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**Office for Facilities Management and Policy** 

Office of the Assistant Secretary for Administration and Management





**Office for Facilities Management and Policy** *Office of the Assistant Secretary for Administration and Management* 

## PREFACE

The HHS Facilities Program Manual sets forth overall general Departmental policy and guidance to HHS personnel who are responsible for directing and managing HHS facility activities. The intent of this manual is to promote excellence in the management and good stewardship of HHS facilities from facilities budget formulation to facility remediation and disposal.

The HHS Facilities Program Manual succeeds the Public Health Services (PHS) Facilities Manual that was last updated in early 1995. Since the 1995 update there have been numerous changes in the way the Federal Government procures, plans, designs, constructs, operates, maintains, and remediates its facilities. Federal facilities are major assets and facilities management is no longer an afterthought at the highest levels in the Federal Government. On February 4, 2004, The President signed Executive Order 13327 entitled "Federal Real Property Asset Management" requiring executive branch departments and agencies to recognize the importance of real property resources through increased management attention, the establishment of clear goals and objectives, improved policies and levels of accountability, and other appropriate action. In this regard, updating the PHS Manual is one of the initial steps the Department has taken to comply with the Executive Order and its issuance is a key element of the HHS Management. The HHS Facilities Manual consists of two volumes. Volume I provides policy and guidance on the delivery of new and renovated HHS facilities from budget formulation to occupancy and Volume II addresses operations and maintenance.

Volume I of the manual is intended to assist HHS facilities personnel in understanding and better managing the fiscal and capital assets entrusted to them by the American taxpayer. It emphasizes early planning and the importance of project definition. This volume addresses major Federal initiatives and concerns such as protecting the environment; sustainable design; historic preservation; accessibility for persons with disabilities; and value engineering.

The HHS Facilities Program Manual aligns the HHS facilities program with the HHS mission, of "protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves." This manual also aligns the Department with a national imperative to be a good steward of America's real property assets. I extend my sincerest thanks to all of the people who helped to make the HHS Facilities Program Manual a reality.

William C. Stamper, PE Deputy Assistant Secretary for Facilities Management and Policy

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## SECTION 1-1: PLAN OF THE MANUAL

- 1-1-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 (Reserved)

#### 1-1-00 POLICY

This section describes organization, maintenance, distribution, applicability and guiding principles of the HHS Facilities Program Manual. This Manual supersedes all of Volume I, Parts 1- 5, of the PHS Facilities Manual.

#### A. ORGANIZATION

- 1. The HHS Facilities Program Manual consists of chapters, which represent major subject categories. The chapters are further broken down into sections, each of which shall set forth HHS policies and procedures with respect to Departmental facilities-related subjects. Exhibits/Appendices are included in the manual as necessary to disseminate forms, examples, and additional detailed information.
- 2. The numbering system for manual chapters shall be in accordance with the recommended guidelines in the HHS General Administrative Manual (GAM) dated Oct 31, 1995.

Example:

Chapter 1	
Section 1-2	
Sub-Section 1-2-1	10
Paragraph	Α
Subparagraph	A.1
Exhibit	X1-2-A
Exhibit	X1-2-B

The sections are generally organized in sub-sections as follows: Policy, 1-1-00; Procedures, 1-1-10; Guidance and Information, 1-1-20; and Reporting Requirements, 1-1-30.

3. Exhibits to sections of this manual are numbered by placing an "X" before the section number and placing the exhibit letter immediately after the section number. As an example, Exhibit B to Section 1-2 would be numbered Exhibit X1-2-B.

## B. MAINTENANCE

- 1. The Deputy Assistant Secretary (DAS), Office of Facilities Management and Policy, Office of the Secretary (OFMP, OS) is responsible for the maintenance of this manual.
- 2. Changes to the HHS Facilities Program Manual will be issued by the DAS, OFMP/OS.
- 3. Users of this manual are encouraged to submit proposed corrections, updates, and improvements to OFMP for consideration.
- 4. It is OFMP's standard practice to solicit input on proposed changes from affected parties prior to publishing a change to the manual.

## C. DISTRIBUTION

- The HHS Facilities Program Manual will be distributed to each HHS Operating Division (OPDIV) and Staff Division (STAFFDIV) responsible for the budget formulation, planning, design, construction, leasing, operation, maintenance, remediation and disposal of HHS Facilities. Compliance with HHS policy guidelines and requirements outlined in the manual is the responsibility of each HHS OPDIV and STAFFDIV. Appropriate distribution within each OPDIV shall be assured at the OPDIV level. Recipients should include those responsible for operations and maintenance requirements throughout the real property life cycle.
- 2. The manual will also be updated and posted on the HHS Web site for the Office of Facilities Management and Policy, Office of the Secretary. (<u>http://www.hhs.gov/asam/ofmp/index.html</u>)

## D. EFFECTIVE DATE

This manual is effective May 19, 2006. Changes to the manual will be forwarded with an HHS Issuance Notice. The date of the HHS Issuance Notice shown at the top of each page of each chapter/section shall be the effective date of the change.

## 1-1-10 PROCEDURES

## APPLICATION OF THE HHS FACILITIES PROGRAM MANUAL

Volume I of the Manual applies to the planning, programming, budgeting, approval, acquisition, development, improvement and delivery of HHS facilities. The guidance contained herein is applicable to all HHS organizations (Operating Divisions and Staffing Divisions) responsible for management of leased or owned real property assets. Unless noted otherwise in each section, this Manual applies to all leased, owned, or otherwise managed real property assets. This Manual does not apply to the Indian Health Service Sanitation Facilities Construction Program or to facilities both tribally owned and operated. Volume II of the Manual will cover operations, maintenance, and disposal of HHS real property.

The policies in this Manual shall apply, unless provided otherwise by law or regulation. The Manual shall not be construed to alter any law, executive order, rule, regulation, treat or international agreement. The Department expects that HHS OPDIVs and STAFFDIVs will comply with this Manual. However, noncompliance with this Manual shall not be interpreted to create a substantive or procedural basis for a non-Federal party to challenger agency action or inaction.

## 1-1-20 GUIDANCE AND INFORMATION

## GUIDING PRINCIPLES OF THE HHS FACILITIES PROGRAM MANUAL

Investment decisions with regard to agency real property assets need to be integrated with and supportive of core mission activities to effectively manage and optimize real property assets. To facilitate integrating real property asset management decisions with the agency mission requires two elements – a clear understanding of the agency's mission that drives the allocation and use of all available resources (human capital, physical capital, financial capital and technology/information capital) and an effective decision-making framework. HHS facilities shall be planned and delivered to best meet the functional, safety, and environmental needs of the programs and missions they house.

• Environmental and Functional Needs: HHS buildings shall provide an environment in which occupants can perform their work with maximum efficiency at the optimum level of comfort. Real

Property Management decision-making will support agency missions and strategic goals. Appropriate levels of investment will be made in real property assets to advance customer satisfaction.

- Safety, Health and Security: HHS buildings shall provide an environment that is safe and healthy for occupants, and that, to the greatest extent possible, offers them maximum protection during emergencies or disasters.
- Economy: HHS facilities shall be planned and delivered at the most reasonable cost in terms of combined initial and long-term expenditures, without compromising other mission requirements. HHS will accurately inventory and describe all of its assets in order that full and appropriate utilization of space can be promoted. Life-cycle cost-benefit analysis shall be employed to explore alternatives for satisfying new requirements. HHS will dispose of unneeded assets.
- Conservation and Resources: Energy and water conservation shall be given prime consideration in the planning and delivery of HHS facilities. Products, materials, and systems shall be selected with a view toward minimizing the use of nonrenewable resources.
- Preservation of historic and cultural resources shall be given full consideration in planning and delivery of HHS controlled real property assets and federally assisted undertakings.
- Sustainable Design: The planning, acquiring, siting, designing, building, operating and maintaining of HHS facilities shall take into consideration sustainable design principles including integrated design, energy performance, water conservation, indoor environmental quality and materials

#### SECTION 1-2: DEFINITIONS

- 1-2-00 Policy
  - 10 (Reserved)
  - 20 (Reserved)
  - 30 (Reserved)

## 1-2-00 POLICY

This section establishes definitions of terms used in this manual and HHS facilities programs. This chapter will assist users of the manual in understanding and properly applying certain terminology to the facilities development process. 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.

The following terms are defined as they relate to the HHS facilities construction program.

- <u>Acquisition Planning (as defined by FAR)</u> The process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.
- <u>Acquisition Strategy</u> A business and technical management approach designed to achieve program objectives within the resource constraints imposed. It is the framework for planning, directing, contracting for, and managing a program. It provides a master schedule for all activities essential for program success. The acquisition strategy is the basis for formulating functional plans and strategies including the Acquisition Plan (AP).
- <u>Agency</u> In very general terms, an administrative unit of government. A Department Operating Division (OPDIV) is any of the agencies under the Department of Health and Human Services, which is responsible for the conception, planning, programming, budgeting, and/or execution of a program(s) and any associated operating functions.
- <u>Agency Capital Plan</u> The Agency Capital Plan (ACP) is the product of programming, planning and budgeting for capital assets. The ACP is the result of an executive investment review process of an agency's capital asset portfolio. The ACP includes a statement of agency strategic plans, an analysis of the portfolio of assets currently owned and in procurement, the gap between planned and actual performance, justifications for new acquisitions proposed for funding, and related information.
- <u>Alterations</u> Improvements that consist of any betterment or change to an existing property to allow its use for a different purpose or function. See also the definition of "Improvements".

Architect-Engineer Services (as defined in 40 USC 1102 and the FAR) -

A. Professional services of an architectural or engineering nature, as defined by State law, which are required to be performed or approved by a person licensed, registered, or certified to provide such services;

- B. Professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and
- C. Such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other related services.
- <u>As-Built Drawings</u> Construction drawings revised to show changes made during the construction process, based on record drawings (marked-up prints, drawings and other data) furnished by the Contractor to the Government. The drawings shall clearly identify that they are the 'As-Built' drawings.
- <u>Basic Services</u>: The services performed by an architect-engineer during the following five phases of a project: schematic design; design development; construction documents; bidding or negotiation; and contract administration.
- <u>Beneficial Occupancy</u> Beneficial occupancy takes place on the date when part or all of the work involved in a construction project is substantially complete and the Government takes possession of the designated space or spaces to use for the purpose intended. Beneficial occupancy also initiates the warranty period and any additional environmental mitigation measures identified in the environmental documents to be taken after construction. (The use of a project or portion thereof for the purpose intended.)
- <u>Benefit-Cost/Cost Effectiveness Analysis</u> Mechanism to determine the best solution to satisfy facility requirements by exploring and comparing the economics of alternatives such as: leasing, constructing a new facility, and renovating an existing structure or an addition/alteration option.
- <u>Best Value</u> The expected outcome of an acquisition in the Government's estimation that provides the greatest overall benefit in response to the requirement. Best Value procurement is a method of acquisition in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative can be further subdivided as to technical design and/or management plan.
- <u>Bid Bond</u> Form of bid security executed by the bidder as Principal and by a Surety to guarantee that the bidder will not withdraw a bid within the period specified for acceptance and will execute a written contract and furnish required bonds, including any necessary coinsurance or reinsurance agreements, within the time specified in the bid.
- <u>Buildings and Facilities Funding</u> An application within the HHS budget request to support Line Item Projects (construction, improvements, or repairs) or Lump Sum amounts such as Repair and Improvements (R&I), Maintenance and Improvements (M&I), etc.
- <u>Budget Submission</u> Documentation submitted in the annual budget implementation process to support the real property asset management programs of an OPDIV including Facility Project Approval Agreements, Annual Facilities Plan (Five-Year Plans), program narratives and performance outcomes. Draft documents are required to support the initial budget submission to the Department

in June. Final documents, approved as applicable, are required to support the final budget submission to OMB in September.

- <u>Capital Asset</u> Capital assets are land, structures, equipment, and intellectual property used by the Federal Government with an estimated useful life of two years or more.
- <u>Change Order (as defined by FAR) -</u> means a written order, signed by the Contracting Officer, directing the contractor to make a change that the Changes clause authorizes the Contracting Officer order a change without the contractor's consent.
- <u>Concepts</u> Drawings, sketches and/or graphics showing alternatives used to define a project's scope during the programmatic phase of the project.
- <u>Congressional Reprogramming</u> Reprogramming is the shifting of funds from one object to another within an appropriation. An appropriation for construction is required by 41 U.S.C. 12, so any reprogramming action for construction purposes would be within the B&F appropriation. Funds may not properly be reprogrammed from a non-B&F appropriation to fund construction. Reprogramming actions do not represent requests for additional funds from the Congress, rather, the reapplication of resources already available. A transfer of funds between appropriations requires specific statutory authority; and is not included in the definition of reprogramming.
- <u>Constructed Asset</u> A constructed asset is received as equipment, materials, services, and supplies and built to its final, functioning form that is not available "off the shelf" but is built or constructed to unique specifications. The acquisition cost of a constructed asset is the total of all costs (equipment, materials, services, supplies, freight, salaries, benefits, overhead, etc.) incurred in the process of designing and building the asset.
- <u>Construction</u> 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). See Section 2-1 for additional information.
- <u>Construction Codes</u> Any set of standards set forth in regulations, ordinances or statutory requirements of a local, state, or federal governmental unit relating to building construction and occupancy, adopted and administered enforced for the protection of the public health, safety and welfare, and the environment.
- <u>Construction Documents Phase</u> The third phase of the architect engineer's basic services. In this phase the architect-engineer prepares from the approved design development documents, for approval by the Government, the working drawings and specifications and the necessary bidding information. In this phase the architect-engineer also assists the Government in the preparation of bidding forms, etc.
- <u>Construction Management</u> A version of the design-bid-build project delivery system that uses a construction manager to facilitate the design and construction of a project by organizing and directing personnel, materials, and equipment to accomplish the purpose of the designer. A professional service that applies effective management techniques to the planning, design, and construction of

a project from inception to completion for the purpose of controlling time, cost and quality, as defined by the Construction Management Association of America (CMAA).

