new or improved space, and as detailed in the Facility Project Approval Agreement (FPAA). On all construction, improvements, minor renovations and repair projects requiring a FPAA, a breakdown of project costs shall be provided in the FPAA. See Section 2- 3 for detailed instructions on preparing a FPAA and identifying project costs. This is a routine requirement for

major new research and health care facilities because the length of the design phase generally equals or exceeds one year and construction funds would typically be proposed one or more years after the request for planning and/or design funds. On design-build projects where both design and construction will commence in the same year, and the overall project duration is 18 months or less, there may not be a need for separate budget requests.

2. Planning Phase – The planning phase includes all costs associated with preparation of planning and programming documents and any special studies necessary to adequately define the scope, budget and schedule of the project.
3. Design Phase - The design phase includes the estimated cost of design services plus any necessary site survey, geotechnical surveys, National Environmental Policy Act documentation, historic preservation studies, archeological studies and other special studies and/or associated costs not included in the planning process.
4. Construction Phase - The construction phase includes the estimated cost of the construction contract (with appropriate escalation factors applied), fixed equipment, construction management and inspection fees, and an appropriate construction contingency allowance. HHS policy stipulates that full funding of the entire construction phase component must be requested in the OPDIV budget submission. Projects planned, designed and constructed in discrete complete phases may be funded over multiple years. Partial funding, which could result in an incomplete facility should additional funds not be appropriated, is not permitted unless funds for phased construction are identified and approved in the appropriation act, the HHS B&F budget process documents, or a Congressional reprogramming action.
5. Equipment - Costs for all fixed equipment are included in the construction phase component of the facility project budget and funded from the B&F appropriation. The FPAA shall clearly identify the source of funding for all moveable equipment required to make the facility fully operational.

C. MORATORIUM ON NEW CONSTRUCTION

Upon completion of construction on a construction project meeting the definition of 2-1-00 A.1., no new construction work can begin in the facility until at least 365 days after beneficial occupancy to avoid the appearance of incrementing or increase in scope.

2-1-30 REPORTING REQUIREMENTS

By September 30th of each year, the OPDIVs shall provide an annual report to OFMP summarizing all minor renovation projects that do not require an FPAA (less than \$1,000,000 total project cost) funded with operating funds including total project cost, type of work, gross area, dates of project start and completion, building, and user.

SECTION 2-2: ANNUAL FACILITIES PLANS

2-2-00	Policy
10	(Reserved)
20	(Reserved)
30	Reporting Requirements
X2-2-A	NIH Buildings and Facilities Plan
X2-2-B	IHS Buildings and Facilities Plan

2-2-00 POLICY

This section describes HHS policies and procedures to be followed by OPDIVs in preparing the fiscal year Annual Facility (5-year) Plan, as well as the projected facilities plan for the next five budget cycle years (HHS Budget requirement) for all federally-owned real property assets. The Annual (5 year) Facilities Plan will be used as an aid in determining facilities funding needs and in developing HHS-wide budget priorities on an annual basis.

A. RESPONSIBILITIES

1. The Deputy Assistant Secretary (DAS), Office for Facilities Management and Policy (OFMP) has overall responsibility for establishing and implementing the procedures and criteria to be followed regarding the HHS OPDIV Annual Facilities Plan. The Division of Planning and Construction, OFMP is designated as the coordinating point for HHS OPDIV Annual Facilities Plan activities.
2. The head of each HHS OPDIV is responsible for the development of the OPDIV Annual Facilities Plan. The Annual Facilities Plan reflects those projects, which could be constructed in the event that funding is made available. Each Plan should be developed jointly by the OPDIV's program planning, budget, environmental, and facilities staffs and shall include all facilities projects that are requested in the forthcoming annual budget process.

B. CONTENTS OF THE PLAN

1. All Annual Facilities (Five-Year) Plans shall include project titles, locations, and budget amounts for all projects (line items) costing \$1,000,000 or more from Budget year-3 through Budget year+5, for example BY 2007 plan would include FY 2004 through FY 2012. All requirements through FY 2012 shall be shown, regardless of anticipation of funding, and should be listed in priority order. The plan shall also include planning, study and design (PS&D) funding that is necessary for future projects expected to be in the B&F budget request in Budget Year + 1 and beyond. Each OPDIV should assure that it budgets adequate PS&D funding to arrive at a solid Program of Requirements, Schedule, and Cost Estimate prior to locking in the construction budgets for major projects. This funding should be programmed for Budget Year-2 or earlier depending on the size and complexity of the major project proposed. Show a lump sum total for all PS&D funding on a separate line. Costs should be escalated to the mid-point of construction using OMB escalation rates or other published construction escalation rates as appropriate. R&I or M&I budgets in out years may be shown as a lump sum total for each year. Maintenance handled from operating funds should not be included in the lump sum R&I or M&I amount.
2. Samples of acceptable Annual Facilities Plans are provided as Exhibits X2-2-A and X2-2-B.

2-2-30 REPORTING REQUIREMENTS

A. SUBMISSION OF THE PLAN

The Annual Facilities Construction Plan shall be submitted to the DAS, OFMP by each HHS OPDIV as part of the initial budget submission each year. This plan identifies for the benefit of the DAS, OFMP and the OPDIV Head those projects that should be constructed in the proposed budget year in the event funding is available.

OPDIVs are encouraged to submit Annual Facilities Plans that show all requirements, regardless of anticipation of funding.

The Annual Facilities Plan should show prior year requests if appropriations were not received, and rank all according to current year requirements. Totals are to be shown for all (current and prior years), current year, and 5-year projection requirements.

B. AMENDMENTS AND/OR MODIFICATIONS TO ANNUAL FACILITIES PLAN

Amendments and/or modifications to the Annual Facilities Plan shall be submitted to reflect current year lump sum funded improvements, repairs and/or maintenance projects exceeding OPDIV approval authority by October 1st each year. OPDIVs have the flexibility to remove and add projects funded from lump sum amounts as requirements are identified. Facility Project Approval Agreements for new requirements shall be submitted as project need arises.

