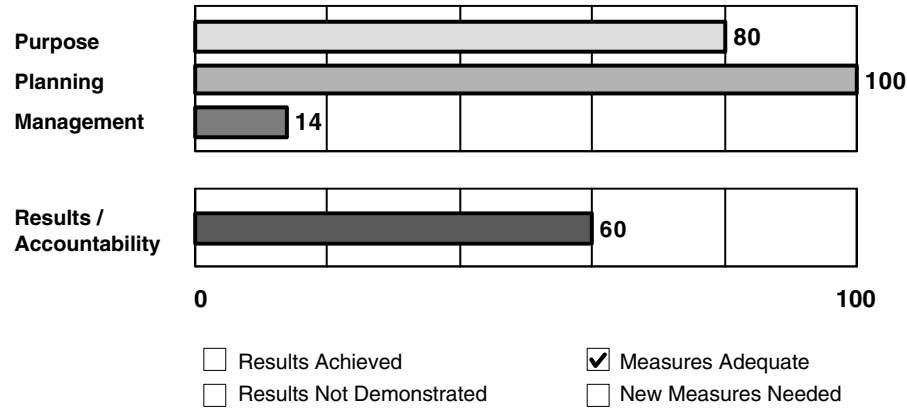


Program: Facilities Sustainment, Restoration, Modernization, and Demolition

Agency: Department of Defense--Military

Bureau: Operation and Maintenance



Key Performance Measures

Year Target Actual

Long-term Measure: Percentage of existing facilities rated C-2 or better These facilities have no significant or major deficiencies that affect DoD's ability to perform its missions.	2001	100%	31%
	2002	100%	32%
	2003	100%	
	2004	100%	
Long-term Measure: Rate, expressed in years, in which planned facilities are restored, modernized, or replaced, given planned investment spending (lower, but not below target, is better) (New measure)	2003	67 yrs	138 yrs
	2004	67 yrs	128 yrs
Annual Measure: Percentage of day-to-day maintenance funded (target level keeps facilities in good working order) (New measure)	2003	100%	93%
	2004	100%	94%

Rating: Adequate

Program Type: Direct Federal

Program Summary:

The Facilities Sustainment, Restoration, Modernization (SRM) program provides funds to keep the Department of Defense's (DoD's) inventory of facilities in good working order. In addition, the program provides resources to repair aging or damaged facilities and alter facilities to meet new needs. The Demolition program provides funds to get rid of structures no longer needed.

The assessment found that while DoD has not adequately maintained its facilities (68% have significant or major deficiencies that affect DoD's ability to perform its missions), it is making a significant effort to address this problem. Additional findings include:

1. DoD recently developed a long-term strategic plan and is improving business practices, such as using performance-assessment metrics and using life cycle cost analyses that emphasize capital rather than short-term budgeting.
2. The high planning section score is due to the new strategic plan as well as recent development of new performance management tools and improved guidance issued to the military services.
3. The management section score is low because the program is not optimally managed to ensure that program execution matches the plan. The military services can deviate from guidance since program execution is decentralized. Deviation from the plan can put achieving program goals, such as funding day-to-day maintenance requirements fully and restoring or modernizing facilities every 67 years on average (based on private sector standards), at risk. Higher priority defense requirements have caused managers to use funds intended for maintenance of facilities for other programs. Over time this movement of funds has contributed to an accumulation of inadequate facilities.
4. A key performance measure, readiness of existing facilities to meet mission requirements, uses subjective assessments and can yield inconsistent results.

To address these findings, the agency will:

1. Improve program management. Performance should improve once managers begin managing more strictly to the new performance management tools. Accountability systems have been put in place to help.
2. Pursue a facilities readiness or condition reporting system that yields more objective, consistent results.
3. Continue to work to eliminate excess facilities.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
6,307	7,068	7,300