- <u>Construction Manager</u> A firm or business organization with the expertise and resources, who has the responsibilities under contract to the Government for coordination and accomplishment of overall project planning, design and construction.
- <u>Contract (as defined by FAR)</u> a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized (by the FAR), are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications.
- <u>Contract Award</u> The official instrument and notification from the Contracting Officer that the Government has accepted a contractor's bid or offer.
- <u>Contract Documents</u> Those documents that comprise a contract, e.g., in a construction contract, the government contractor agreement (Standard Form 252, General Provisions and Clauses, Special Contract Requirements, other provisions in the Uniform Contract Format, specifications, plans and/or drawing, all addenda, modifications, and changes thereto, together with any other items stipulated as being specifically included.)
- <u>Contract Modification (as defined by FAR)</u> Means any written change in the terms of a contract (see FAR 43.103).
- <u>Contracting Officer</u> The individual with authority to execute contracts on behalf of the Government. This individual is the sole authorized agent in dealing with the contractor. The Contracting Officer has authority to negotiate and execute contracts on behalf of the Government and to make changes, amendments, approve payments, terminate contracts, and close out contracts upon satisfactory completion.
- <u>Contracting Officer's Technical Representative (COTR)</u> The Project Officer or other authorized representative that is designated by the Contracting Officer.
- <u>Contractor</u> The person, firm, or corporation with whom the Government has executed a contract, that is responsible for performing the work.
- <u>Cost-Benefit/Cost Effectiveness Analysis</u> Mechanism to determine the best solution to satisfy facility requirements by exploring and comparing the economics of alternatives such as leasing, constructing a new facility, renovating an existing structure or an addition/alteration option.
- <u>Decontamination</u> The complete removal or destruction by flashing of explosive powders; the neutralizing and cleaning-out of acid and corrosive materials; the removal, destruction, or neutralizing of toxic, hazardous or infectious substances; and the complete removal and destruction by burning or detonation of live ammunition from contaminated areas and buildings.

- <u>Defective Work</u> Work not in conformance with the contract documents. Materials and equipment furnished under the contract are not of specified quality and new unless otherwise required or permitted by the contract documents.
- <u>Deficiency (as defined by FAR)</u> A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.
- <u>Delegation of Authority</u> The specific, formal deputation, assignment, or commitment of a legal power or right to take certain actions and to make certain decisions having legal significance. Such delegations must be stated in writing by the official authorized to delegate the authority.
- <u>Deliverables</u> (in the context of design) All of the drawings, specifications, models, etc., prepared by the offeror in response to an awarded contract. (In the context of construction) The complete project including all of the record drawings, conformed specifications, operations and maintenance manuals delivered by the contractor required for beneficial occupancy.
- <u>Design</u> The process of defining the construction requirement (including the functional relationships and technical systems to be used, such as architectural, environmental, structural, electrical, mechanical, and fire protection), producing the technical specifications and drawings, and preparing the construction cost estimate.
- <u>Design Development Phase</u> The second phase of the architect-engineer's basic services. In this phase the architect prepares from (from the approved schematic design studies, for approval by the Government) the design development documents consisting of drawings and other documents to fix and describe the size and character of the entire project as to structural, mechanical and electrical systems and such other essentials as may be appropriate; the architect-engineer also submits to the Government a further statement to probable construction cost.

Design Professional - An individual who is licensed to practice architecture and/or engineering.

- <u>Design Proposal</u> A portion of a design-build proposal that contains design factors, usually including function, layout, materials, aesthetics and specifications. Design proposal falls under the general category of qualitative evaluation factors.
- <u>Design-Bid-Build (as defined by FAR)</u> The traditional delivery method where design and construction are sequential and contracted for separately with two contracts and two contractors.
- <u>Design-Build (as defined by FAR)</u> Combines design and construction in a single contract with one contractor.
- <u>Develop-Design-Build (Turnkey)</u>, <u>Design-Build-Lease</u>, <u>Lease Purchase</u> Financing methods in which the Government retains an entity which has single-point responsibility for developing a project: in addition to design and construction, the entity is responsible for providing one or more other project development functions, such as selecting a site, financing and even owning or operating the facility which is leased to the Government (with or without the option to purchase).
- Earned Value Earned value is a management technique that relates resource planning to schedules and to technical cost and schedule requirements. All work is planned, budgeted, and scheduled in time-phased "planned value" increments constituting a cost and schedule measurement baseline. There are two major objectives of an earned value system: to encourage contractors to use effective in-

ternal cost and schedule management control systems; and to permit the customer to be able to rely on timely data produced by those systems for determining product-oriented contract status. For example: As work is performed, it is "earned" on the same basis as it was planned, in dollars or other quantifiable units such as labor hours and materials. Planned value compared with earned value measures the dollar volume of work planned vs. the equivalent dollar volume of work accomplished. Earned value compared with the actual cost incurred (from contractor accounting systems) for the work performed provides an objective measure of planned and actual cost. For firm fixed price, the intent is to compare the original contractor planned milestones, their start/finish date, planned monthly progress and value to the actual dates and actual percentage completion for the same.

Easement - An interest in land granted for a specified purpose, such as a highway, utility line, etc.

<u>Environmental Checklist</u> - The checklist is used to determine if an environmental assessment is required for a particular project. If the project affects historic property, it should be noted on the checklist that the evaluation of historic property is under 36 CFR 800, Section 106.

Equipment - See Section 2-1 for additional information.

- a. <u>Fixed Equipment</u> Fixed, built-in, attached, and installed equipment normally included as part of the construction contract and capitalized as facility cost.
- b. <u>Moveable Equipment</u> Equipment that does not require attachment to the building or utility service, other than that provided by an electrical plug or disconnect fittings.
- c. <u>Special Purpose Equipment</u> 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. Special purposed equipment may be classified as either fixed or moveable equipment.

Equipment Funding - See Section 2-1 for appropriate funding sources for equipment.

- <u>Excess Real Property</u> Any real property under the control of a Federal agency that is not required for the needs and discharge of its responsibilities.
- <u>Executive</u> A Government employee with management responsibilities as designated by the employing agency head.
- Executive Agency (as defined by FMR) Any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.
- <u>Facility</u> A building or group of buildings, a structure, utility system, the site and/or environs associated with the above.
- <u>Facility Project Budget</u> A summary of all anticipated project costs necessary for a construction, improvement or repair project to complete planning, design, construction, and activation including equipment and result in a fully operational facility. The source(s) of funding shall be identified in the project's budget. The facility project budget is documented on the HHS Form 300, Facility Project Approval Agreement.
- <u>Facility Project Approval Agreement</u> (FPAA HHS Form 300) a written agreement between designated OPDIV officials (i.e., Project Manager, Project Director and OPDIV Board Member) and the De-

partment evidencing the OPDIV's commitment to execute a particular project. A FPAA is required for all facility construction and improvement projects exceeding \$1 million and all repair projects exceeding \$3 million. The FPAA documents the project's scope and description, basis of need, funding source(s), and total cost from all sources. It identifies project schedule milestones, including completion of design, construction, activation and operational phases.

- <u>Fast Track Construction</u> A scheduling process in which design and construction activities overlap. Design documents and equipment and trade subcontracts are released incrementally or in phases.
- <u>Feasibility Study</u> A detailed investigation and analysis conducted to determine the financial, economic, technical, environmental and other advisability of a proposed project.
- <u>Federal Acquisition Regulation (FAR)</u> The basic policy governing federal agency acquisitions. The FAR contains legal requirements, regulations, and policies that bear on contracting. The FAR is available electronically via the internet at http://www.acquisition.gov/comp/far/index.html or http://farsite.hill.af.mil/vffara.htm. There are many other useful websites available for FAR research that also include agency specific supplements to the FAR.
- <u>Federal Agency</u> (as defined by FMR) Any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under that person's direction).
- <u>Federal Agency Buildings Manager</u> Building manager employed by GSA or a federal agency that has been delegated real property management and operation authority from GSA.
- <u>Federal Government Real Property Services Provider</u> any federal government entity operating under, or subject to, the authorities of the Administrator of General Services, that provides real property services to federal agencies. This definition also includes private sector firms under contract with federal agencies that deliver real property services to federal agencies. This definition excludes any entity operating under, or subject to, authorities other than those of the Administrator of General Services.
- <u>Fee Proposal for Design Services</u> A proposal for architectural-engineering services to be rendered by the selected A/E in response to a RFP. The fee proposal will be the basis of negotiating a design contract in design-bid-build delivery.
- <u>Final Inspection</u> Final review of the project by the Government to verify satisfactory completion of all contract elements, prior to issuance of the final payment.
- <u>Full Funding</u> Appropriations (regular or advanced) as enacted that are sufficient to complete a capital project before any obligations may be incurred. Requests for acquisition of capital assets must propose full funding to cover the full costs of the project or a complete and usable segment of the project, consistent with the policy stated in section 300.6(b) of OMB Circular A11.
- <u>Full Scope Authorization</u> Use of a single contract or related contracts, which collectively include the full scope of the project as authorized by language in an appropriations bill. Full scope authority may be employed for development and construction of the project provided that the project will be subject to the availability of funds. The solicitations and contract(s) shall contain the clause "Availability of Funds" found at 48 CFR (FAR) 52.232-18.

- <u>General Contractor</u> The prime contractor who is responsible for all of the work at the construction site defined within the contract, including that performed by all subcontractors.
- <u>General Provisions</u> The standard clauses that are used by Government agencies in various types of contracts. Most of these clauses are set forth in FAR 52, and guidance for their use is set forth in the Provision and Clause Matrix in FAR Part 52.301. The term also includes clauses specified in FAR Supplement for agency wide use. FAR 52.102-1 provides that general provisions will be incorporated by reference to the regulations "to the maximum practical extent" rather than by placing the full text of clauses in the contract document.
- <u>General Services Administration (GSA)</u> Acting by or through the Administrator of General Services, or a designated official to whom functions under this part have been delegated by the Administrator of General Services.
- <u>Gross Area</u> The total square footage/square meters in a building for all floors from the outside face of exterior walls, disregarding such architectural projections as cornices, buttresses, and roof overhangs. Gross area includes all research and administrative space, retail space, and other areas such as vending machine space and storage. Gross area also includes major vertical penetrations such as shafts, elevators, stairs, or atrium space. This figure is used in defining construction costs for facilities. See Section 2-7 for additional information.
- <u>Historic Properties</u> Properties listed on the National Register of Historic Places or determined by the Federal Preservation Officer (in consultation with the cognizant SHPO or THPO) to be eligible for listing on the National Register of Historic Places based on National Register Criteria.
- Holding Agency The executive agency that has accountability for the property involved.
- <u>Hospital</u> Buildings used primarily for furnishing in-patient diagnosis and treatment under physician supervision and having 24-hour-a-day registered graduate nursing services. This category also includes medical laboratories used for routine testing. This category excludes buildings used directly in basic or applied medical research. (IHS is the only HHS OPDIV with hospitals that fit this definition.)
- <u>Improvements (Renovations/Alterations)</u> 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. See Section 2-1 for additional information.
- <u>Incremental (Partial) Funding</u> Incremental funding or partial funding is dollars provided in the appropriations process that are not enough to cover the full cost of the project or a complete and usable segment of the project.
- <u>Installation</u> A separately located and defined area of real property in which HHS exercises a real property interest. The term also applies to portions of installations, facilities, or buildings not owned by HHS but which have been acquired for exclusive use through lease, permit, or other written agreement.