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NIH BUILDINGS AND FACILITIES PLAN											
Building & Facilities											
FY 2005-2010 Preliminary Estimates - OMB Submission											
(Dollars in Millions)											
		FY 2003 Budget	FY 2004 President's Budget	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Out-years	TOTAL Project Cost
Buildings & Facilities Budget											
CONTINUING COMMITMENTS (needed every year)											
	Essential Safety and Regulatory Compliance	6.0	14.0	6.0	14.0	15.5	14.0	15.5	14.0		
	Asbestos Abatement Program	0.5	2.0	0.5	2.0	3.0	2.0	3.0	2.0	ongoing	
	Fire Protection & Life Safety Program	2.0	5.0	2.0	5.0	5.0	5.0	5.0	5.0	ongoing	
	Eliminate Barriers to Persons With Disabilities	1.0	1.5	1.0	1.5	1.5	1.5	1.5	1.5	ongoing	
	Indoor Air Quality Improvement Program	0.5	0.5	0.5	0.5	1.0	0.5	1.0	0.5	ongoing	
	Rehabilitation of Animal Research Facilities	2.0	5.0	2.0	5.0	5.0	5.0	5.0	5.0	ongoing	
	Repair and Improvements	45.8	70.5	59.2	50.0	73.0	60.0	73.0	60.0	ongoing	
	Concept Development Studies	0.0	0.0	2.0	1.5	3.0	1.5	3.0	1.5	ongoing	
	Sub-Total for Continuing Commitments	51.8	84.5	67.2	65.5	91.5	75.5	91.5	75.5		
RECOMMENDED PRIORITIES (year-specific)											
	Essential Safety and Regulatory Compliance (one time)										
	Building 10 Revitalization	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
	Building 10 Clinical Research Renovation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0	330.0	390.0
	Building 10 Stabilization	0.0	0.0	0.0	10.0	10.0	10.0	5.0	0.0	0.0	35.0
	Environmental Assessments/Remediation Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Campus-wide Fire Alarm Replacement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Safety Improvements, Building 31	0.0	0.0	0.0	0.0	0.0	14.0	0.0	0.0	0.0	14.0
	New Construction: Major on-going projects										
	Central Vivarium/Animal Research Center	0.0	0.0	5.0	0.0	200.0	0.0	0.0	0.0	0.0	220.3
	Porter Neuroscience Res. Center Ph I	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	82.3
	Porter Neuroscience Res. Center Ph II	31.7	0.0	0.0	166.3	0.0	0.0	0.0	0.0	0.0	208.6
	New Construction: Policy Decisions										
	Center for Bioterrorism & Emerging Infections	186.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	186.1
	BSL-4 Lab @ Ft. Detrick	104.318	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	104.3
	Lab N - South Quad/Center for Biology of Disease	0.0	0.0	0.0	0.0	0.0	0.0	126.0	0.0	0.0	126.0
	Lab P - South Quad/Center for Biology of Disease	0.0	0.0	0.0	0.0	0.0	0.0	19.3	143.0	0.0	162.3
	Lab M - South Quad/Center for Biology of Disease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	South Quad Parking	0.0	0.0	0.0	0.0	0.0	36.4	0.0	0.0	0.0	36.4
	RML Buffer Replacement Facility	0.0	0.0	9.5	0.0	0.0	0.0	0.0	0.0	0.0	9.5
	Renovations										
	Building 10 Transition Program	24.069	5.5	10.8	0.0	0.0	0.0	0.0	0.0	0.0	69.9
	Building 3	0.0	0.0	0.0	0.0	0.0	14.7	0.0	0.0	0.0	14.7
	Bldg. 29A / 29B Renovation / Bldg. 29 Demo	0.0	0.0	0.0	0.0	0.0	0.0	65.6	0.0	0.0	65.6
	Equipment/Systems/Enabling										
	Demolish Bldg. 14/28/32 Complex	0.0	0.0	0.0	0.0	0.0	32.2	0.0	0.0	0.0	32.2
	South Quad Chiller	0.0	0.0	0.0	0.0	0.0	33.6	0.0	0.0	0.0	33.6
	Boiler # 7	0.0	0.0	0.0	0.0	0.0	14.7	0.0	0.0	0.0	16.0
	Demolish Buildings 7 & 9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Complete South Loop Road	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	West Campus Electrical Switching Station	0.0	0.0	0.0	9.4	0.0	0.0	0.0	0.0	0.0	9.4
	Chiller #27	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
	Upgrade Mechanical Systems, NIEHS	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
	Physical Security Improvements	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	80.0
	Sub-total of Recommended Priorities	432.4	5.5	32.3	185.7	210.0	155.6	215.9	203.0		
PROPOSED PROJECTS											
	New Construction										
	Northwest Child Care Facility	0.0	0.0	0.0	0.0	0.0	9.5	0.0	0.0	0.0	10.0
	NLM Additions (\$7.1M funded in FY 2001 for design)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	210.4	217.5
	NIEHS Lab & Vivarium Addition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Upgrade HVAC Rall Bldg., NIEHS	0.0	0.0	0.0	0.0	0.0	16.7	0.0	0.0	0.0	16.7
	NIAID Vaccine Unit CRC/5C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Building 552 - Frederick	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	NCI Production Area Facility - Frederick	0.0	0.0	0.0	0.0	0.0	14.4	0.0	0.0	0.0	14.4
	NCI Labs - Frederick	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	CC Patient Imaging Facility, Building 10	0.0	0.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0	3.0
	Renovations										
	Renovation at NNM Bldgs. 17	0.0	0.0	0.0	53.3	0.0	0.0	0.0	0.0	0.0	53.3
	Building 37 - Renovate Basement	0.0	0.0	0.0	0.0	0.0	12.4	0.0	0.0	0.0	12.4
	Rehab Utility Upgrade, Building 1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Modernization, Building 31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	NLM Renovation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Equipment/Systems/Enabling										
	Sub-total of Proposed Projects	0.0	0.0	0.0	53.3	3.0	53.0	0.0	0.0		
	Mark O. Hatfield Clinical Research Center	144.5									
	TOTAL B&F	628.687	90.0	99.5	304.5	304.5	284.1	307.4	278.5		

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**Health Care Facilities FY 2005 Planned Construction Budget a/
(\$000)**

FACILITY	Prior to	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	Outyears	Status	Total	Could
	FY 03	Approp	Pres Bdgt	Request	Est	Est	Est	Est	Remarks	Cost *	Use FY 04
Planning Studies b/	\$0	\$0	\$0	\$200	\$200	\$200	\$200	\$1,000		\$1,800	\$200
Inpatient Facilities c/ d/											
Ft. Defiance, AZ, Hosp 1/	\$111,971	\$16,293	\$0	\$0	\$0	\$0	\$0	\$0	Construction	\$128,264	\$0
Winnebago, NE, Hosp 2/	\$39,670	\$8,187	\$0	\$0	\$0	\$0	\$0	\$0	Construction	\$47,857	\$0
PIMC System, AZ, Hosp 3/	\$225	\$0	\$0	\$6,625	\$10,034	\$32,471	\$87,111	\$162,707	PJD Develop.	\$299,173	\$0
Barrow, AK, Hosp 4/	\$0	\$0	\$0	\$0	\$9,100	\$0	\$24,000	\$83,101	PJD approved	\$116,201	\$0
Nome, AK, Hosp 5/	\$0	\$0	\$0	\$0	\$8,000	\$0	\$21,000	\$84,352	PJD approved	\$113,352	\$0
Whiteriver, AZ, Hosp 6/	\$0	\$0	\$0	\$0	\$0	\$7,000	\$0	\$134,410	PJD approved	\$141,410	\$0
Outpatient Facilities c/ d/											
Ft. Yuma, AZ, HC 7/	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	On Hold	\$0	\$0
Pinon, AZ, HC 8/	\$4,527	\$15,896	\$21,573	\$0	\$0	\$0	\$0	\$0	Design/Const	\$40,000	\$19,577
Red Mesa, AZ, HC 9/	\$7,755	\$7,603	\$30,000	\$18,424	\$0	\$0	\$0	\$0	Design/Const	\$63,782	\$30,000
Pawnee, OK, HC 10/	\$6,776	\$12,551	\$0	\$0	\$0	\$0	\$0	\$0	Construction	\$19,327	\$0
St. Paul, AK, HC 11/	\$2,153	\$5,548	\$0	\$6,520	\$0	\$0	\$0	\$0	Design	\$14,221	\$6,520
Metlakatla, AK, HC 12/	\$3,448	\$306	\$14,511	\$0	\$0	\$0	\$0	\$0	Design/Const	\$17,959	\$9,205
Sisseton, SD, HC 13/	\$2,380	\$2,981	\$3,863	\$14,097	\$17,079	\$0	\$0	\$0	Design/Const	\$40,400	\$17,960
Clinton, OK, HC 14/	\$36	\$1,291	\$0	\$19,361	\$0	\$0	\$0	\$0	PJD approved	\$20,688	\$19,361
Dulce, NM, HC 15/	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	JVCP	\$0	\$0
SanSimon(Westside),AZ, HC 16/	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	JVCP pend.	\$0	\$0
Eagle Butte, SD, HC 17/	\$0	\$0	\$0	\$2,800	\$19,291	\$19,290	\$0	\$0	PJD approved	\$41,381	\$2,800
Quarters c/											
Bethel, AK Qtrs (79) 18/	\$9,989	\$4,968	\$0	\$5,043	\$0	\$0	\$0	\$0	Design-Build	\$20,000	\$5,043
Zuni, NM Qtrs (19) 19/	\$2,920	\$0	\$0	\$2,525	\$0	\$0	\$0	\$0	Design-Build	\$5,445	\$2,525
Wagner, SD Qtrs (10) 20/	\$0	\$0	\$0	\$2,538	\$0	\$0	\$0	\$0	PORQ app'd	\$2,538	\$2,538
Ft. Belknap, MT Qtrs (29) 21/	\$0	\$0	\$0	\$0	\$7,986	\$0	\$0	\$0	PORQ app'd	\$7,986	\$7,986
Kayenta, AZ Qtrs (62) 22/	\$0	\$0	\$0	\$0	\$0	\$17,012	\$0	\$0	PORQ app'd	\$17,012	\$8,506
Youth Regional Treatment Centers (Section 704)											
PHX-Nevada Satellite 23/	\$515	\$0	\$0	\$3,672	\$0	\$0	\$0	\$0	POR approved	\$4,187	\$3,672
S. California YRTC 24/	\$0	\$0	\$0	\$2,056	\$6,366	\$0	\$0	\$0	PJD develop.	\$8,422	\$2,056
N. California YRTC 25/	\$0	\$0	\$0	\$0	\$2,062	\$6,542	\$0	\$0	PJD develop.	\$8,604	\$0
Joint Venture Construction Program (Section 818e)											
Health Centers 26/	\$9,989	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		\$34,989	\$5,000
Small Ambulatory Care Facility Grants (Sect. 306)											
Small Health Clinics 27/	\$19,978	\$4,968	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$30,054		\$95,000	\$10,000
Dental Facilities Program											
Dental Units 28/	\$8,496	\$993	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,511		\$25,000	\$3,000
Non-IHS Funds Renovation Projects (Sect. 305)											
Equipment for Projects 29/	\$0	\$0	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		\$10,000	\$2,000
TOTAL	\$230,828	\$81,585	\$69,947	\$103,861	\$100,118	\$102,515	\$152,311	\$506,135		\$1,344,998	\$157,949
UNFUNDED (FY 2004-Outyears)										\$1,034,887	

*Based on mid-point of construction using current year dollars.

a/ Does not include Maintenance & Improvement, Environmental Remediation, Environmental Assessment, Biomedical Equipment, or, or staff support, which are part of the budget request also.

b/Funding for Phase II Site Selection and Evaluation Reports, and other planning needs for proposed projects.

c/ This represents facilities on the current IHS Facilities Construction Priority Lists. Additional facilities may be added to the Priority Lists in FY 2003.

d/ In locations where staff quarters are needed to support the health care facility, the footnote for the project specifies the number of quarters to be built and the estimated costs for the quarters to be built with the health care facility.