- <u>Integrated Project Team</u> Multi-disciplinary team established to manage and analyze performance and capability of a project or portfolio of projects in meeting program requirements.
- <u>Laboratory</u> Buildings used directly in basic or applied research in the sciences (including medicine) and in engineering, such as medical laboratories, meteorological research laboratories; and buildings used in designing, developing and testing prototypes and processes for chemistry and physics. This category excludes medical and industrial laboratories used for routine testing.
- Landholding Agency The federal agency that has accountability for the property involved. For the purposes of this definition, accountability means that the federal agency reports the real property on its financial statements and inventory records
- <u>Land Purchases</u> Specifically designated funding in an OPDIV's budget and/or appropriation for the acquisition of land. All acquisitions of land require specific statutory authority, 41 U.S.C. 14. All land acquisitions must be submitted to and approved by the HHS Capital Investment Review Board.
- <u>Lease</u> Specific rights to real property that have been assigned to the Federal Government for a defined period of time. A federal lease is both a conveyance and contract to possess and use real property for a pre-determined period of time.
- <u>Life Cycle Cost</u> The total cost of owning, operating, and maintaining a building over its useful life, including its fuel and energy costs, determined on the basis of a systematic evaluation and comparison of alternative building systems; except that in the case of leased buildings, the life cycle cost shall be calculated over the effective remaining term of the lease.
- <u>Liquidated Damages</u> Liquidated damages usually are specified as a fixed sum per calendar day that the contractor must pay to the government for failure to complete the work within the time specified in the contract. Liquidated damages must be set at a level consistent with a reasonable forecast of actual harm to the Government.
- <u>Load Factor</u> In a lease, the load factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of common areas (restrooms, elevator lobby, mechanical rooms, etc.). The load factor is usually expressed as a percentage and ranges from a low of 5% for a full tenant to as high as 15% for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the Load Factor.
- Lowest Responsive Bid The lowest bid which is responsive to and complies with the requirements of the Bidding or Contract Documents.
- <u>Maintenance</u> 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 comprised. 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. See Section 2-1 for additional information.
- <u>Management Proposal</u> That portion of a design-build proposal that contains the management plan including project approach, personnel, organization, schedule, affirmative action plan, etc. The management plan falls under the category of qualitative evaluation factors.

- <u>Master Plan</u> A master plan is a set of physical development plans for a specific site. An OPDIV Agency-wide Master Plan (AMP) must include all sites containing facilities in their inventory. Master plans analyze and document overall multiple building designs, their interrelationships and site requirements, including but not limited to:
  - a. Land use
  - b. Site development and utility infrastructure
  - c. Future expansion
  - d. Landscaping
  - e. Grading and drainage
  - f. Pedestrian and vehicular circulation and parking
  - g. Support services
  - h. Off-site improvements
  - i. Environmental impacts

Metrics - Standard performance measurements.

<u>Minor Renovations</u> – 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). Minor renovation projects do not change the value of the underlying asset or increase the useful life of the facility. See Section 2-1 for additional information.

Model Building Codes - Regional building codes adopted as law by local jurisdictions.

Nationally Recognized Standards - Encompasses any standard or modification thereof which:

Has been adopted and promulgated by a nationally recognized standards-producing organization under procedures whereby those interested and affected by it have reached substantial agreement on its adoption, or

Was formulated through consultation by appropriate federal agencies in a manner, which afforded an opportunity for diverse views to be considered.

- <u>Net Area/Net Space</u> Net Area or Net Space, refers to those portions of the facility available to use for program operations and for supply storage, building maintenance/operation, and other necessary support functions. Net Area is measured 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 Area in the program of requirements document. In calculating net area, no deduction is made for columns and projections that are necessary to the building. However, deductions shall be made for large duct and elevator shafts passing through it. See Section 2-7 for additional information.
- <u>Net Assignable Square Footage</u> The area of a floor or office suite that is suitable for occupancy including secondary corridors. It excludes common or shared space that cannot be reasonably assigned

for program purposes such as main egress corridors, hazardous waste marshaling areas on the loading dock, and other non-programmable space.

- <u>Offer (as defined by FAR)</u> A response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called "bids" or "sealed bids"; responses to requests for proposals (negotiation) are offers called "proposals"; however, responses to requests for quotations (simplified acquisition) are "quotations," not offers.
- Office Buildings primarily used for office space.
- <u>OPDIV Facilities Manager</u> The person in each HHS Operating Division, responsible for managing the OPDIV's facilities program.
- Owned The Federal Government has fee simple interest in the real property.
- <u>Partial Occupancy</u> Occupancy by the Government of a portion of a project prior to final completion.
- <u>Pass Back</u> Federal mechanism by which, HHS is formally advised of, the Office of Management and Budget's (OMB) recommendation to the President regarding the Department's budget request.
- <u>Payment Bond</u> (Labor and Material Payment Bond) A contractor's bond in which, a surety guarantees to the owner that the contractor will pay for labor and materials used in the performance of the contract. The claimants under the bond are defined as those having direct contracts with the contractor or any subcontractor.
- <u>Performance Bond</u> A bond of the Contractor in which a surety guarantees to the owner that the work will be performed in accordance with the Contract Documents. Except where prohibited by statute, the Performance Bond is frequently combined with the Labor and Material Payment Bond.
- <u>Performance Specifications</u> A specification expressed in terms of an expected outcome or acceptable performance standard.
- <u>Plans and specifications</u> means drawings, specifications, and other data for and preliminary to the construction.
- <u>Post-Occupancy Evaluation (POE) Survey</u> The process of inspecting and analyzing recently completed and occupied facilities with a primary objective of determining both positive and negative lessons learned. The lessons learned are to be disseminated and used to promote long-term program improvements.
- <u>Pre-Project Planning</u> Process for developing sufficient strategic information through which HHS landholding OPDIVs can address risk and determine required resources for successful construction projects.
- <u>Prequalification</u> The process in which the Government requests preliminary technical proposals and/or qualification submissions, from which it selects a certain number as the most qualified; those of-ferors compete for the final selection.

- <u>Prescriptive Specification</u> The traditional method of specifying materials or techniques found in designbid-build projects. The range of acceptable product, manufacturers, and techniques, etc, is stipulated in detail to be followed by the builder.
- <u>Program Justification Document (PJD)</u> One of the planning and programming documents that the OPDIV may develop for obtaining approval for the project and its scope, for identifying potential environmental impacts, and for developing a cost estimate for inclusion in the HHS budget. Generally, the PJD includes an Introduction, General Overview, Space and Occupancy Summary, Staffing Summary, and an Executive Summary. To form a Program of Requirements (POR), technical requirements are attached to the PJD.
- <u>Program of Requirements (POR)</u> One of the planning and programming documents that the OPDIV may develop that describes the proposed facility. It includes estimates of design and construction costs, space requirements, environmental requirements, and other program information. Although normally developed by the program OPDIV, resource availability and time constraints may dictate that the POR be developed by a private A/E firm. Additional requirements for the POR are found in Chapter 2.
- <u>Project Definition Rating Index (PDRI)</u> A pre-project planning tool developed by the Construction Industry Institute (CII) that measures how complete the project scope has been defined. The PDRI score is required as part of the submission of OPDIV Facility Project Approval Agreements (HHS-300).
- <u>Project Officer</u> The government representative legally designated by the Contracting Officer as the authorized technical representative for administering A/E, construction and/or service contracts on behalf of the Contracting Officer, <u>exclusive</u> of contractual matters. The Project Officer is not authorized to issue any instructions or directions which effect any increases or decreases in the scope of work or which would result in the increase or decrease of the cost of the contract or a change in performance period of the contract.
- <u>Public Area</u> Any area of a building, which is ordinarily open to members of the public, including lobbies, courtyards, auditoriums, meeting rooms, and other such areas not assigned to a lessee or occupant agency.
- <u>Public Body</u> Any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, or any political subdivision, agency, or instrumentality of the foregoing.

## Public Building (as defined in 40 U.S.C. 3301)-

(1) Any building, whether for single or multi-tenant occupancy, and its grounds, approaches, and appurtenances, which is generally suitable for use as office or storage space or both by one or more federal agencies or mixed ownership Government corporations, including federal office buildings, post offices, customhouses, courthouses, appraisers stores, border inspection facilities, warehouses, record centers, relocation facilities, telecommuting centers, similar federal facilities and any other buildings or construction projects the inclusion of which the President considers to be justified in the public interest. It also includes buildings of this sort that are acquired by the Federal Government under the Administrator's installment-purchase, lease-purchase, and purchase-contract authorities. HHS buildings are considered "Public Buildings" except as noted in paragraph (2) below.

(2) "Public building" does not include buildings or construction projects:

(a) On the public domain (including that reserved for national forests and other purposes);

(b) On the property of the Government in foreign countries;

(c) On American Indians and Alaska Native properties held in trust by the United States;

(d) On lands used in connection with federal programs for agricultural, recreational, and conservation purposes, including research in connection with the programs;

(e) On or used in connection with river, harbor, flood control, reclamation or power projects, or for chemical manufacturing or development projects, or for nuclear production, research, or development projects;

(f) On or used in connection with housing and residential projects;

(g) On military installations Including any fort, camp, post, naval training station, airfield, proving ground, military supply depot, military school, or any similar facility of the Department of Defense;

(h) On Department of Veterans Affairs installations used for hospital or domiciliary purposes.

(i) Exclusion of which the President considers to be justified in the public interest.

- <u>Punch List</u> A list of unsatisfactory or incomplete work items that are identified by government representatives during an inspection of the work after the contractor has notified the Contracting Officer that work is substantially complete. The contractor must complete all punch list work items satisfactorily before the final acceptance of contract work.
- <u>Qualification Based Selection</u> A form of selection based upon qualifications of the offeror for the project followed by negotiations to determine the contract cost.
- <u>Qualification Statement</u> A written submission by interested architect/engineer respondents on SF 330, more generic and limited than a proposal, used by an owner for pre-qualification and short listing, i.e., selecting the teams that are most qualified.
- <u>Qualitative Factors (in the context of design-build)</u> The subjective and non-cost factors that characterize and qualify an offeror. Such factors would include both factors that characterize the design-build entity and the proposal they submit. Examples include the experience and management plan of the design-builder and the aesthetic, functional and other aspects of a design that are not directly convertible to cost.
- <u>Real Property</u> Any interest in land (together with the improvements, structures, and fixtures located thereon) under control of any federal agency, except the public domain, or lands reserved or dedicated for national forest or national park purposes.
- <u>Record drawings</u> the drawings submitted by a contractor or subcontractor at any tier to show the construction of a particular structure or work as actually completed under the contract.
- <u>Renovation</u> Improvements that consist of any betterments or changes to an existing property to allow its continued or more efficient use within its designated purpose. See also the definition of "Improvements."
- <u>Rentable Area</u> The (square footage) for which rent can be charged. Generally it is the gross area of the full floor less the area of all vertical penetrations (elevator shafts, stairwells, mechanical shafts

etc.) Rentable area can be measured in many ways, but the most common measurement for office buildings is according to BOMA standards.

- <u>Repair</u> The restoration of a failed or failing primary building system or real property facility 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 waste system, or building HVAC; 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. See Section 2-1 for additional information.
- <u>Repair-by-Replacement</u> The replacement of an existing building with significant deficiencies when it is more advantageous to replace the building than use the funds to renovate the building. A building may be replaced under Repair-by-Replacement if the cost of the documented eligible repairs is 75% of the cost to replace that building with a new equivalent building meeting current code and design standards. See Section 2-1 for additional information.
- <u>Request for Proposals (RFP)</u> The document that completely describes the procurement process, forms the basis for proposals, and ultimately becomes a potential element in the contract.
- <u>Schematic Phase</u> The first phase of the architect-engineer's basic services. In this phase, the architectengineer prepares schematics consisting of drawings and other documents illustrating the scale and relationship of project components for approval by the Government. The architect-engineer also submits to the Government a statement of probable construction cost.
- <u>Scope of Work (sometimes, referred to as 'Scope')</u> The narrative description of a project including the physical size and characteristics, functions, and special features.
- <u>Section Eight (a)</u> Section 8(a) of the Small Business Act is a program for minority disadvantaged contractors, where contractors are certified and contracted with the Small Business Administration (SBA). HHS in turn contracts with SBA for services.
- <u>Specifications</u> A part of the contract documents. A written document describing in detail the scope of work, materials to be used, method of installation, quality of workmanship for parcel of work to be placed under contract; usually utilized in conjunction with working drawings in building construction. Under the uniform system the specifications are comprised of 16 divisions. Specifications can be described as proprietary, performance, prescriptive, or reference specifications.
- Stakeholders Individuals and organizations who are involved in or may be affected by the undertaking.
- <u>Standards</u> Something considered by an authority or by general consent as a basis of comparison; an approved model. Standards tell the user how something is commonly done and are usually regarded only as recommendations that do not have the force of law. Nationally recognized standards are frequently collected as reference information when codes are being prepared. In many instances, entire sections of the standards are adopted into the regulated codes by reference, and then become legally enforceable.
- <u>Statement of Work</u> The Statement of Work is a document in the acquisition process that describes the work to be performed or the services to be rendered, defines the respective responsibilities of the

Government and the contractor, and provides an objective measure so that both government and the contractor will know when the work is complete and payment is justified. Common elements of the Statement of Work are Background, Project Objectives, Scope of Work, Detailed Technical Requirements, Deliverables, Reporting, Schedule, Special Considerations, and References.

- <u>Subcontractor</u> A person or entity that has a direct contract with the Contractor to perform any of the work at the site.
- Submittal Plans and associated information comprising shop drawings, catalog submittals, etc.
- <u>Surplus Real Property</u> Any related real property and related personal property reported as excess which has been screened by GSA for needs of the federal agencies or waived from such screening by GSA and has not been designated by GSA for utilization by another federal agency.
- <u>Temporary Construction</u> 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. See Section 2-1 for additional information.
- <u>Termination</u> The unilateral cancellation of a contract by the Government for either: (a) convenience (in the best interest of the Government) or (b) default (failure of a contractor to perform as required).
- <u>Turnkey</u> A variation of design-build project delivery in which one entity is responsible to the owner for design, construction plus designated real estate services that may include project financing and site selection/purchase.
- <u>Two-Phase Design-Build Selection Procedures</u> A selection method in which a limited number of offerors (normally five or fewer) are selected during Phase 1 to submit detailed proposals for Phase Two (see FAR Subpart 36.3).
- <u>Usable Square footage</u> (Also referred to as "office area".) The secured area (square footage) occupied exclusively by tenant within a tenant's leased space. The useable area times the load factor for common area results in rentable area on which rent is charged. Useable area can be measured in many ways, but the most common measurement for office buildings is according to BOMA standards. It does not include restrooms, elevator shafts, fire escapes, stairwells, electrical and mechanical rooms, janitorial rooms, elevator lobbies, or public corridors (for example, a corridor leading from the elevator lobby to the entrance of a tenant's office).
- <u>Warehouse</u> Buildings used for storage, such as ammunition storage, covered sheds, and buildings used primarily for storage of vehicles or materials. Also included are underground or earth-covered ammunition storage bunkers and magazines. This category excludes water reservoirs and POL storage tanks, which are storage structures. (Note that HHS warehouses are not used for storing some of the materials described in the FRPC definition. Some typical uses for HHS warehouses include storage of personal property; furniture fixtures and equipment; vehicles and mail distribution. All of the HHS warehouses are included within the broader FRPC definition.)
- <u>Weakness (as defined by FAR)</u> A flaw in the proposal that increases the risk of unsuccessful contract performance. A "significant weakness" in the proposal is a flaw that considerably increases the risk of unsuccessful contract performance.

## SECTION 1-3: ABBREVIATIONS AND ACRONYMS

1-3-00	(Reserved)
10	(Reserved)
20	Guidance and Information
30	(Reserved)

## 1-3-20 GUIDANCE AND INFORMATION

The following list of abbreviations and acronyms is provided for the benefit of the reader.

A/E	Architectural/Engineering	CDC	Centers for Disease Control &
AAALAC	American Association for Accred- itation of Laboratory Animal Care	CEQ	Prevention Council on Environmental Quality
ABA	Architectural Barriers Act	CFR	Code of Federal Regulations
ACHP	Advisory Council for Historic	CICA	Competition in Contracting Act
	Preservation	CII	Construction Industry Institute
ACP	Agency Capital Plan	CIP	Capital Improvements Plan
ADA	Americans with Disabilities Act	CIRB	Capital Investment Review Board
ADPL	Average Daily Patient Load	СО	Contracting Officer
ADR	Alternative Dispute Resolution	COR	Contracting Officer's Representa-
AIA	American Institute of Architects		tive
AMP	Agency Master Plan	COTR	Contracting Officer's Technical
ANSI	American National Standards In-		Representative
	stitute	CRE	Corporate Real Estate
AP	Acquisition Plan	CRV	Current Replacement Value
ASAM	Assistant Secretary for Admin-	D & F	Determinations and Findings
	istration and Management	DAS	Deputy Assistant Secretary
ASBTF	Assistant Secretary for Budget, Technology, and Finance	DCIS	Department Contracts Information System
ATBCB	Architectural Transportation Bar-	DOD	Department of Defense
D & E	Building and Escilition	DOL	Department of Labor
	Building and Facilities	EA	Environmental Assessment
DWAK	pair	EIS	Environmental Impact Statement
BMP	Best Management Practice	EO	Executive Order
BOMA	Building Owners and Managers	EPA	Environmental Protection Agency
	Association	EPP	Environmentally Preferable Pur-
CBD	Central Business District.		chasing
C & D	Construction and Demolition		

## ABBREVIATIONS AND ACRONYMS

## HHS Section 1-3 HHS Facilities Program Manual (Volume I)

EVMS	Earned Value Management Sys- tem
FAR	Federal Acquisition Regulations
FASAB	Federal Accounting Standards Advisory Board
FCI	Facility Condition Index
FCIP	Federal Capital Improvements Program
FDA	Food and Drug Administration
FEMP	Federal Energy Management Pro- gram
FF&E	Furniture, Fixtures, and Equip- ment
FMR	Federal Management Regulation
FONSI	Finding of No Significant Impact
FPAA	Facility Project Approval Agree- ment
FPDS	Federal Procurement Data System
FPMR	Federal Property Management Regulations
FY	Fiscal Year
GAM	General Administration Manual
GSA	General Services Administration
GSAR	General Services Administration Acquisition Regulations
HCA	Head of the Contracting Activity
HHS	U. S. Department of Health and Human Services
HHSAR	Health and Human Services Ac- quisition Regulations
HQ	Headquarters
HR	Human Resources
HRSA	Health Resources and Services Administration
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air- Conditioning
IAQ	Indoor Air Quality
IDC	Indefinite Delivery Contract

IDIQ	Indefinite Delivery, Indefinite Quantity
IFB	Invitation for Bids
IHS	Indian Health Service
IRIS	Integrated Recourses and Infra- structure Solutions
ISC	Interagency Security Committee
IT	Information Technology
JCAHO	Joint Commission of Accredita- tion on Healthcare Organizations
JOC	Job Order Contract
LCC	Life Cycle Cost
$M^2$	Square Meter
M & I	Maintenance and Improvement
M & M	Medicare/Medicaid
MEP	Mechanical, Electrical, and Plumbing
NCPC	National Capital Planning Com- mission
NCR	National Capital Region
NEPA	National Environmental Policy Act
NFPA	National Fire Protection Associa- tion
NHPA	National Historic Preservation Act
NIH	National Institutes of Health
NPS	National Park Service
NRHP	National Register of Historic Places
NTTAA	National Technology Transfer and Advancement Act
OASH	Office of the Assistant Secretary for Health
OCR	Office of Civil Rights
OFCCP	Office of Federal Contract Com- pliance Programs
OFMP	Office for Facilities Management and Policy
OMB	Office of Management and Budg- et

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OPDIV	Operating Division	SAVE	Society of American Value Engi-
OPV	Outpatient Visits		neers
OS	Office of the Secretary	SBA	Small Business Administration
PAR	Pre-Acquisition Review	SF	Square Foot.
PDRI	Project Definition Rating Index	SFO	Solicitation for Offers
PHS	Public Health Service	SHPO	State Historic Preservation Officer
PID	Program Justification Document	SLA	Supplemental Lease Agreement
DI	Public Law	STAFFDIV	Staff Division
PO	Project Officer	THPO	Tribal Historic Preservation Of- ficer
POE	Post Occupancy Evaluation	UFAS	Uniform Federal Accessibility
POR	Program of Requirements		Standards
PPD	Planning and Programming Doc-	USC	United States Code
	uments	USF	Usable Square Footage
PS&D	Planning, Studies and Design	VE	Value Engineering
PW	Present Worth	VEC	Value Engineering Coordinator
R & I	Repair and Improvement	VECP	Value Engineering Change Pro-
RFP	Request for Proposals		posal
RSF	Rentable Square Footage	VEP	Value Engineering Proposal
SADBUS	Small and Disadvantaged Busi- ness Utilization Specialists		

# SECTION 1-4: FACILITY ACQUISITION, PLANNING, AND DEVELOPMENT REPORTING REQUIREMENTS

- 1-4-00 Policy
  - 10 (Reserved)
  - 20 (Reserved)
  - 30 (Reserved)

## 1-4-00 POLICY

The purpose of this section is to emphasize some of the reporting requirements applicable to HHS facilities management programs. This section is not all-inclusive.

## A. DETERMINATION OF EFFECT ON HISTORIC PROPERTY

When a federal agency proposes an undertaking, i.e. new construction, the agency's OPDIV Federal Preservation Coordinator is required to make a determination of effect in accordance with 36CFR800. The OPDIV Federal Preservation Coordinator must consult the State Historic Preservation Officer or Tribal Historic Preservation Officer if the Department of the Interior has determined that a specific Tribe may assume the function of the SHPO. If there is an effect on historic property the OPDIV Federal Preservation Coordinator must follow the consultation process set forth in the National Historic Preservation Act, 16 USC 470 et seq. and its implementing regulations, etc. Refer to Chapter 3 for additional related information.

## B. FEDERAL CAPITAL IMPROVEMENTS PROGRAM

The National Capital Planning Commission (NCPC) is a federal agency located in the Washington, D.C. metropolitan area. It is authorized to plan the orderly development of the federal establishment in the National Capital Region (NCR). One process the NCPC uses to help guide its planning is the annual preparation of what is referred to as the Federal Capital Improvements Program (FCIP). As required in Section 7(a) of the National Capital Planning Act of 1952, as amended, the Commission reviews federal public works projects for inclusion within a six-year FCIP. Once adopted by the Commission, the FCIP's recommendations are transmitted to the Office of Management and Budget (OMB) and other federal departments and agencies, as well as local and state jurisdictions. The FCIP helps coordinate future development activities in the NCR and assists OMB in making budgetary decisions about proposed capital projects in the Washington, D.C. area. The National Capital Region includes the District of Columbia; Prince George's and Montgomery Counties in Maryland; and Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia, including the cities and towns located within the geographic area bounded by these counties.

## C. NATIONAL CAPITAL PLANNING COMMISSION REVIEW OF HHS PROJECTS

The National Capital Planning Act of 1952 requires each federal agency in the National Capital Region (NCR), prior to preparing construction plans for proposed development projects or land acquisitions which affect the plan and development of the National Capital, to consult with the National Capital Planning Commission. The Commission has determined that an approved Master Plan is a prerequisite for review of individual installation's project plans in the NCR. The HHS Board must approve the Master Plan before it is submitted to the Commission.

## D. CONTRACT COMPLIANCE

FAR 22.804-2(c) requires Contracting Officers to give written notice to the U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) regional office within 10 working days of award of a construction contract that are subject to affirmative action requirements. The notification shall include the name, address, and telephone number of the contractor; employer identification number; dollar amount of the contract; estimated starting and completion dates of the contract; the contract number; and the geographical area in which the contract is to be performed. When requested by the OFCCP regional office, the Contracting Officer shall arrange a conference among contractor, contracting activity, and compliance personnel to discuss the contractor's compliance responsibilities.

## E. FEDERAL PROCUREMENT DATA SYSTEM

HHSAR 304.602 requires HHS to implement a Federal Procurement Data System (FPDS). The Departmental Contracts Information System (DCIS) represents the Department's implementation of the FPDS. All departmental contracting activities are required to participate in the DCIS and follow the procedures stated in the Enhanced Departmental Contracts Information System Manual and amendments to it. The Head of the Contracting Activity (HCA) (not delegable) shall ensure that all required contract information is collected, submitted, and received into the DCIS on or before the 15th of each month for all appropriate contract and contract modifications awarded in the prior months.

## F. CONGRESSIONAL NOTIFICATION

HHSAR 305.303 requires HHS to make a public announcement concerning contract actions as follows: Any contract, contract modification, or delivery order in the amount of \$3 million or more shall be reported by the Contracting Officer to the Office of the Deputy Assistant Secretary for Legislation (Congressional Liaison), Room 406G, Hubert H. Humphrey Building. Notification shall be accomplished by providing a copy of the contract or award document face page to the referenced office prior to the day of award, or in sufficient time to allow an announcement to be made by 5 p.m. Washington, DC time on the day of award.

## SECTION 1-5: ROLES AND RESPONSIBILITIES

1-5-00	(Reserved)
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- 10 (Reserved)
- 20 Guidance and Information
- 30 (Reserved)

## 1-5-20 GUIDANCE AND INFORMATION

HHS facilities program roles and responsibilities are as follows:

## A. UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Department of Health and Human Services is the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves.

## B. THE OFFICE FOR FACILITIES MANAGEMENT AND POLICY

The Office for Facilities Management and Policy (OFMP) provides Department-wide leadership and direction in master planning; facilities planning and design, construction, leasing, operations and maintenance, and space utilization; and management programs (environmental management, historic preservation, energy management, and occupational safety and health). OFMP provides technical assistance to HHS Operating Divisions (OPDIVs) in evaluating the effectiveness of their facilities programs and policies and fosters creativity and innovation in the administration of these functions and the Capital Investment Review Board. OFMP serves as HHS representative to other federal and non-federal agencies and is the focal point reporting to OMB and the Federal Real Property Council (FRPC) on facilities activities and performance.