- 1/Reprogrammed: \$1,650 planning (FY 1985). Appropriated: \$2,204,000 planning, design and construction (construction (FY 1988); \$2,626,000 design (FY 1992); \$15,000,000 design and construction (FY 1999); \$24,285,000 construction (FY 2000); \$40,026,747 construction and staff quarters design-build (FY 2001); \$27,827,000 construction and staff quarters design-build (build (FY 2002); and \$16,293,400 staff quarters design-build (FY 2003). Total Cost includes \$34,105,447 for 193 staff quarters.
- 2/Appropriated: \$50,000 planning (FY 1989); \$300,000 planning/design (FY 1994); \$1,397,000 design (FY 1995); \$950,000 design (FY 1999); \$9,714,000 construction (FY 2000); \$12,258,971 construction (FY 2001); \$15,000,000 construction (FY 2002); and \$8,187,433 construction (FY 2003).
- 3/Appropriated: \$150,000 planning (FY 1989); Reprogrammed: \$74,405 planning (planning (FY 1994). Preliminary total cost estimate for PIMC system includes: Medical Center - \$215,297,000, Hostel, Hostel - \$3,449,000, Central Ambulatory Care Center (ACC) - \$38,149,000, East Valley ACC - \$18,646,000, Northwest ACC - \$23,632,000. Once the PJD is approved, the cost estimate will be updated.
- 4/Appropriated: \$-0-. Funds needed for planning, design, and construction.
- 5/Appropriated: \$-0-. Funds needed for planning, design, and construction.
- 6/Appropriated: \$-0-. Funding consideration is awaiting approval of Phoenix Area Master Plan.
- 7/Appropriated: \$667,000 planning and design (FY 1989); withdrew <\$ 667,000> (FY 1996); no cost estimate to be prepared until hold released.
- 8/Appropriated: \$50,000 planning and design (FY 1989); \$840,000 design (FY 1990); \$1,037,000 design (FY 1999); \$2,600,000 construction (FY 2002); and \$15,896,000 construction (FY 2003). Total Cost includes \$16,630,000 for 62 staff quarters. Could Use and Total Cost reflect the adjustment needed in FY 2004 because of an addition in the FY 2003 appropriation.
- 9/Reprogrammed: \$9,218 planning (FY 1985); Appropriated: \$746,000 planning and design (FY 1991); \$2,000,000 design (FY 2000); \$5,000,000 construction (FY 2002); \$7,603,255 construction (FY 2003). Total Cost includes \$25,983,000 for 93 staff quarters.
- 10/Reprogrammed: \$35,100 planning (FY 2000). Appropriated: \$1,741,161 design (FY 2001); \$5,000,000 construction (FY 2002); and \$12,550,886 construction (FY 2003).
- 11/Reprogrammed: \$53,000 planning (FY 2001). \$969,000 appropriated: in FY 2001 through HRSA to Alaska State Denali Commission for design, and is not in the Total Cost estimate figure. The Total Cost estimate figure only includes funding received and/or to be received by the IHS. Appropriated: \$2,100,000 construction (FY 2002); and \$5,547,704 construction (FY 2003). Balance of funding to be provided through IHS. Total Cost includes \$2,914,000 estimated for six staff quarters.
- 12/Reprogrammed: \$48,000 planning (FY 2001). \$1,198,000 appropriated in FY 2001 through HRSA to Alaska State Denali Commission for design, and is not in the Total Cost estimate figure. The Total Cost estimate figure only includes funding received and/or to be received by the IHS. Appropriated: \$3,400,000 construction (FY 2002); and \$305,998 construction (FY 2003). Balance of funding to be provided through IHS. Total Cost includes \$3,424,000 estimated for eight staff quarters units. Total cost estimate adjusted to reflect POR Amendment No. 1. Could Use and Total Cost reflect the adjustment needed in FY 2004 because of an addition in the FY 2003 appropriation, and the language with the FY 2003 appropriation that requests a \$5,000,000 reprogramming action in FY 2003.
- 13/Reprogrammed: \$47,000 planning (FY 2001). Appropriated: \$2,333,000 design and construction (FY 2002); and \$2,980,500 construction (FY 2003). Total Cost includes \$17,170,000 for 62 staff quarters units. The estimated Total Cost has been adjusted to reflect change in number of approved staff quarters from 24 to 62.
- 14/Reprogrammed: \$35,500 planning (FY 2002). Appropriated: \$1,291,550 design (FY 2003). Funds needed for construction.
- 15/Appropriated: \$-0-. An Agreement executed August 21, 2002, for The Jicarilla Apache Nation to design and construct project under JVCP. Initial equipment pursuant to JVCP Agreement to be provided from FY 2001 JVCP funding.
- 16/Appropriated: \$-0-. An Agreement with the Tohono O'odham Nation under the JVCP is pending the completion of negotiations. The Nation will design and construct tribally owned health center and staff quarters under the JVCP. Initial equipment to be provided pursuant to JVCP Agreement using FY 2001 JVCP funding.
- 17/Appropriated: \$-0-. Funds needed for planning, design, and construction. Cost estimate will be updated when PJDQ is approved, to include staff quarters.
- 18/Appropriated: \$4,989,000 design and build (FY 2001); \$5,000,000 design and build (FY 2002); and \$4,967,500 design and build (FY 2003). IHS funding is provided to Yukon-Kuskokwin Health Corporation (YKHC) pursuant to Agreement with YKHC to design and build quarters on land acquired by YKHC. Title to quarters units to remain vested with YKHC. Estimated Total Cost was provided by YKHC.
- 19/Appropriated: \$920,000 design-build (FY 2000); and \$2,000,000 design-build (FY 2002). Funds needed to complete project.
- 20/Appropriated: \$-0-. Funds needed for planning and design-build.
- 21/Appropriated: \$-0-. Funds needed for planning and design-build. Project covers two sites, with 13 units at Harlem, MT, and 16 units at Hays, MT.
- 22/Appropriated: \$-0-. Funds needed for planning and design-build.
- 23/Satellite will be located in Wadsworth, NV. Appropriated: \$515,000 planning and design (FY 1987).
- 24/Appropriated: \$-0-. Funds needed for planning, design and construction.
- 25/Appropriated: \$-0-. Funds needed for planning, design and construction.
- 26/Appropriated: \$4,989,000 (FY 2001); \$5,000,000 (FY 2002). Funding is for initial equipment for projects having executed JVCP Agreements. Exact total outyears funding requirements and total program needs are unknown at present. Only estimated costs are shown.
- 27/Appropriated: \$9,978,000 (FY 2001); \$10,000,000 (FY 2002); and \$4,967,500 (FY 2003). Exact total outyears and total program needs are unknown at present. The estimated Total Cost reflects that which was identified in FY 2001 applications.
- 28/Appropriated: \$1,000,000 (FY 1994); \$998,000 (FY 1995); \$1,000,000 (FY 1996); \$1,000,000 (FY 1997); \$500,000 (FY 1998); \$1,000,000 (FY 1999); \$1,000,000 (FY 2000); \$998,000 (FY 2001); \$1,000,000 (FY 2002); and \$993,500 (FY 2003). Exact total outyears and total program needs are unknown at present. Only estimated costs are shown.
- 29/Appropriated: \$-0-. Exact total outyears and total program needs are unknown at present. Only estimated costs are shown.

SECTION 2-3: HHS FACILITY PROJECT APPROVAL AGREEMENTS

2-3-00	Policy
10	(Reserved)
20	(Reserved)
30	Reporting Requirements
X2-3-A	HHS Form 300 – HHS Facility Project Approval Agreement
X2-3-B	Instructions for HHS Facility Project Approval Agreement
X2-3-C	Changes to Facility Project Approval Agreement

2-3-00 POLICY

This section describes HHS policy and procedures for Facility Project Approval Agreements (FPAA) for the requirements, budget, scope, and schedule of projects for federally-owned real property assets above OPDIV approval authority as defined in the Capital Investment Review Board (Board) policy. (Refer to Chapter 1 for additional information.) The HHS Facility Project Approval Policy codifies the three-tiered capital facilities review procedure supporting the HHS budget formulation process. The policy distinguishes approval authorities between OPDIVs with real property acquisition authorities, ASAM and the Board based on the full cost (considering all sources of funding) for each project.

A. CAPITAL FACILITIES REVIEW PROCESS

The HHS facility project review process has a three-tiered structure supporting the HHS fiscal year budget formulation process that distinguishes HHS approval authorities based on the full costs of each project considering all sources of funds. Within HHS, facility projects are approved as follows:

OPDIVs with Real Property Authority: The Commissioner of the Food and Drug Administration (FDA), and the Directors of the Centers for Disease Control and Prevention (CDC), Indian Health Service (IHS), and the National Institutes for Health (NIH) are responsible for the approval of construction and improvement projects under \$1,000,000, and all repair projects under \$3,000,000. They are also responsible for submission of these projects in the HHS annual budget. This responsibility may be delegated within the OPDIV.

ASAM: The Deputy Assistant Secretary for Facilities Management and Policy (DAS/OFMP), ASAM, will approve HHS OPDIV facility construction and improvements projects between \$1,000,000 and \$10,000,000 and repair projects between \$3,000,000 and \$10,000,000, which do not require review by the Board.

HHS Board: The HHS Board will review and make recommendations to the Secretary, the ASAM and ASBTF on a range of issues to include: 1) the development of facility capital investment guidelines; 2) the development of guidelines to implement an investment review process that provides strategic planning for and oversight of facility investments; and 3) regular monitoring and proper management of these investments, once funded. Projects that must be reviewed by the HHS Board include the following:

- OPDIV investments \$10M or more and all land acquisitions
- Department-wide investments that affect multiple organizations
- Investments that have a significant impact on a single OPDIV
- OPDIV investments that the Office of the Secretary determines to have a significant risks; high development, operating or maintenance costs; or have high public visibility
- OPDIV repair and improvement (alteration and renovation) projects more than \$10M
- Other project types as may be designated by the Board.

B. HHS FACILITY PROJECT APPROVAL AGREEMENT

All projects approved by Headquarters will require a written approval agreement between designated officials of the sponsoring OPDIV and ASAM.

The Facilities Project Approval Agreement (FPAA) (Exhibit X2-3-A) will document the project's scope and description, basis of need, funding source(s) and total cost from all sources. It also identifies project schedule milestones, including completion of design, construction, activation and operational phases. The agreement represents a commitment by the OPDIV to the requirements, scope, schedule, cost and programmatic need of the project and will be submitted with the OPDIV annual budget submission. Instructions for completing the form are provided as Exhibit X2-3-B.

2-3-30 REPORTING REQUIREMENTS

A. SUBMITTAL AND APPROVAL PROCESS

The FPAA will serve as the project justification, and as such shall be submitted as part of the HHS budget formulation process. Draft FPAA's should be submitted for review to the Division of Planning and Construction, OFMP no later than June 1 each year in preparation for the annual HHS Board meeting in June. The final FPAA consistent with the decisions of the Secretary's Budget Council will require the signatures of the OPDIV Board Member, Project Director, and Project Manager. Departmental sign-off will signify HQ and Board approval and acceptance of the OPDIV's commitment to execute projects within defined requirements, scope, budget and schedule as presented or modified during the review process.

New requirements for projects that occur outside the normal budget formulation process will be submitted for review as soon as the requirement has been identified. OFMP will work with the OPDIV to facilitate approval of the project in a timely manner. Planning and Programming Documents are not required as part of the FPAA submission; however, as part of the review process OFMP may require that the OPDIVs submit these documents.

The HHS Facility Project Approval Agreement must be approved by the Department prior to awarding a contract for design services.

B. REVISIONS TO PROJECTS

All revisions or changes to project budget, scope and/or schedule after the original FPAA approval shall be addressed in accordance with Exhibit X2-3-C. Those revisions or changes not within OPDIV approval authority require submittal of a revised FPAA through OFMP.

HHS FACILITY PROJECT APPROVAL AGREEMENT				1. Project No./ID	2. Revision No.:			
3. Project Title:				4. Budget Year:	5. Date: (mm/dd/year)			
				6.a. Total B&F Cost (\$M):		6.b Total Project Cost (\$M)		
7. OPDIV/Program Office:				8. Installation/Location (City & State)				
9. Facility Cost Estimate (\$M)				10. Related Cost Estimate (\$M)				
Item	Amount	Funds Source	FY	Item	Amount	Funds Source	FY	
a. Land Acquisition				a. Special Studies				
b. Design				b. Pre-Project Planning				
c. Construction				c. Activation (include moving)				
d. Equipment				d. Special Purpose Equip.				
e. Other				e. Other				
f. Total Facility Cost Est.	\$0.00			f. Total Related Cost Est.	\$0.00			
g. Off-Site Utilities:		<input type="checkbox"/> Sufficient capacity and type of off-site utilities are available to support this project. <input type="checkbox"/> Costs have been included in the estimate for the required off-site utilities.						
11. Category	<input type="checkbox"/> Repair		<input type="checkbox"/> Maintenance		<input type="checkbox"/> Improvements			12. PDRI Rating: ____ out of ____ at ____% preliminary engineering or ____ % design
	<input type="checkbox"/> Construction		<input type="checkbox"/> Temporary Construction					
13. Project Description (Scope/Quantify):								
14. Justification:								
15. Schedules (Month/Year)				16. Program Commitment Approval				
a. Studies	Start	/		Authority	Signature	Date		
	Complete	/						
b. Planning	Start	/		a. Project Manager	_____			
	Complete	/						
c. Design	Start	/		b. Project Director	_____			
	Complete	/						
d. Construction	Start	/		c. OPDIV Board Member	_____			
	Complete	/						
e. Activation	Start	/		d. Office of the Secretary	_____			
	Complete	/						
f. Operational	Complete	/						

HHS FACILITY PROJECT APPROVAL AGREEMENT (Continuation Sheet)		1. Project No./ID	2. Revision No.:
3. Project Title:		4. Budget Year:	5. Date:
		6.a. Total B&F Cost (\$M):	6.b. Total Project Cost (\$M)
7. OPDIV/Program Office:	8. Installation/Location (City & State)		

Instructions for HHS Facility Project Approval Agreement

The bolded numbers and titles in the following paragraphs provide the cross references to the HHS Facility Project Approval Agreement (FPAA) form.

1. Project No. /ID – OPDIV code followed by project number assigned by the submitting organization.

<u>OPDIV</u>	<u>Code</u>
CDC	C
FDA	F
IHS	I
NIH	N

2. Revision No. - the revision number provides a record of the resubmissions. The initial submittal will be numbered as "0" with revisions starting at "1" and numbered consecutively. Revisions are generated *after* the original FPAA approval when there are proposed changes in the budget, scope and/or schedule of a project that are not within the OPDIV approval authority as defined in the Facility Project Approval policy.

3. Project Title – a descriptive title that includes the category of work (see form block 11); describes the primary focus of the project accomplishment; includes the building name and number, if assigned; and campus, if applicable.

4. Budget Year – shall be the year in which funds are being requested on the current FPAA. . For example, all projects proposed for an increment or full funding in 2007 budget shall show 2007.

5. Date – date this form is prepared or revised.

6.a. Total B&F Cost (\$M) – an automatic entry that reflects the sum of all B&F costs (Funds Source is labeled B&F, R&I, M&I or HCFC) only from blocks 9.a. - e. and 10.a. - e. Verify costs are totally correctly. The formula searches the Funds Source column to identify costs, so multiple funds sources cannot be shown on one line.

6.b. . Total Project Cost (\$M) – an automatic entry that reflects the total from blocks 9.f., Total Facility Cost Est., and 10.f., Total Related Cost Est. The cost estimates must fully disclose all costs required to complete and make the project fully operational as described in the HHS FPAA.

7. OPDIV/Program Office – enter Operating Division, then identify the type of project, e.g. institute or center, followed by the actual Program Office. For example: IHS/OPH/OEHE.

8. Installation/Location (City & State) –the city and state or territory of the facility location.

9. Facility Cost Estimate (\$M) and **10. Related Cost Estimate (\$M)** – The cost estimates must fully disclose all costs necessary to provide an operational facility as described in block 13. Project Description; see also HHS Facilities Program Manual, Volume 1, Section 2-1, concerning Facility Project Budgets. Clearly describe on Sheet 2 continuation, projects planned in phases, either based on funding or scope.