## C. SENIOR REAL PROPERTY OFFICER

The Deputy Assistant Secretary, Office for Facilities Management and Policy is designated as the Senior Real Property Officer for HHS. Established by Executive Order 13327, the Senior Real Property Officer is designated among the senior management officials within each agency. This Senior Real Property Officer serves as the senior manager tasked with developing and implementing an agency asset management plan. Specifically, the Officer is responsible for:

- identifying and categorizing all real property owned, leased, or otherwise managed by the agency,
- prioritizing actions to be taken to improve the operational and financial management of the agency's real property inventory;
- making life-cycle cost estimations associated with the prioritized actions;
- identifying legislative authorities that are required to address these priorities;
- identifying and pursuing goals, with appropriate deadlines, consistent with and supportive of the agency's asset management plan and measure progress against such goals;
- incorporating planning and management requirements for historic property under Executive Order 13287 of March 3, 2003, and for environmental management under Executive Order 13148 of April 21, 2000; and
- identifying any other information and pursue any other actions necessary to the appropriate development and implementation of the agency asset management plan.

## D. FEDERAL REAL PROPERTY COUNCIL

Established by Executive Order 13327, the Federal Real Property Council serves as a working group to facilitate the success of the agency's asset management plans. The Council is composed of all agency Senior Real Property Officers, the Comptroller of the Office of Management and Budget, and the Administrator of General Services. The Deputy Director for Management of the Office of Management and Budget is a member and serves as the chair of the Council. The Council establishes appropriate performance measurements for evaluating the costs and benefits involved with acquiring, repairing, maintaining, operating, managing, and disposing of federal real properties at particular agencies. The Council also serves as a clearinghouse for best practices in evaluating actual progress in the implementation of real property enhancements.

## E. HHS ORGANIZATIONS WITH REAL PROPERTY MANAGEMENT RESPONSIBILITY

HHS organizations with real property management responsibility perform day-to-day execution of the facilities management program including master planning; facilities design, construction, leasing, operations and maintenance, space utilization; and management programs (environmental management, historic preservation, energy management, and occupational safety and health). These organizations develop and implement internal procedures necessary to comply with departmental policy and guidance including all statutory and regulatory requirements.

## F. HHS CAPITAL INVESTMENT REVIEW BOARD

- Purpose of the Board: The HHS Facility Capital Investment Review Board (hereafter referred to as the Board) was established on June 9, 2003 to make recommendations for strategic management of HHS real property assets and to advise the Assistant Secretary for Administration and Management (ASAM) and the Secretary on major facility capital investment issues. The Board also advises, assists, consults with, and makes recommendations to the ASAM, the Secretary, and when appropriate the Assistant Secretary for Budget Technology and Finance (ASBTF), regarding the broad range of responsibilities.
- 2. <u>Authority of the Board</u>: The ASAM has delegated oversight authority and provides direction to all HHS Operating Divisions (OPDIVs) with facility acquisition and operation responsibilities and land acquisition authority. Part 7 of OMB Circular A-11 states that "A cross-functional executive review committee acting for or with the Agency Head must be responsible for managing the agency's entire capital asset portfolio, making decisions on the best allocation of assets to achieve strategic goals and objectives within budget limits." This Board will implement the responsibilities assigned the "cross functional executive review committee" In addition, Part 8 of A-11 requires that agencies have a physical asset management process that "adequately tracks real property assets through their respective life cycles."
- 3. <u>Board Functions</u>: The Board provides advice and makes recommendations to the Secretary, the ASAM and the 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 and guidance of facility investments; and 3) regular monitoring and proper management of these investments, once funded. One of the outputs of the investment review process is a regular update of HHS' investment portfolio or plan that supports HHS strategic objectives.

Matters reviewed by the Board include but are not limited to:

- OPDIV investments that are more than \$10Mil;
- 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 significant risks; high development, operating or maintenance costs; or have high public visibility;
- Major repair and improvement (alteration and renovation) projects more than \$10Mil.
- 4. <u>Board Structure</u>: The Board will consist of all OPDIVs Heads with facility acquisition and operation responsibilities and land acquisition authority, including the acquisition of land through donation, and STAFFDIV Heads who have oversight responsibilities that directly involve implementing facilities functions. At present these members include:
  - Assistant Secretary for Administration and Management (ASAM) (Board Chair)
  - Assistant Secretary for Budget Technology and Finance (ASBTF)
  - Assistant Secretary for Legislation
  - Assistant Secretary for Planning and Evaluation
  - CDC Director (or designee)
  - FDA Commissioner (or designee)
  - IHS Director (or designee)
  - NIH Director (or designee) and
  - three at-large appointments (no term limitation), who are recommended by the ASAM and ASBTF and approved by the Secretary.
- 5. Documents Review Process: The submission of proposed projects for consideration by the Board will be properly identified and included with the Department's annual budget formulation and review process, which are presented to the Board in June. The applicable OPDIV will provide the Board with those matters, as identified above, for which a funding requirement is being requested in the budget submission, including funding of studies, planning, and design for out-year projects. These documents will be distributed to the other Board members. Projects will be reviewed by the Board and recommendations made to the ASAM, and when appropriate to the ASBTF, on each project for consideration at the Secretary's Budget Council meetings.

The Board will conduct a meeting after the OMB pass-back to provide advice to the Secretary regarding the implication of OMB's recommendations. Additional meetings may be convened by the Board Chair to review the status of ongoing projects and, in unique and special cases (i.e., National emergency, Congressional mandate, etc.), or to review required out-of-cycle projects.





**Office for Facilities Management and Policy** *Office of the Assistant Secretary for Administration and Management* 

## SECTION 2-1: FUNDING SOURCES FOR FACILITIES PROJECTS

- 2-1-00 Policy
  - 10 Procedures
  - 20 (Reserved)
  - 30 Reporting Requirements

## 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. <u>Construction</u> 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. <u>Improvements (Renovations/Alterations)</u> 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. <u>Repair</u> 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 of a primary building system or real property construction or a sterial sis 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. <u>Repair-by-Replacement</u> 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. <u>Maintenance</u> 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. <u>Temporary Construction</u> 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) <u>Building Equipment</u> 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) <u>Attached or Installed Equipment</u> 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) <u>Major Moveable Equipment</u> 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) <u>Minor Moveable Equipment</u> 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 onsite 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. <u>Construction (IHS Health Care Facilities Construction)</u> 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</u>. These projects must be identified in the OPDIV's Annual Facilities Plan. If the project is not earmarked in 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.

<u>Land Purchases</u> - 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 appropriat-

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

b. <u>Repair & Improvements (except for IHS) –</u> 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.

<u>Improvements (Renovations or Alterations)</u> - 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.

<u>Repairs</u> – 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.

<u>Maintenance</u> - 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. <u>Maintenance & Improvements (IHS only)</u> – 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.

<u>Improvements (Renovations or Alterations)</u> – 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.

<u>Maintenance</u> – 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.

<u>Repairs</u>– 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.

<u>Equipment</u> - 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. <u>OPDIV Annual Operating Appropriations</u> 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. <u>Maintenance</u> 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. <u>Lease Facilities</u> 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. <u>Minor Renovations</u> 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. <u>Planning and Programming Documents</u> 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. <u>Temporary Construction</u> 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. <u>Equipment</u> 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. <u>Activation and Relocation Costs</u> 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. <u>Quarters Rental Return Funds</u> 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. <u>Medicare/Medicaid Reimbursements</u> 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. <u>Gift Funds</u> 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. <u>Other</u> 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

<u>General</u> - 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. <u>Planning Phase</u> 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.
- <u>Design Phase</u> 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. <u>Construction Phase</u> 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. <u>Equipment</u> 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 30<sup>th</sup> 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
Х2-2-В	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 1<sup>st</sup> 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)	80	14.0	8.0	14.0	15.5	14.0	15.5	14.0		
Asbestos Abatement Program	0.5	2.0	0.0	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	
Rehabilitation of Animal Research Facilities	2.0	U.5 5.0	2.0	U.5 5 D	5.0	U.5 5 D	1.U 5.0	<u> </u>	ongoing	
Densix and Improvements	45.0	70.5	50.0	50.0	70.0	0.0	70.0	0.0	ongoing	
Concept Development Studies	45.8	10.5	2.0	50.0	73.0	1.5	73.0	1.5	ongoing	
Cub Tatal fax Carfinuing Committee ante	51.0	04.5	07.0	DE E	01.5	75 5	01.5	75.5	ongoing	
	01.8	84.3	07.2	00.0	91.0	10.0	91.0	70.0		
RECOMMENDED PRIORITIES (year-specific)										
Building 10 Revitalization	n 2	0.0	0.0	0.0	0.0	 	0.0	0.0	 	n 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	
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	U.U 0.0	0.0	166.3	0.0	0.0	0.0	0.0	0.0	82.3 208.6
New Construction: Policy Decisions	01.1	0.0	0.0	100.5	0.0	0.0	0.0	0.0	0.0	200.0
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	1/13.0	0.0	126.0
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 Ruilding 10 Transition Program	24 060	5.5	10.9	0.0	0.0	0.0	0.0	0.0	0.0	60.0
Building 3	24.003	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			0.0	0.0	0.0	00.0	0.0	0.0	0.0	00.0
South Quad Chiller	0.0	0.0	0.0	0.0	0.0	32.2	0.0	0.0	0.0	32.2
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
Chiller #27	0.0	0.0	7.0	9.4	0.0	0.0	0.0	0.0	0.0	9.4
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	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
Building 552 - Erederick	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	<u>14.4</u>
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
Renovation at NNMC 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	
Equipment/Systems/Enabling	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total of Proposed Projects	0.0	0.0	0.0	53.3	30	53.0	0.0	0.0		
Mark O. Hatfield Clinical Research Center	144.5	0.0	0.0	00.0	0.0		0.0	0.0		
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)

											Could
	Prior to	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	Outyears	Status	Total	Use
FACILITY	FY 03	Approp	Pres Bdgt	Request	Est	Est	Est	Est	Remarks	Cost *	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	\$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 C	enters (Sec	tion 704)									
PHX-Nevada Satellite 23/	\$51	15 \$0	\$0	\$3,672	\$0	\$0	\$0	\$0	POR approved	\$4,187	\$3,672
S. California YRTC 24/	9	\$0 \$0	\$0	\$2,056	\$6,366	\$0	\$0	\$0	PJD develop.	\$8,422	\$2,056
N. California YRTC 25/	ġ	\$0 \$0	\$0	\$0	\$2,062	\$6,542	\$0	\$0	PJD develop.	\$8,604	\$0
Joint Venture Construction I 818e)	Program (S	ection									
Health Centers 26/	\$9.98	89 \$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		\$34 989	\$5,000
Small Ambulatory Care Faci	lity Grants	(Sect. 306	)	40,000	\$2,000	\$2,000	\$2,000	40,000		<i>\$0</i> ,,,00	\$2,000
Small Health Clinics 27/	\$19,97	78 \$4,968	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$30,054		\$95,000	\$10,000
Dental Facilities Program											
Dental Units 28/	\$8,49	96 \$993	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,511		\$25,000	\$3,000
Non-IHS Funds Renovation	Projects (Se	ect. 305)									
Equipment for Projects 29/	9	\$0 \$0	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		\$10,000	\$2,000
TOTAL LINFLINDED (EV 2004-	\$230,82	28 \$81,585	\$69,947	\$103,861	\$100,118	\$102,515	\$152,311	\$506,135		\$1,344,998	\$157,949
Outyears)										\$1,034,887	

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

<sup>a/</sup>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.

#### HHS Exhibit X2-2-B

<sup>C/</sup>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 (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 2001through 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 (FY1987).
- 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 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.

DOC: FY 2005 5-YR PLAN-S (2003-03-05)(Revised 2003-04-29)

#### 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
Х2-3-В	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:

<u>OPDIVs with Real Property Authority:</u> 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.

<u>ASAM</u>: 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, which do not require review by the Board.

<u>HHS Board</u>: 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 FPAAs 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.

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HHS FACILITY PROJECT APPROVAL AGREEMENT					1. Project No./ID   2. Revision No.:							
3. Project Title:							4. Budget Year: 5. Date: (r			(mm/dd/ye	mm/dd/year)	
							6.a. Total B&F Cost (\$M): 6.b Total Project Cos				ost (\$M)	
7. OPDIV/Progra	m Office:				8. I	nstallation/Loc	atior	n (City & State)				
	9. Facili	ty Cost Est	imate (\$M	)				10. Related	Cost Es	timate (	\$M)	
Item		Amount	Func	ls ce	FY		Iter	n	Amou	nt	Funds	FY
a. Land Acquisit	tion					a. Special S	Stud	ies				
b. Design						b. Pre-Proj	ect F	Planning				
c. Construction						c. Activatio	n (in	clude moving)				
d. Equipment						d. Special I	⊃urp	ose Equip.				
e. Other						e. Other						
f. Total Facility	Cost Est.	\$0.00				f. Total Rel	ated	Cost Est.	\$0.00	I		1
g. Off-Site Utilitie	s:	Sufficient ca	pacity and typ	pe of off-sit	te utilitio	es are available	to suj	pport this project.				
		Costs have t	Mainte	in the estin	nate for	the required off-	-site	12 PDRIR	ating:	out of		
11.Category		uction			porary (	Construction	5	at <u>%</u> prelir	minary eng	jineering c	or% o	design
13. Project Desc	ription (Sc	ope/Quantify):			-							
14. Justification:												
				1								
15. Sc	hedules	(Month/Yea	ar)			16. F	Prog	gram Commit	iment Ap	proval		
a. Studies	S	tart /			Autho	ority		Sign	ature		C	ate
	Comp	lete /				-		-			-	
b. Planning	5 Comp			a. Proj	ect Ma	anager						
	Comp	lete /										
c. Design	Comp			b. Proj	ect Di	rector						
	Comp	tort /										
d. Construction	Come	loto /		c. OPE	DIV Bo	bard						
	comp	tart /		Men	nber							
e. Activation	Comp	lete /		4 04:		ho						
f. Operational	Comp	lete /		u. One Sec	retarv	iie						
oporational	Joint	,										

Т

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HHS FACILITY PROJECT APPROVAL AGREE (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/Lo	ocation (City & State)	1

# 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.

OPDIV	Code
CDC	С
FDA	F
IHS	I
NIH	Ν

**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.

Funds Source	Code
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 though 8 with the same information as sheet 1. Any continuation data provided shall be prefixed with the block number from sheet 1.

	<u>c</u>	HANGES TO FACILITY PROJ	ECT A	PPROVAL AGREEN	<u>IENT*</u>		
		<b>OPDIV</b> Approval		ASAM Appro	oval		<b>Board Approval</b>
Line Item Projects							
Budget	-	Any variance below President's Budget		Any variance above Budgetconcur/notify	President's OMB/Cong		Any variance above President's Budgetconcur/notify OMB/Cong
<u>Scope</u> Board Level ( <u>&gt;</u> \$10.0M) ASAM Level (<\$10.0M)		No variance Variance plus or minus 10%		Any variance Variance greater tha or minus	an10% plus		ASAM decides which will be re- ferred to Board or higher
<u>Schedule</u>		Completion date varies one year or less		Completion date vathan one year	aries more		ASAM decides which will be re- ferred to Board or higher
Projects Funded from Lump Sum Programs	_						
<u>Budget</u> Board Level ( <u>&gt;</u> \$10.0M) ASAM Level (<\$10.0M)		Variance 10% or less per project		Variance greater tha project	n 10% per		ASAM decides which will be re- ferred to Board
<u>Scope</u> Board Level ( <u>&gt;</u> \$10.0M) ASAM Level (<\$10.0M)		Variance plus or minus 10% per project		Variance greater that or minus per project	n 10% plus		ASAM decides which will be re- ferred to Board
<u>Schedule</u>		All Changes					
* Use of FPAA is mandatory for ASAM or	Board	level projects. Use is optional on O	PDIV I	evel projects.			
<u>Types of Work (HHS Facilities Manual):</u> Construction Improvements (Renovations/ Alterations) Minor Renovations Repair		<u>Funding Categories (</u> B&F Construction (H B&F Repair & Improv B&F Maintenance & Annual Operating	HHS F CFC fo rement Improv	<u>acilities Manual):</u> r IHS) s ement (IHS only)	<u>Approvals (C</u> OPDIV: <\$1 OPDIV: <\$3 ASAM: <\$10	<u>CIRB P</u> .0M Im .0M Re 0.0M	olicy Document): provement, Construction epair
Maintenance Temporary Construction		Other			Board: <u>&gt;</u> \$10	0.0M	

#### 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
- 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

Contract Strategy

# 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
   Outline of known alternatives
   Budget requirements
- Define mission

# 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)
  - 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 designbid-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. Intro	oduction
2. Genera	l 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 D	Descriptions
a. Activity Analysis	c. Space Descriptions
b. Programmatic Objectives	d. Space Schedule
5. Functi	onal Relationships
6. De	sign 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 Criter	ia 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. B	udget
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. Scl	nedule
a. Design	c. Activation
b. Construction	
1	0. 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.

- 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. <u>Executive Order 12372</u>, "Intergovernmental Review of Federal Programs," Revised April 8, <u>1983</u>. 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. <u>National Environmental Policy Act of 1969. (42 USC 4321 et seq.)</u>. The document sets forth the policy and mandatory considerations, including reports, on the planned facility's impact on the human environment.
- 4. <u>National Historic Preservation Act of 1966 (16 USC 470 et seq) and Implementation Procedures</u> <u>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</u>

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. <u>Uniform Relocation Assistance and Land Acquisition Policies Act of 1970. (42 USC 4601 et seq.)</u> - 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. <u>Size</u>: 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. <u>Condition</u>: The site should be free of blight, dense vegetation, and structures that require demolition.
- c. <u>Configuration</u>: 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. <u>Vehicular Access</u>: The site should have access to and the ability to accommodate vehicular traffic and parking.
- b. <u>Service Access</u>: 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. <u>Pedestrian Access</u>: The site should be linked to existing walkways.
- d. <u>Public Transportation<sup>1</sup></u>: In urban areas the site should be accessible by public bus service, and/or rapid rail service.
- 3. <u>Physical Features</u>
  - a. <u>Topography:</u> 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. <u>Surface Water</u>: Flood plains and wetlands should be avoided.
  - c. <u>Amenities</u>: Mature trees, ground cover, natural beauty, etc., are considered an asset for the site.
  - d. <u>Views and Vistas</u>: 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. <u>Noise</u>: The site should not be in close proximity to sources of noise such as highways, power plants, and service areas.

<sup>&</sup>lt;sup>1</sup> Not applicable to undeveloped areas

- b. <u>Air and Water Quality</u>: The site should not be in close proximity to sources of air or water pollution.
- c. <u>Solid Waste Disposal</u>: Solid waste disposal services should be economically available to the site.
- d. <u>Hazardous Waste Disposal</u>: Hazardous waste disposal capability should be economically available to the site.
- e. <u>Hazardous Waste Contamination</u>: The site should be free of hazardous materials.
- f. <u>Historic Characteristics</u>: The historic and archeological features of the site should be considered.
- 5. Integration with the Community's Present and Future Plans
  - a. <u>Land Use</u>: The land use of the site should be compatible with the surrounding local land use.
  - b. <u>Master Plan</u>: If applicable the proposed use of the site shall be in compliance with the approved OPDIV master plan.
- 6. <u>Utilities</u>: 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. <u>Water</u>: 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. <u>Storm Drainage</u>: 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. <u>Sanitary Waste Disposal</u>: 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. <u>Natural Gas<sup>2</sup></u>: In urban areas the site should be served by natural gas.
  - e. <u>Electric and Communications</u>: The site should be served by electrical power and communications systems.
- 7. <u>Site Development Cost</u>
  - a. <u>Site Clearing</u>: The cost of clearing and grubbing the site should be minimal.
  - b. <u>Site Grading</u>: The cost for grading the site should be minimal.
  - c. <u>Site Improvements</u>: 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. <u>Relocation of Infrastructure</u>: The cost of relocation of infrastructure should be minimal.

<sup>&</sup>lt;sup>2</sup> 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 synopsizes ranges of grossing factors used for HHS facilities and space.

Functional Area	<u>Grossing</u> <u>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




**Office for Facilities Management and Policy** *Office of the Assistant Secretary for Administration and Management* 

### SECTION 3-1: FACILITY MASTER PLANNING

3-1-00	Policy
10	Procedures
20	Guidance and Information
30	<b>Reporting Requirements</b>

### 3-1-00 POLICY

The purpose of this section is to assist HHS and its Operating Divisions in the utilization and long-range planning of HHS sites and facilities. Master planning helps HHS define the physical resources needed to maintain or advance OPDIV missions and goals and support the execution of HHS-wide programs. The master planning process assists Operating Divisions in determining and coordinating site improvements to achieve a functional, attractive, and comprehensive design for HHS sites and facilities. The plan aids Operating Divisions in day-to-day facility decision-making while accommodating changing circumstances and new OPDIV priorities, some of which may not be identifiable when the plan is initially formulated. Master Plans, to remain useful, are required to be updated approximately every five years but may be amended sooner as unanticipated circumstances are dictated.

Master plans are required on all sites, installations and/or campuses owned and/or occupied by HHS employees that contain at least two independent buildings, or two different activities with the exception of direct leased facilities.

### 3-1-10 PROCEDURES

- A. <u>Applicability of Master Planning</u> Master planning procedures are normally appropriate for all HHS direct Federal or lease/purchase construction projects or site acquisitions that will eventually lead to more than one principal building, structure or activity on a site. This includes sites shared with other government agencies or with private firms. This typically does not apply to direct leased facilities.
- B. <u>Existing Sites</u> Master Plans should be developed for existing HHS sites that contain more than one building. The plan should reflect both the special needs of the site and the impact of HHS activities (current and planned) on the surrounding community and the environment.

### 3-1-20 GUIDANCE AND INFORMATION

Some of the laws and regulations applicable to the master planning process as it applies to the HHS facilities planning program are listed below. Note: The Clean Air Act and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund, impose additional facilities-specific requirements.

### A. Laws And Regulations

- 1. <u>National Environmental Policy Act of 1969 (42 USC 4321 et seq)</u> This law prescribes the consideration Operating Divisions must give to the impact of the Master Plan on the human environment.
- <u>Council on Environmental Quality Regulations for Implementing the Procedural Provisions of the National Environmental Policy Act (40 CFR parts 1500-1508)</u> The CEQ regulations outline certain practices and procedures Federal agencies must follow in implementing NEPA during their master planning processes.

- 3. <u>National Historic Preservation Act of 1966 (16 USC 470 et. seq.) and Implementation Procedures Contained in Federal Register Vo. 35, No. 23, February 3, 1970, Department of the Interior, National Park Service "National Register of Historic Places"</u> This document requires evaluation of the effect the Master Plan may have on historic properties listed or 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.
- 4. <u>Executive Order 12372</u>, "Intergovernmental Review of Federal Programs," Amended April 8, <u>1983</u> 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.
- <u>Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 USC 4601 et seq.)</u>
  This law sets forth the policy for fair and equitable treatment of persons displaced as a result of Federal and Federally-assisted programs.
- 6. <u>National Capital Planning Commission (NCPC) "Master Plan Submission Requirements"</u> All HHS sites in the National Capital Region (which includes the District of Columbia; Montgomery and Prince George's Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia; and all cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the National Capital Region) are subject to the NCPC Master Plan Submission Requirements.
- B. Organizational Responsibilities
  - 1. Operating Division
    - a. Responsible for development and updates of Master Plans.
    - b. Designates operating OPDIV representatives as members of the Master Plan review and evaluation team.
    - c. Develops long-range goals, objectives, and program plans used as a Master Plan guide.
    - d. Integrates environmental considerations in the responsible Operating Division official's decision-making process, including environmental documents as part of the Master Plan document.
  - 2. HHS Capital Investment Review Board
    - a. Provides policy oversight to the HHS Operating Divisions in the preparation of facility Master Plans.
    - b. Authorizes the release of Draft Master Plans for review and comment.
    - c. Approves Final Master Plans.

### C. Contents Of Master Plans

The Master Plan is an integrated series of documents that present in graphic and narrative form the present composition and planned physical development of an HHS site containing more than one building, structure, or activity. Master Plans analyze and document the form and function of HHS sites, individual site and building requirements and interrelationships among activities.

- 1. <u>General</u> The Master Plan should
  - Reflect thorough planning,
  - Establish a comprehensive and coordinated approach to physical development of the site,

- Ensure regulated growth and land use,
- Permit flexibility of use, and
- Provide for future expansion to meet long-range program goals without disrupting the efficiency of the plan or adversely impacting the environment.
- 2. <u>Master Plan Requirements</u> Master Plans should address each of the following areas and provide viable solutions for any deficiencies or conflicts, which may be identified:
  - a. <u>Program Requirements</u> Establish planning premises and the Master Plan goals and objectives. Define the specific concepts and standards for future development.
  - b. <u>Region and Location</u> Describe the regional setting in terms of existing and future land use patterns, transportation systems, utility services, population on and off site, economy, and cultural assets. Also indicate current land use and zoning of adjacent areas.
  - c. <u>Boundary and Topographic Data</u> Include boundaries and acreage for existing and proposed surveys as appropriate.
  - d. <u>Site Utilization</u> Show general land use by type and the areas allocated to each function for both existing and proposed conditions. Address requirements for open space.
  - e. <u>Improvements</u> Show existing to-remain (i.e. not demolished) and proposed buildings, structures, and other improvements such as roads, parking areas, heliports, refuse handling areas, etc.
  - f. <u>Circulation</u> Indicate the internal road network, access points, parking facilities, pedestrian and bicycle movement systems, public transportation, and service access flow. Evaluate traffic impacts of proposed development and propose transportation management strategies to minimize impacts. Material flow should also be delineated (e.g. deliveries and trash disposition), as appropriate.
  - g. <u>Landscaping</u> Indicate general concepts for open space and green areas, and the location and extent of existing and proposed landscaping.
  - h. <u>Security, Fire, Life Safety, and Accessibility</u> Proposed building site location and planning should consider security, safety, and fire protection. Factors to be considered include, but are not limited to, combustibility, occupancy and attendant hazards, proximity of fire fighting resources, ease of access, climate and topography. Special consideration should be given to the security criteria, such as setbacks, explosive safety quantity distances, safety, and accessibility of facilities for occupants as well as visitors.
  - i. <u>Utilities</u> Show all utilities including solid and hazardous waste handling and disposal plans. Indicate proposed utility upgrades and new utilities necessary to support proposed development. It is preferable that utilities be located underground where practicable. In addition, where possible, utility distribution systems should be located to facilitate ease of access and future land use. Utility capacity in excess of five years should be evaluated on a life cycle cost basis.
  - j. <u>Environmental Impacts</u> Analyze the potential impacts of all of the above on the environment, including natural resources, historic properties, waste management, etc.
  - k. <u>Existing Resources</u> Determine the major natural and man-made elements that affect potential development, such as the physical features of the site, climate, environmental features, utilities, historic/archaeological features, natural amenities and visual quality, constraints, and opportunities. This includes environmental conditions (e.g., slopes, drainage patterns, wetlands, floodplains, wildlife, water quality, noise, etc.).