Items under Facility Cost Estimate – typically incorporates all costs associated with providing the building itself, i.e., land acquisition, design, construction, equipment, and other associated costs.

- All fixed (building) equipment that is a permanently fixed, built-in part of a building or structure, shall be captured under construction, e.g., elevators, HVAC, mechanical and electrical equipment, walk-in refrigerators, built-in autoclaves, generators, etc. Removal or replacement of this equipment typically requires repairs or improvements.
- All fixed (attached and/or installed) equipment that becomes an integral part of the building when installed, e.g., drinking fountains, sinks, casework, and is typically included as part of the construction contract, shall captured under construction.
- Equipment captures moveable equipment that is required to make the facility fully operational.
- Generally, if a service is included in the specific design and/or construction contract, it is captured under 9.b. or c. as appropriate. If it is accomplished under a separate contract, capture under 9.e.
- Other associated costs may include telecommunications, commissioning, construction management, etc. Provide description on Sheet 2 continuation of all 9.e. costs.

Items under Related Cost Estimate – typically incorporates all costs to complete planning and programming, make the building fully operational, develop infrastructure, and complete interim moves and ancillary related projects. Provide description on Sheet 2 continuation of 10.a. through 10.e. costs.

- Special studies and pre-project planning may include environmental technical studies, NEPA documentation, historic/archeological compliance, feasibility analysis, geological testing, etc..
- Activation shall include all move related expenditures and interim moves.
- Special purpose equipment is specialized technical, scientific and/or medical equipment that may be fixed or moveable, e.g., incubators, sterilizers, centrifuges, cage racks, etc. Special purpose equipment is that equipment required to operate a laboratory, a hospital, a clinical research patient care unit, etc., or is specific to a single purpose and not generally suitable for other purposes.
- Other costs may include such items as infrastructure, telecommunications, and ancillary related projects.
- List all items and their costs that make up the amount entered in the cost estimate.

Amount – the total estimated costs for the item should be entered in millions to the hundredth. The cost estimates should include a reasonable amount for contingencies.

Funds Source – see also HHS Facilities Program Manual, Volume 1, Section 2-1, Funding Sources for Facilities Projects.

<u>Funds Source</u>	<u>Code</u>
Buildings & Facilities	B&F
Repair/Maintenance & Improvements	R&I or M&I
Health Care Facilities Construction	HCFC
Agency Annual Operating	Ops or IC

Quarters Return	Qtr
Medicare/Medicaid	M&M
Donation or gift	Gift

Only one funds source should be shown for specific line. If a specific line is composed of more than one funds source, separate costs using line 9.e. or 10.e. as needed to describe additional funds source(s). Provide an explanation of the breakdown on Sheet 2 continuation.

FY – enter the fiscal year of appropriation for the funds being used for that item. If funds from more than one FY are to be used for the item, in blocks 9 and 10 show multiple years. For example, if funding is continuous over 3 years indicate as 2006-08, if 2 years indicate as 2006/08. On Sheet 2 continuation show the breakdown by fiscal year of the item amount.

Off-Site Utilities: Check “sufficient capacity and type” if utilities already exist, and only a connection is required. On Sheet 2 continuation detail utility connection charges or unusual conditions, such as extended distance requirements. Check “costs included for off-site utilities” only if a major system upgrade is required to support the project, such as an additional cell must be added to a sewage lagoon. On Sheet 2 continuation describe the utilities improvements required and costs incurred by the project.

11. Category – see HHS Facilities Program Manual, Volume 1, Section 2-1, for definitions of Major Facility Program Activities. *Check all applicable categories.*

12. PDRI Rating – enter the project’s actual PDRI rating, the total possible rating, and the percent of preliminary engineering or design completion when the rating was performed. Provide PDRI summary score sheet as part of supporting documentation in initial FPAA submittal. Indicate on Sheet 2 continuation any significant action items that were identified as a result of the PDRI analysis and could prevent the project moving forward if not accomplished timely. Document to project records the basis for ratings, analysis of project risks and mitigation strategies developed as a result of the PDRI analysis.

13. Project Description (Scope/Quantify) – a concise, clear statement of the project's scope and description. The scope shall be stated first and include:

- Physical size and characteristics such as units of measures (for health care, laboratory, office, etc.), functions, and special features (infrastructure, central utility plant or major equipment upgrades required to support the facility).
-
- Quantify to the maximum extent possible (e.g., number of buildings, design capacity, and gross and net area developed per HHS Facilities Manual, Volume 1, Section 2-5).
- Specifically address the FRPC performance measures of mission dependency and utilization.
-

The format and language for the description shall be similar to the format used for budget documents submitted per OMB Circular A-11 Part 7, Planning, Budgeting, Acquisition and Management of Capital Assets, and specifically include intended acquisition strategy. A copy of the acquisition strategy shall be included with the initial FPAA submittal on all Board level projects. The description shall include the current status of the project in the OPDIV’s internal planning and programming process, as well as assumptions and basis for the project. The description

shall also include a summary of status of pre-project planning activities to date, and any project risks identified to date. . Any agreements in place with stakeholders should be referenced. Also include a description of all related projects. The project scope described in this entry will be the approved scope of the project. Changes in project scope require resubmittal of the HHS FPAA.

14. Justification – should begin with a concise statement of the functional purpose for which the project is needed.

- The need should specifically refer to OPDIV mission and program requirements and to the role of the proposed facility in the mission or program.
- Specifically address FRPC performance measures of operating costs and condition index.
- Customer and stakeholders should be identified.
- As an example, a personnel housing project's justification should discuss the personnel requirements, deficiencies in existing housing, resulting excessive administrative costs and plans for the use of the existing space for other purposes or its disposal.
- Support facilities, such as libraries, auditoriums and cafeterias, must be justified separately and specifically.
- Justification should clearly establish the requirements for the facility, cite any applicable studies.
- Identify how the project will reduce costs or improve efficiencies.
- Highlight the project's priority, describe and justify any relationship to any current or new project, and identify link to approved master plans.
- Identify the disposition and/or disposal of any existing facilities.
- Identify how life cycle cost (LCC) analysis as required by OMB Circular A-11 has been or will be addressed.
- Include a summary of alternatives considered and their viability.

15. Schedules – enter the schedule dates for the activities listed and the date the facility is to be operational.

- Include a month and year for each milestone date.
- Dates should be consistent with funding proposal.
- Do not use durations.

16. Program Commitment Approval – the Project Manager signs as the project submitter committing to complete the project within the stated budget, scope and schedule. The Project Director's signature commits the OPDIV organization to completing the project within the stated budget, scope and schedule. The OPDIV Board Member's concurrence indicates a commitment to the programmatic need and the stated budget, scope and schedule for the project. The Department signature approves the project and accepts the OPDIV's commitment to execute the project, based on the requirements, budget, scope and schedule as defined in the FPAA.

HHS Facility Project Approval Agreement (Continuation Sheet 2) – the form automatically completes blocks 1 through 8 with the same information as sheet 1. Any continuation data provided shall be prefixed with the block number from sheet 1.

<u>CHANGES TO FACILITY PROJECT APPROVAL AGREEMENT*</u>			
	<u>OPDIV Approval</u>	<u>ASAM Approval</u>	<u>Board Approval</u>
<u>Line Item Projects</u>			
<u>Budget</u>	Any variance below President's Budget	Any variance above President's Budget--concur/notify OMB/Cong	Any variance above President's Budget--concur/notify OMB/Cong
<u>Scope</u>			
Board Level (\geq \$10.0M)	..... No variance	..... Any variance	.....
ASAM Level ($<$ \$10.0M)	..... Variance plus or minus 10%	..... Variance greater than 10% plus or minus	..... ASAM decides which will be referred to Board or higher
<u>Schedule</u>	..... Completion date varies one year or less	..... Completion date varies more than one year	..... ASAM decides which will be referred to Board or higher
<u>Projects Funded from Lump Sum Programs</u>			
<u>Budget</u>			
Board Level (\geq \$10.0M)	..... Variance 10% or less per project	..... Variance greater than 10% per project	..... ASAM decides which will be referred to Board
ASAM Level ($<$ \$10.0M)	.....	.....	.....
<u>Scope</u>			
Board Level (\geq \$10.0M)	..... Variance plus or minus 10% per project	..... Variance greater than 10% plus or minus per project	..... ASAM decides which will be referred to Board
ASAM Level ($<$ \$10.0M)	.....	.....	.....
<u>Schedule</u>	..... All Changes		
* Use of FPAA is mandatory for ASAM or Board level projects. Use is optional on OPDIV level projects.			
<u>Types of Work (HHS Facilities Manual):</u>	<u>Funding Categories (HHS Facilities Manual):</u>	<u>Approvals (CIRB Policy Document):</u>	
Construction	B&F Construction (HCFC for IHS)	OPDIV: $<$ \$1.0M Improvement, Construction	
Improvements (Renovations/ Alterations)	B&F Repair & Improvements	OPDIV: $<$ \$3.0M Repair	
Minor Renovations	B&F Maintenance & Improvement (IHS only)	ASAM: $<$ \$10.0M	
Repair	Annual Operating		
Maintenance	Other	Board: \geq \$10.0M	
Temporary Construction			