- 1. <u>Development Plan</u> Illustrate the proposed development of the site over the next 20 years, including the disposition of existing buildings, the infrastructure, new construction, and other improvements.
- m. <u>Energy Conservation</u> Establish energy conservation strategies and policies as they relate to siting and design of buildings, transportation practices, and renewable energy resources.
- n. <u>Site Development Standards</u> Establish campus development guidelines and design standards. Include specific site element recommendations such as building density, setback, and height restrictions or buffer requirements. The plan should address the order of magnitude of building scale and orientation.
- o. <u>Implementation</u> Illustrate phasing strategies for the implementation of the Master Plan over the next 20 years. Operating Divisions are also encouraged to develop a Capital Improvements Plan (CIP) element for each Master Plan that addresses sequencing and phasing of construction requirements. The CIP should forecast and schedule future capital facility needs to ensure that capital improvements are available when required based on needs identified in the Master Plan. The six-year CIP should be reassessed on an annual basis.
- p. <u>Interrelationship</u> Describe the relationship of the Master Plan to applicable local, regional, state, and federal development plans and policies. Address off-site improvements to support on-site development.

## 3-1-30 REPORTING REQUIREMENTS

#### A. Master Plan Submittals

Master Plans are developed by Operating Divisions, generally with the assistance of an outside contractor. The plans typically are developed in two phases, as described below.

- 1. <u>Draft Master Plan</u> The Draft Master Plan is a complete planning document containing all of the information required of a Master Plan, including draft environmental documentation. The document is reviewed internally by OPDIV staff and the HHS Capital Investment Review Board (CIRB) prior to its distribution to outside agencies and the general public for review.
- <u>Final Master Plan</u> A Final Master Plan report shall be prepared upon completion of all internal HHS reviews and public reviews, if required. The OPDIV's environmental determination, consisting of either a determination of categorical exclusion, a Finding of No Significant Impact resulting from an Environmental Assessment, or an Environmental Impact Statement and Record of Decision should accompany the final plan. Master Plans normally require, at a minimum, the preparation of an Environmental Assessment.

### B. MASTER PLAN APPROVAL

Because of the future programmatic and funding implications, the OPDIV head and the HHS Capital Investment Review Board (CIRB) shall approve Master Plans.

#### SECTION 3-2: ENVIRONMENTAL IMPACT ANALYSIS PROCEDURES

3-2-00	Policy
10	Procedures
20	Guidance and Information
30	(Reserved)
X3-2-A	Sample Environmental Assessment Criteria Check List (NIH)
Х3-2-В	Sample Categorical Exclusion Criteria Checklist (NIH)
Х3-2-С	Sample NEPA Flow Chart (NIH)

### 3-2-00 POLICY

The National Environmental Policy Act (NEPA) of 1969 (42 USC 4321 et. seq.), as amended, establishes policy and requirements governing all Federal Departments and agencies with respect to protecting the environment. In addition, HHS General Administration Manual, <u>GAM</u>, <u>Part 30 - Environmental Protection - February 2000</u> supplements specific requirements established by NEPA and by the associated implementing regulations promulgated by the Council on Environmental Quality (CEQ) (40 CFR 1500-1508). NEPA requires all Federal Departments and agencies to take into account all potential environmental consequences of their activities prior to initiation of these activities. Specifically, Section 102(2)(c) of NEPA requires all agencies of the Federal Government to include an environmental impact statement "in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment."

### 3-2-10 PROCEDURES

All projects must have an Environmental Review when pursuing a major Federal action, unless they qualify for a categorical exclusion from this requirement. 'Categorical exclusion' refers to a category of actions, which do not individually or cumulatively have a significant effect on the human environment and therefore, are excluded from the requirement for an environmental assessment or an environmental impact statement. See HHS GAM <u>30-20-40</u>. Note, each OPDIV is responsible for developing its own procedures to meet the NEPA requirements in accordance with GAM 30-20-50. All construction is included in the environmental review process. CEQ regulations require each Department to establish criteria for determining categorical exclusions from such reviews. Each HHS OPDIV must determine those actions that qualify as categorical exclusions. The OPDIV categorical exclusion should be followed for the environmental review of construction actions. Generally, the agencies should prepare an Environmental Assessment (EA), in accordance with the sample checklist provided as Exhibit X3-2-A, for each proposed action not categorically excluded. As a result of the EA, prepare either a Finding of No Significant Impact (FONSI) or an Environmental Impact Statement (EIS). An example Categorical Exclusion Criteria Checklist (developed for NIH) is provided as X3-2-B.

### A. ENVIRONMENTAL REVIEW PROCEDURES

An OPDIV/STAFFDIV must conduct environmental reviews with respect to all proposed actions that are subject to an environmental statute or Executive Order, which do not fall under categorical exclusion type 1, 2, or 3. See HHS GAM <u>30-20-50</u>.

#### 3-2-20 GUIDANCE AND INFORMATION

#### A. ENVIRONMENTAL LAWS AND EXECUTIVE ORDERS

Listed below are some of the major environmental laws that deal with potential environmental effects from the HHS facilities construction program. A more complete list of applicable laws and executive orders is contained in HHS, GAM Chapter 30-00-20.

- 1. <u>The National Environmental Policy Act of 1969 (NEPA) (42 USC 4321 et. seq.)</u>. A sample NEPA flowchart is provided as Exhibit X3-2-C.
  - a. establishes a comprehensive policy for protection and enhancement of the environment by the Federal government,
  - b. creates the CEQ, and
  - c. directs Federal agencies to carry out the policies and procedures of the Act.
- <u>The Safe Drinking Water Act (42 USC 300f et seq.)</u> authorizes Environmental Protection Agency (EPA) to determine if an action which will have an environmental effect on a sole or principal drinking water source would also constitute a significant hazard to a human population and, if so, to prohibit such an action.
- 3. <u>The Clean Air Act (42 U.S.C. 7401 et seq)</u> requires EPA to review and comment on a Federal agency action which would create a significant environmental impact.
- 4. <u>The Endangered Species Act (16 USC 1536)</u> directs Federal agencies to conserve endangered and threatened species and their critical habitats.
- 5. <u>The National Historic Preservation Act of 1966 as amended (16 USC 470 et seq.)</u> directs heads of Federal agencies to preserve cultural heritage, particularly with respect to sites on/or eligible for listing on the <u>National Register of Historic Places.</u>
- 6. <u>The Archeological and Historic Preservation Act (16 USC 469 a-1 et seq.)</u> directs Federal agencies to preserve significant scientific, prehistorical, historical and archeological data.
- 7. <u>The Coastal Zone Management Act (16 USC 1456 et seq.)</u>, directs Federal agencies to conduct activities consistent with an approved State coastal zone management program.
- 8. <u>The Wild and Scenic Rivers Act (16 USC 1278)</u> directs Federal agencies to consider and preserve the values of wild and scenic areas in the use and development of water and land resources.
- 9. <u>Toxic Substance Control Act (15 USC 2601, et. seq.)</u> requires agencies to develop plans to insure ultimate safe disposal of toxic substances.
- 10. <u>Solid Waste Disposal Act (42 USC 6901, et seq.)</u> sets responsibilities with the originator for proper handling and disposal of solid wastes.
- 11. Executive Order 11990 May 24, 1977, directs heads of Federal agencies to avoid
  - a. The long- and short-term adverse impacts associated with the destruction or modification of wetlands and
  - b. Direct or indirect support of new construction in wetlands whenever there is a practical alternative.

- 12. <u>Executive Order 11988</u> May 24, 1977, directs Federal agencies to take action to avoid the occupancy or modification of floodplains and to avoid direct or indirect support of development in floodplain areas whenever there is a practical alternative.
- 13. <u>Executive Order 12088</u> October 13, 1978, directs Federal agencies to comply with local state and Federal pollution control standards for facilities operation. This means that HHS facilities and sites may potentially be subject to numerous State and other environmental laws.

### B. ENVIRONMENTAL DOCUMENTATION

<u>General</u> - In order to identify the extent of required documentation, an Environmental Review must be conducted. For environmental issues that are not categorically excluded, then an Environmental Assessment (EA) shall be done to determine the need for either a FONSI or EIS. In preparing the assessment, it is necessary to identify clearly the environmental effects and the changes that would occur if the action were taken. Construction actions on occasion may require different approaches for developing environmental information. It is not unusual to have a construction action underway, e.g., in the early budgeting and planning stages, and not have site selection finalized. Therefore, on construction projects the EA may be prepared at different stages by sources such as a Planning Consultant, Architect/Engineer or non-government agency. (See sample Environmental Assessment Criteria Checklist, Exhibit X3-2-A).

- 1. <u>Finding of No Significant Impact (FONSI)</u> For the purposes of NEPA, a FONSI documents an agency judgment that a proposed construction action not categorically excluded from NEPA requirements will not significantly affect the quality of the human environment. A FONSI must meet the criteria described in HHS GAM Section 30-50-45 and, in addition:
  - a. Include a list of agencies and persons to whom distributed;
  - b. Briefly present why the proposed action will not significantly affect the human environment, including the EA or a summary thereof; and
  - c. Be made available to the public and other interested parties including, when appropriate, publication in the <u>Federal Register</u> of a notice announcing its availability, consistent with 40 CFR 1506.6(b) and 1501.4 (3) (2).
- 2. Environmental Impact Statement (EIS)
  - a. <u>General</u> The agency head or his/her designee responsible for carrying out a specific action is responsible for preparation of the EIS associated with the construction action.
  - b. <u>Public Interface Requirements</u> The HHS OPDIV should be aware of the extensive Public Notice and other requirements associated with EIS preparation under 40 C.F.R. 6.400. See HHS GAM Section 30-50-70 for detailed procedures and requirements.
  - c. <u>EIS Format/Contents</u> The format and content of the EIS shall conform with 40 C.F.R. 6.200 and the requirements of 40 CFR 1502. If a proposed action will also affect a cultural or natural asset (as defined in the related acts), the statement shall incorporate the material required by the applicable related acts. Specific details and related information for the prescribed format and contents of an EIS is contained in HHS GAM Section 30-50-65, and applicable HHS/OPDIV Environmental Regulations.
- 3. <u>Record of Decision</u> When an OPDIV/STAFFDIV reaches a decision on a proposed action after preparing an EIS, the responsible official shall prepare a concise public record of decision which includes:
  - a. The decision;

- b. All alternatives considered, specifying the alternative or alternatives, which were considered to be environmentally preferable;
- c. A discussion of factors, which were involved in the decision, including any essential considerations of national policy, which were balanced by the organization in making its decision and a statement of how those considerations entered into its decision;
- d. A statement of whether all practicable means to avoid or minimize potential environmental harm from the alternative selected have been adopted, and if not, why they were not;
- e. A description of mitigation measures that will be undertaken to make the selected alternative environmentally acceptable;
- f. A discussion of the extent to which pollution prevention is included in the decision and how pollution prevention measures will be implemented; and
- g. A summary of any monitoring and enforcement program adopted for any mitigation measures.

# Proposal to ... (brief description of the proposed action) ENVIRONMENTAL ASSESSMENT CRITERIA (Updated January 18, 2001)

I.	USE OF NATURAL RESOURCES						
	This set of criteria is concerned with the accessibility of nonrenewable natural resources such as land, mineral, and fuels, which are constantly renewed but in which short-term or local shortages might occur.						
	CRITERIA	IMP	ACT				
	Does the project:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT			
(1)	change traditional use of the land parcel (by rezoning, etc.)?						
(2)	alter use of other land by related development of stores, roads, or site changes?						
(a)	generate new stores?						
(b)	cause new roads?						
(c)	cause new parking?						
(3)	use land for purposes unsuitable to its physical characteristics?						
(4)	include the use of wetlands (swamps, marshes, etc.)?						
(5)	include construction in a floodplain?						
(6)	include the use of significant agricultural lands?						
(7)	block access to known mineral deposits?						
(8)	increase fuel and mineral consumption in state by more than 1% annually?						
(9)	decrease the volume of water in a lake, river, water table, reservoir, etc.?						
(10)	change traditional use of a body of water?						
(11)	divert from local and state land use planning?						