SECTION 2-4: PRE-PROJECT PLANNING AND THE PROJECT DEFINITION RATING INDEX

2-4-00	Policy
10	Procedures
20	Guidance and Information
30	(Reserved)

2-4-00 POLICY

This section describes HHS policies and procedures to be followed by HHS OPDIVs in accomplishing thorough pre-project planning using industry best practices and specifically, the use and preparation of the Construction Industry Institute (CII) Project Definition Rating Index (PDRI). Pre-project planning is defined as a process of developing sufficient strategic information with which an OPDIV can address risk and decide to commit resources to maximize the chance of a successful project. HHS has adopted pre-project planning as a best practice. The Project Definition Rating Index (PDRI) is to be used as a tool to evaluate the ongoing status of a project. A PDRI is required as part of the submission of HHS Form 300 – Facility Project Approval Agreement for federally-owned real property assets. The rating index is not used as criteria for project approval, but as an indication of the projects readiness in terms of its development. The index should be further developed throughout the planning and design stage of the project.

2-4-10 PROCEDURES

A. PRE-PROJECT PLANNING OVERVIEW

Pre-project Planning – Pre-project Planning starts with the identification of requirements and continues through schematics of the project. The pre-project planning phase establishes the project requirements and concept, and provides the basis for project budget and approval. The CII's Pre-Project Planning Handbook can be used as additional guidance on pre-project planning. Pre-project planning should include:

- Statement of mission requirements
- Outline of known alternatives
- Defined schedule for Pre-project planning
- Defined Pre-project planning
- Defined budget for Pre-project planning
- Defined information availability
- Location of Pre-project planning work
- Contract Strategy
- Permit analysis
- Defined deliverables
- Status reporting requirements
- Defined tasks for minimizing risk
- Project outline
- Pre-project planning priorities
- Defined responsibilities for all Pre-project planning team members

B. ORGANIZING FOR PRE-PROJECT PLANNING

For projects of minimal scope, the pre-project planning effort may be informal, but for larger, more complex projects, the pre-project planning should be formal, rigorous and well documented. Partnering among all project stakeholders is necessary to ensure all requirements are defined and incorporated into the project documentation and budget. The following are suggestions for use by the pre-project planning team as appropriate:

- Stakeholders for the team may change as the project progresses through its planning and development phase. The team should include members based upon knowledge, skills, authority, and operations and administrative functions that are needed to develop the project requirements.

- For a formal team draft a charter to define the objectives. It is important the stakeholders define their respective project goals.
- For larger, more complex projects develop a Pre-Project Plan defining needs, requirements, and objectives and team member roles and responsibilities.
- After the team has been organized for the project, use the PDRI tool as a checklist to review the project collectively so each team member understands the implications of the project and the team can assess what information is missing.

C. PROJECT DEFINITION RATING INDEX

Project Definition Rating Index - The PDRI is a tool to evaluate and measure the level of scope definition for proposed projects. The intent is to evaluate the completeness of scope definition at any point prior to the time a project is considered for authorization to perform detailed design and construction. It is a comprehensive checklist of 64 scope definition elements in a 1000-point scoring system. Each element is weighted based on its relative importance to the other elements. The PDRI score relates to risk. Those areas that need further work can easily be isolated.

The overall rating helps determine whether the project should proceed through the budget cycle, allowing the OPDIV to make the best investments and improving project success by thinking ahead and planning early. All projects requiring HHS approval should be evaluated using the PDRI tool at three separate points during a project's development as follows:

- After assembling the pre-project planning team for a project, collectively use the PDRI as a checklist so that each team member understands the implications of the project, to assess what information may be missing, and to assign actions to collect missing information. Scoring is not recommended at this stage, as most of the elements still need to be developed.
- The project must be evaluated and scored by the pre-project planning team near completion of the requirements documentation and prior to initial budget submittal. The evaluation should provide a sense of adequacy of the project estimate; rate the completeness of the project scope definition, and redirect efforts to correct inadequately defined areas prior to design. The PDRI documentation must be included with the FPAA as part of the initial budget submittal.
- The final evaluation and scoring is required on all projects and should take place after completion of the planning documents (planning studies, program of requirements, project justification document, schematic design) and prior to the decision to proceed with final design.

2-4-20 GUIDANCE AND INFORMATION

A. PRE-PROJECT PLANNING CHARTER

The Charter is a statement of business need and an opportunity for a project team to translate business objectives or mission into project specific objectives. It is the link between the organizations management and project management functions. The charter may be several pages or one page, should be reviewed with the decision maker early in the team's life and should be revisited if there are major changes to the project. The charter should address cost, schedule, and quality tradeoffs.

Recommended Contents of the Charter

- | | |
|--|----------------------------------|
| – Translate business need into a project objective | – Define quality of deliverables |
| – Outline of known alternatives | – Timing requirements |
| – Define mission | – Budget requirements |

B. ALIGNMENT DURING PRE-PROJECT PLANNING

To ensure that the appropriate project participants are working together to develop and meet a uniformly defined and understood set of project objectives, the project team should measure alignment throughout pre-project planning. A suggested tool to address project team alignment is CII's Alignment Thermometer as addressed in CII IR 113-3 Alignment during Pre-Project Planning. The Alignment Thermometer addresses the following 10 key alignment issues:

- a. Stakeholders are appropriately represented on the project team.
- b. Project leadership is defined, effective, and accountable.
- c. The priority between cost, schedule and required project features is clear.
- d. Communication within the team and with stakeholders is open and effective.
- e. Team meetings are timely and productive.
- f. The team culture fosters trust, honesty and shared values.
- g. The PPP process includes sufficient funding, schedule and scope to meet objectives.
- h. Reward and recognition systems promote meeting project objectives.
- i. Teamwork and team building programs are effective.
- j. Planning tools (e.g., checklists, simulations and work flow diagrams) are effectively used.

SECTION 2-5: PLANNING AND PROGRAMMING DOCUMENTS

2-5-00	Policy
10	(Reserved)
20	Guidance and Information
30	(Reserved)

2-5-00 POLICY

This section describes HHS policies and guidelines to be followed by HHS OPDIVs in determining the requirements for and the development, submission, and approval of the planning and programming documents for construction projects and major improvement projects (whether they be the traditional design-bid-build or design-build facility delivery system), and for the acquisition of facilities under lease agreements. The purpose of Planning and Programming documents is to describe the required performance outcomes that are needed to design the facility.

Programming is the process of project definition where project goals are established; projects needs are determined; project facts are analyzed; and project concepts are tested all resulting in project problem statements. The programming process involves the following considerations: function, form, economy and time.

Project goals are the customers and users expectations and the programming is a cooperative process emphasizing customer/user decision-making. Project needs are the projects requirements such as space, power, utilities, etc. Project facts are site constraints, site potentials, regulations that affect the project, etc. Project concepts are functional relationships, adjacency requirements, etc. Programming is finding out what the whole problem is and is the basis for a more comprehensive solution. The whole problem covers a wide range of factors that influence design.

A. DOCUMENT DEVELOPMENT

1. The planning and programming documents should be developed to meet two distinct purposes. Initially, the documents serve as a mechanism for obtaining approval for the project and its scope, for identifying potential environmental impacts, for developing a cost estimate for inclusion in the HHS budget, and as a basis for the development of the HHS Facility Project Approval Agreement (FPAA). Second, once the project is approved and funds are appropriated, the documents become part of a design contract document that defines the Government's program needs to enable an Architectural/Engineering (A/E) firm to estimate design fees and negotiate a contract for the design. The boundaries established in the planning and programming documents serve as a deterrent to unnecessary modifications and increases in the scope of approved projects. Planning and programming documents also serve as the basis for a lease in the Solicitation for Offers (SFO).
2. Planning and programming documents must be approved by the OPDIV head or his/her designee before design services are solicited for all construction projects, and for those major improvement projects to existing facilities involving changes in program functions, operations or facilities uses or leases. Improvement projects estimated to cost \$1,000,000 or more require planning and programming documents. Some smaller improvement projects also require documentation based on related changes in program functions or new facilities use. All projects require environmental review and environmental reviews are not to be waived.

The OPDIVs may start A/E acquisition concurrently, provided funds are available. A/E contract award shall not be made until the final planning and programming documents are approved, and incorporated into the A/E's scope of work.

3. Planning and programming documents must also be approved when an OPDIV proposes to obtain space by leasing a facility designed and constructed to its requirements, i.e., build-lease or lease-purchase or the leasing of a structure requiring major alterations. Such projects also require environmental review.
4. When contracted out, A/E firms chosen for the planning and programming documents development should not participate directly or indirectly (as a subcontractor) in the eventual solicitation for design services to avoid an organizational or consultant conflict of interest.

B. ROLES AND RESPONSIBILITIES

1. The DAS, OFMP has overall responsibility for establishing and implementing planning and programming policy and guidelines. The Division of Planning and Construction, OFMP, is designated as the coordinating point for these activities within OS. OFMP may require the submission of final planning and programming documents as part of the HHS B&F budget process documentation.
2. The head of each HHS OPDIV is responsible for the development of the documents for those facilities under his/her OPDIV jurisdiction, for ensuring the sufficiency of the document to meet the policy and guidelines established in this section, and for approving the final planning and programming documents. OPDIV heads are encouraged to designate an OPDIV facilities management coordinator to ensure this compliance. OPDIV heads may also re-delegate authority for compliance with environmental requirements. Planning and Programming documents must be signed off by the customer and the OPDIV Facility Director.

2-5-20 GUIDANCE AND INFORMATION

CONTENTS OF PLANNING AND PROGRAMMATIC DOCUMENT

The following is to be considered a guideline for development of the planning and programming documents. The documents should consist of and address all of the issues listed and any special requirements or features needed for the particular project involved. In addition to the following requirements, OPDIVs are free to provide any other background information and data that further explains the project and assists the A/E in the development of the design. These general requirements may be adjusted or changed to meet the requirements of the projected facility. Statutory requirements (e.g., environmental reviews) may not be omitted.

1. Introduction	
2. General Overview	
a. Background	b. Staffing and Organizational Structure
i. Program Mission	i. Organization Chart
ii. Existing Facilities	ii. Staff Summary
iii. Need for the Proposed Project	
3. Site	
a. Site Description	c. Site Potential
b. Site Constraints	
4. Space Descriptions	
a. Activity Analysis	c. Space Descriptions
b. Programmatic Objectives	d. Space Schedule
5. Functional Relationships	
6. Design Standards	
a. Applicable Federal Regulations	d. Applicable Local Building Codes
b. Applicable Departmental Regulations	e. Utility Company Regulations
c. Applicable OPDIV Regulations	f. Industry Standards
7. Design Criteria and Recommendations	
a. Civil	g. Plumbing
b. Sustainable Design	h. Electrical
c. Architectural	i. Communications
d. Interior Design	j. Miscellaneous
e. Structural	i. Security
f. HVAC	ii. Safety
	iii. Operations and Maintenance
8. Budget	
a. Facility Cost Estimate	b. Related Cost Estimate
i. Land Acquisition	i. Special Studies
ii. Design	ii. Pre-project Planning
iii. Construction	iii. Activation (Including Moving)
iv. Equipment	iv. Special Purpose Equipment
	v. Other
9. Schedule	
a. Design	c. Activation
b. Construction	
10. Sign-off	
a. Customer	b. OPDIV

SECTION 2-6: SITE SELECTION

2-6-00	Policy
10	Procedures
20	Guidance and Information
30	(Reserved)

2-6-00 POLICY

The purpose of this section is to provide guidance on evaluating and selecting sites for planned new facilities, which may or may not be part of an existing facility complex. This section is applicable to all proposed construction projects, including proposed lease-purchase facilities.

2-6-10 PROCEDURES

At the inception of a project, one of the earliest decisions that must be made is the location of the site. Several sites are usually evaluated to determine the best location for a project. In order to assist the OPDIV in making a decision on the best site, evaluation criteria are developed. The criteria will help document recommendations on the site that should be selected for the project. All the proposed sites should be evaluated using the same criteria. An analysis of each site should be performed based on the established criteria. The analysis will provide a description of the site as well as discuss how the site relates to the criteria. Once the analysis is complete an evaluation matrix is developed to compare the sites. The analysis and evaluation should be in the form of a report.

2-6-20 GUIDANCE AND INFORMATION

A. LAWS, REGULATIONS AND EXECUTIVE ORDERS

Among the laws, regulations, and executive orders applicable to the site evaluation/selection process are the following.

1. Executive Order 12072 - "Federal Space Management of Federal Space," Dated August 16, 1978. - Proposed sites and facilities selected and developed for Federal agencies should consider the effective support of program missions as well as economies associated with efficient facilities management and administration. In the case of proposed development located in urban areas, the Federal agency is also required to coordinate the proposed development with any local, state, and regional plans directed at providing economic and social benefits within the urban metropolitan region.
2. Executive Order 12372, "Intergovernmental Review of Federal Programs," Revised April 8, 1983. - This Executive Order requires Federal agencies to undertake coordinated planning on an intergovernmental basis with local, regional, and State agencies for Federal actions involving construction and acquisition use and disposal of Federal real property.
3. National Environmental Policy Act of 1969. (42 USC 4321 et seq.). - The document sets forth the policy and mandatory considerations, including reports, on the planned facility's impact on the human environment.
4. National Historic Preservation Act of 1966 (16 USC 470 et seq) and Implementation Procedures Contained in Federal Register Vol. 35, No. 23, February 3, 1970, Department of the Interior, National Park Service "National Register of Historic Places." 36 CFR 800 - This document requires evaluation of the effect the proposed facility may have on properties which may be eligible for

listing in the National Register of Historic Places, and requires that the Advisory Council on Historic Preservation be notified and given reasonable opportunity to comment with regard to the undertaking. See Section 3-3, Archeological and Historic Preservation.

5. Uniform Relocation Assistance and Land Acquisition Policies Act of 1970. (42 USC 4601 et seq.) - This law sets forth the policy for fair and equitable treatment of persons displaced as a result of Federal and Federally assisted programs.

B. SITE SELECTION CRITERIA

1. Site Size and Condition

- a. Size: The site should be of sufficient size to accommodate the construction of the project with the associated landscaping and provide external circulation for pedestrians, service vehicles and emergency apparatus. The size of the ideal site should be expressed in hectares.
- b. Condition: The site should be free of blight, dense vegetation, and structures that require demolition.
- c. Configuration: The site should be configured to accommodate the program requirements. Sites with "dog legs" and pipe stems should be avoided, unless there is adequate land to construct the project. Irregular shaped sites should be carefully evaluated.

2. Accessibility

- a. Vehicular Access: The site should have access to and the ability to accommodate vehicular traffic and parking.
- b. Service Access: The site should have access to and the ability to accommodate service vehicles such as trucks and semi-tractor trailers. The site should be able to accommodate a service apron and the necessary loading docks.
- c. Pedestrian Access: The site should be linked to existing walkways.
- d. Public Transportation¹: In urban areas the site should be accessible by public bus service, and/or rapid rail service.

3. Physical Features

- a. Topography: The topography of the site should be as level as possible with positive drainage. Sites with slopes over 15% should be carefully evaluated to determine if they can meet the program needs and if the facility can be constructed economically.
- b. Surface Water: Flood plains and wetlands should be avoided.
- c. Amenities: Mature trees, ground cover, natural beauty, etc., are considered an asset for the site.
- d. Views and Vistas: Panoramic vistas and pleasant views from the site to urban areas, architecture and/or natural beauty are considered an asset. The opportunity to create a pleasant view of the site or the proposed structure from the surrounding areas is also considered an asset.

4. Environmental Features

- a. Noise: The site should not be in close proximity to sources of noise such as highways, power plants, and service areas.

¹ Not applicable to undeveloped areas

- b. Air and Water Quality: The site should not be in close proximity to sources of air or water pollution.
 - c. Solid Waste Disposal: Solid waste disposal services should be economically available to the site.
 - d. Hazardous Waste Disposal: Hazardous waste disposal capability should be economically available to the site.
 - e. Hazardous Waste Contamination: The site should be free of hazardous materials.
 - f. Historic Characteristics: The historic and archeological features of the site should be considered.
5. Integration with the Community's Present and Future Plans
- a. Land Use: The land use of the site should be compatible with the surrounding local land use.
 - b. Master Plan: If applicable the proposed use of the site shall be in compliance with the approved OPDIV master plan.
6. Utilities: The site should be evaluated as to the availability and adequacy of the utilities as well as the potential to run utilities to the site in an economically feasible manner.
- a. Water: Adequate water service, supply or storage should be available for domestic and fire fighting needs. Adequate water pressure at the site should be available for fire fighting.
 - b. Storm Drainage: The site should have adequate surface run off or underground storm sewers. The proposed facility should not be impacted by storm drainage from other sites "up stream" nor should the facility impact other sites "down stream".
 - c. Sanitary Waste Disposal: In developed areas adequate sanitary sewer should serve the site. In undeveloped areas the site should have access to onsite waste disposal systems or the site should have the capability to develop an onsite sewage treatment system.
 - d. Natural Gas²: In urban areas the site should be served by natural gas.
 - e. Electric and Communications: The site should be served by electrical power and communications systems.
7. Site Development Cost
- a. Site Clearing: The cost of clearing and grubbing the site should be minimal.
 - b. Site Grading: The cost for grading the site should be minimal.
 - c. Site Improvements: The cost of bringing roads and utilities to the site should be minimal. The cost for developing on site water and sewage treatments systems should be evaluated.
 - d. Relocation of Infrastructure: The cost of relocation of infrastructure should be minimal.

² Not applicable to undeveloped areas.

SECTION 2-7: DEFINITION AND MEASUREMENT OF SPACE

2-7-00	Policy
10	(Reserved)
20	Guidance and Information
30	(Reserved)

2-7-00 POLICY

The purpose of this section is to provide uniform definitions of space and the measurement of space for computing net and gross areas of HHS facilities. Planning and programmatic documents for new facilities contain maximum net and gross area limits. This section shall be used in determining if proposed design concepts conform to those limits. Any exceptions to the provisions of this section must be approved in writing by OFMP.

Because such space as stairwells, elevator shafts and lobbies, mechanical equipment rooms, and permanent corridors are counted as gross but not net square meters, the gross areas of new HHS laboratory and health care facilities commonly range from one and one-half to two times as high as their net areas. The ratio between gross and net space is much smaller for staff quarters and, with certain exceptions for apartment buildings. Space limits for quarters units are normally expressed in gross square meters.

This section only addresses net and gross space; the standard categories used in planning and programming documents and related budget justifications. However, it should be noted that additional potential categories also may be used in facilities documents. Some HHS OPDIVs include "net assignable" or "departmental gross" space categories in planning and programming documents. In addition, space utilization information is developed for the General Services Administration on an "occupiable" space basis.

2-7-20 GUIDANCE AND INFORMATION

A. GROSS AREA

1. Gross areas of floors, "crawl" space, interstitial space, and equipment penthouses are counted at the following rates:
 - a. All areas 1,980 mm high or higher are counted on a 100 percent basis.
 - b. All areas between 1,220 mm and 1,980 mm in height are counted on a 50 percent basis.
 - c. All areas that are less than 1,220 mm in height are excluded from the gross area computations.
2. Covered walkways, bridges, canopied areas, covered building entrances, trellis-type entrances, and other covered but unenclosed areas are counted on a 50 percent basis. Fully enclosed bridges between buildings are counted on a 100 percent basis.
3. Normal building overhangs, unroofed courtyards or plazas, bay windows extending outside the building line, catwalks providing access to equipment, mezzanines in the maintenance or central supply department which utilize open metal grating and are used for storage purposes only, cooling towers, other unroofed equipment, and unfinished attics in quarters units are not counted as gross area.

4. Measurements used in the computations shall be taken from the outside face of the exterior walls, disregarding such architectural projections as cornices, buttresses, and roof overhangs. Stated differently, the normal thickness of the exterior wall is included in the gross area.
5. In determining whether the gross area of a floor is computed on a 100 percent or 50 percent basis, the height is taken as the average distance from the surface of the floor to the underside of the structural beams or girders supporting the floor or roof above.
6. The height of crawl space is taken as the average distance between the surface of the earth or finished floor and the bottom of the predominant framing members (normally, the joists or trusses). It is expected that girders, pipes, or ducts may occasionally protrude below this height.
7. When areas are represented as crawl space for gross area computation purposes, either in the 1,220 mm to 1,980 mm high (50 percent) category or the less than 1,220 mm high (excluded) category, it is expected that the depth of footings, lack of finishing, etc., will support the position that the areas will be used for access purposes only.
8. Interstitial space is defined as a space created by placing a deck above the ceiling system and below the floor above for purpose of housing utility systems.
9. New construction shall not include the following building appurtenances in the total gross area. However, this area shall be included in the real property space inventory.
 - a. Mechanical penthouses (equipment protection only), utility chases/pipe tunnels, and other special equipment enclosures (e.g., emergency sewage holding tanks, air intake plenums, cooling towers, etc.).
 - b. Loading docks, emergency entrances, covered entrances and drive thrus.
 - c. Space associated with energy efficient envelope designs, seismic details, and/or innovative construction techniques (i.e., extra thickness in arctic walls/floors/roofs, seismic bracing, and double walls required by modular construction when two unit modules are attached together) including vestibules and arctic entries not to exceed 10 square meters per entrance.

B. NET AREA

1. The terms net space or net area refer to those portions of the facility available for use for program operations and for supply storage, building maintenance/operation (e.g., boiler rooms, electrical power plant rooms, or shops), and other necessary support functions. These areas are specifically delineated in the planning and programming documents (e.g., areas include a 12 net square meter office, or a 10 net square meter outpatient examination room), but do not include space such as plumbing chases or electrical closets.
2. The sizes of net areas represented on design drawings or actually constructed are computed by measuring from the inside of the permanent exterior wall to the near side of permanent walls separating the area from stairwells, elevators, mechanical rooms, permanent corridors, or other portions of the building not categorized as net space in the program of requirements document. No deductions shall be made for space occupied by structural columns; interior partitions; radiators; heating, ventilation and air-conditioning (HVAC) convector units; or for baseboard heating units within the area. However, deductions shall be made for large duct and elevator shafts passing through it.

C. UNITS OF MEASUREMENT

Unless otherwise provided by law, HHS is required to use, to the extent economically feasible and practical the metric system (system international) of measurement in Federal Government procurement, grants, and other business-related activities in accordance with “Executive Order 12770 Metric Usage in Federal Government Programs”; 15 USC 6, Weights and Measures and Standard Time; and P.L. 94-168, The Metric Conversion Act, Dec. 23, 1975. See also HHS GAM Chapter 8-25, HHS Metric Program and 41 CFR 102-76.25(c).

D. INTERSTITIAL SPACE

HHS programs require buildings to be designed with flexibility to meet varying project requirements (both short and long term) due to ever changing program needs. These requirements may be accomplished by the design and use of interstitial space. Interstitial space is counted in the gross area calculations based on the height of the space as previously defined. A systematic design approach to the use of interstitial space is essential. Past experiences, where HHS facilities have been designed with interstitial space, have shown that all advantages are lost if the design and construction phases are not controlled to provide carefully laid out utility systems.

Interstitial space designs should address each of the following areas and provide viable solutions for any deficiencies or conflicts which may be identified: structural systems, floor to floor heights, interstitial access, fire and life safety, utilities, schedules and cost estimates. OPDIVs are encouraged to develop standards and guidelines for the design and utilization of interstitial space.

E. GROSSING FACTORS

Grossing factors are important in developing budgets for construction and determining planning efficiencies. The cost of a building is not based on the net area but on the gross area of the building. Grossing factors are multipliers applied to net area to plan and determine gross area. Grossing factors are based on internal circulation patterns, interior partitions, exterior walls, utility distribution, mechanical equipment configuration, etc. The following table synthesizes ranges of grossing factors used for HHS facilities and space.

<u>Functional Area</u>	<u>Grossing Factors</u>
Administration/Office	1.25 -1.33
Cafeteria	1.33
Credit Union	1.33
Hospitals	
Inpatient Services	
Acute Care Nursing	1.50
Nursery	1.45
Intensive Care; Surgery; Labor/Delivery	1.55
Substance Abuse; Psychiatric Nursing	1.25
Diagnostic Services	
Laboratory	1.30
Radiology – Diagnostic Imaging	1.45
Ambulatory Services	
Emergency and Urgent Care; Ambulatory Care	1.35
Community Health	1.20
Dental Clinic	1.30
Pharmacy	1.25
Physical Therapy; Respiratory Therapy	1.30
Dialysis Treatment	1.25
Administrative Services	
Administration	1.25
Health Records	1.20
Employee Facilities; Education and Consultation	1.15
Public Facilities	1.15
Support Facilities	
Medical Supply	1.15
Building Services; Property and Supply	1.10
Dietetics Unit	1.20
Housekeeping and Linen	1.05
Facilities Management	1.15
Clinical Engineering	1.15
Research Laboratory	1.54 – 2.00
Special Purpose (Instrument) Laboratory	1.50
Animal Research Facilities	1.80 – 2.00