Π.	POLLUTION							
	This set of criteria is concerned with the processes which generate pollution. These include the introduction of pollutants into the environment, changes in the flow of energy through the environment, and changes in the composition of environments through the augmentation or deletion of substances which are naturally present. The criteria are also directly concerned with the production and one-time use of materials and the proper disposal of wastes.							
	CRITERIA IMPACT							
	Does the project:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT				
(1)	increase identifiable air pollution levels from a new emission source or from existing sources?							
(2)	increase identifiable ambient air pollution levels through a major increase in the number of or use of automobiles, trucks, etc.?							
(3)	exceed city or state health standards for exhausts from fume hoods?							
(4)	involve:							
(a)	dredging or swamp drainage?							
(b)	construction of a waste treatment plant?							
(c)	discharge of untreated human waste directly into a lake, river, etc.?							
(5)	overload existing waste treatment plants due to new loads (volume, chemicals, toxicity, etc.)?							
(6)	cause soil erosion (after completion of construction phase) or leaching of foreign substances (such as salt) into the soil?							
0	allow seepage of contaminants into the water table?							
(8)	increase the stress placed upon an identified earthquake fault?							

п.	POLLUTION - (Continued)			
	CRITERIA	IMF	ACT	
	Does the project:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT
(9)	create an identifiable change in aquatic life by discharge of hot water?			
(10)	decrease the percolation on over one acre of land?			NIH will adhere to the Erosion and Sediment Control Guidelines and Stormwater Management Guidelines issued by the Maryland Department of the Environment.
(11)	cause storm water runoff onto the land owned by others?			
(12)	produce noises considered offensive to a human population, i.e., over 55 decibels (dB) A-weighted L <sub>dn</sub> - day/night average sound levels with a 10-dB penalty applied to nighttime (10 p.m. to 7 a.m.) activities at the property boundary? produce cumulative adverse noise effects in conjunction with existing noise sources?			
(13)	create sounds which result in changes in behavior patterns of animals and/or humans (high/low noise frequencies)?			
(14)	introduce new sources of hazardous/toxic wastes			
(15)	introduce new sources of radiation?			
(16)	cause shock waves and/or vibration (after construction phase)?			
(17)	change the direction and wind velocity as to affect the local population (i.e., high-rise building)?			
(18)	cause a new, large volume of production of non- recycled items?			

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П.	POLLUTION - (Continued)							
	CRITERIA	IMP	ACT					
	Does the project:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT				
(19)	result in the non-recycling of recyclable items such as laboratory glassware, animal cages and office paper?							
(20)	generate solid wastes which cannot be properly disposed of by existing facilities?							
(21)	dispose of solid wastes in polluting landfills, wells, caves, etc.?							
(22)	require storage of wastes pending technology for safe disposal?							
(23)	fail to comply with Federal, State and local requirements for waste handling, transportation or disposal methods?							

III.	POPULATIONS This section of the criteria addresses changes in hur and plant populations.	nan, an	NOTE: In this part of the criteria, the affected area is defined as being greater than 160 acres in size.	
	CRITERIA	IMP	ACT	
	Will the action cause:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT
(1)	a 5% change in the density of the local population?			
(2)	health, education and/or welfare services to be altered?			
(3)	social service needs to change by altering populations's age pattern (new schools, etc.)?			
(4)	a change in the transient population by 5%?			
(5)	a scientific alteration (genetic engineering) of the structure of genetic material in a living organism directed at human or other populations?			
(6)	local, state or federal standards pertaining to population densities or conservation of plants and animals to be violated?			

IV.	HUMAN SERVICES As society has evolved, traditional self-sufficient hu communities have given way to dense populations v dependent upon the development and application of Man's highly complex, technological environments maintained by a variety of services, ranging from th the basic necessities of food and water to a complex economic exchange. These services are largely inte- and their complexities must be considered.	NOTE:	In this part of the criteria, the affected area is defined as being less than 160 acres in size.		
	CRITERIA	CRITERIA IMPACT			
	Could the action disrupt:	YES	NO	DESCRIPTI	ON OF ENVIRONMENTAL IMPACT
(1)	food supplies for 48 hours?				
(2)	water supplies for over 48 hours?				
(3)	electrical power for 48 hours?				
(4)	heating supplies (natural gas, heating oil) for over 48 hours?				
(5)	or deprive population of housing for over 48 hours?				
(6)	removal of sewage for more than 12 hours?				
$(\mathcal{T})$	removal of solid waste (trash) for more than seven (7) days?				
(8)	existing health service response in case of a disaster?				
(9)	mail, radio, telegraph, telephone, or television service for over two (2) weeks?				
(10)	transit service for more than two (2) weeks?				

IV.	HUMAN SERVICES - (Continued)			
	CRITERIA	IMPACT		
	Does the action use more than 5% of:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT
(1)	remaining electrical capacity?			
(2)	remaining water?			
(3)	available capacity of the sewage treatment system (branch lines, mains, plants)?			
(4)	available capacity of trash disposal system (collection, incinerator plant, landfill)?			
(5)	available heating fuel (gas, coal, or heating oil)?			
	Does action decrease:			
(1)	food delivery system by removal of retail food stores, etc., by 5%?			
(2)	area's domestic housing by demolition, closing, etc., by 5%?			
(3)	use of existing transit systems (bus, train, etc.) by more than 5%?			
(4)	accessibility to routine health services by altering point of service delivery?			
	Will action:			
(1)	increase the patient load of the area's routine health care services by more than 5%?			
(2)	change the availability of social services by opening or closing facilities?			

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IV.	HUMAN SERVICES - (Continued)			
	CRITERIA	IMPACT		
	Will the action:	YES NO		DESCRIPTION OF ENVIRONMENTAL IMPACT
(3)	increase or decrease the number of social services recipients by more than 5% (by unemployment)?			
(4)	increase the annual volume of telephone, telegraph, or mail by more than 5%?			
(5)	eliminate employment sources for 10% of the population?			
(6)	change school enrollment by more than 5%?			

v.	HUMAN VALUES The fifth set of criteria is directed toward human va concerning the quality of the environment which are agreed upon to the extent that they are stated in stat regulations.			
	CRITERIA	IMPACT		
	Will the action:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT
(1)	encroach upon any historical, architectural, or archaeological cultural property?			
(2)	affect any endangered species?			
(3)	violate local, state, or federal standards on aesthetics, odor, or noise?			

Proposal to ... (brief description of the proposed action) NIH Environmental Assessment Criteria (Updated January 18, 2001)

V.	HUMAN VALUES - (Continued)			
	CRITERIA	IMF	ACT	
	Will the action:	YES	NO	DESCRIPTION OF ENVIRONMENTAL IMPACT
(4)	use criteria, methods, or practices that would discriminate on the basis of race, color, religion, gender, national origin, age, disability, or sexual orientation?			
(5)	effect the environmental, human health, economic and/or social status of minority and/or low- income communities?			
(6)	exclude the opportunity for the public, including minority communities and low-income communities, to have adequate access to public information relating to human health or environmental planning, regulations, and enforcement pursuant to the Freedom of Information Act, the Sunshine Act, and the Emergency Planning and Community Right-to- Know Act?			
0	preclude the affected communities access to meetings, crucial documents and notices and opportunities for input during the planning process to identify potential effects and mitigation measures?			

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Proposal to ... (brief description of the proposed action)

CATEGORICAL EXCLUSION CRITERIA CHECKLIST

I.	CATEGORY #1 General Exclusions Subject to a review for extraordinary circumstances, NIH will not perform an environmental review of actions excluded by regulation from NEPA review. NIH will also not perform an environmental review of actions categorically excluded from NEPA review in DHHS GAM Chapter 30.	NOTE: If the answer to any of the questions in Category #1 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.			
	CRITERIA	YES	NO	EXPLANATION	
(1)	Does a law or statute grant an exception, unless precluded by an OPDIV/STAFFDIV regulation?				
(2)	Have the courts found that the action does not require environmental review?				
(3)	Does the action implement actions outside the territorial jurisdiction of the United States and are such actions excluded from review by Executive Order 12114?				

Π.	CATEGORY #2 Functional Exclusions The following actions are normally excluded from NEPA review, subject to a review for extraordinary circumstances.	NOTE: If the answer to any of the questions in Category #2 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.			
	CRITERIA	YES	NO	EXPLANATION	
	Does the proposed action fall under any of the following categories:				
(1)	Routine administrative and management support, including legal counsel, public affairs, program evaluation, monitoring, and individual personnel actions?				
(2)	Information technology management				
(3)	Education and training grants and contracts except projects involving construction, renovation and/or changes in land use?				
(4)	Grants for administrative overhead support?				
(5)	Grants for social services except projects involving construction, renovation, and changes in land use?				
(6)	Liaison functions?				
(7)	Maintenance, except for properties on or eligible for listing on the National Register of Historic Places?				
(8)	Statistics and information collection and dissemination?				

Π.	CATEGORY #2 (continued) Functional Exclusions	NOTE: If the answer to any of the questions in Category #2 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.					
	CRITERIA	YES	NO	EXPLANATION			
	Does the proposed action fall under any of the following categories:						
(9)	Adoptions of regulations and guidelines pertaining to the above activities?						
(10)	Routine administrative and management support, including budget and finance, planning, procurement of supplies and services, management and oversight of grants and other funding instruments, legal counsel, public affairs, program evaluation, travel, and human resources management.						
(11)	Maintenance, including repairs necessary to ensure the operation of existing facilities, grounds maintenance, and the decontamination of laboratory or other space and equipment.						
(12)	Acquisition of space by lease and modifications of leases, when the use of the space will comply with all applicable Federal, State, and local laws, including all environmental protection and zoning laws, and lease extensions and terminations.						
(13)	Relocation of employees into existing Government-owned or Government-leased space.						
(14)	Facility planning and design.						

Π.	CATEGORY #2 (continued) Functional Exclusions	NOTE: If the answer to any of the questions in Category #2 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.					
	CRITERIA	YES	NO	EXPLANATION			
	Does the proposed action fall under any of the following categories:						
(15)	Construction, or construction pursuant to a lease, of 12,000 square feet or less of occupiable space.						
(16)	Interior construction and renovation of NIH facilities.						
(17)	The acquisition, sale, release, disposal, abandonment, closure, or transfer of real or personal property, provided that the action does not violate applicable Federal, State, or local laws, including historical preservation laws.						
(18)	Acquisition of equipment and the repair or replacement of NIH-owned equipment.						
(19)	Acquisition, installation, maintenance, and operation of utility and communications systems, data processing cables, and similar electronic equipment.						
(20)	Packaging, storage, and disposal of hazardous substances, including low-level radioactive, medical, and chemical waste materials generated by intramural research activities, provided that the waste is packed, stored, and disposed of in compliance with all applicable Federal, State, and local laws.						

Π.	CATEGORY #2 (continued) Functional Exclusions	NOTE: If the answer to any of the questions in Category #2 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.			
	CRITERIA	YES	NO	EXPLANATION	
	Does the proposed action fall under any of the following categories:				
(21)	The identification, collection, testing, and distribution of chemicals, drugs, biologicals, plants or plant derivatives, microorganisms, and/or cell cultures for use in the research, diagnosis, and/or treatment of human diseases.				
(22)	Research and training activities that are conducted in NIH facilities: By or under the supervision of NIH employees; under the Stevenson-Wydler Technology Innovation Act of 1980, as amended, 15 U.S.C. 3701 et seq.; or in accordance with 45 CFR part 9.				
(23)	The issuance of revocable licenses, use permits, and easements allowing outside parties to use NIH facilities.				
(24)	Filing for, obtaining, licensing, enforcing, and protecting intellectual property rights arising from NIH-conducted or NIH-supported research or other activities.				
(25)	Actions taken to comply with requirements of applicable legislation or regulations (e.g., meet emissions requirements established pursuant to Clean Air Act).				

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П.	CATEGORY #2 (continued) Functional Exclusions	NOTE: If the answer to any of the questions in Category #2 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.				
	CRITERIA	YES	NO	EXPLANATION		
(26)	The preparation and submission of proposals for legislation, or major recommendations or reports to Congress on proposals for legislation, that, based on reasonable judgment, will not establish or modify programs that will have a significant effect on the quality of the human environment.					
(27)	The awarding, renewal, suspension, termination, or discontinuance of: Collaborative research agreements, including Cooperative Research and Development Agreements (CRADA) established under the Stevenson-Wydler Technology Innovation Act of 1980, as amended, 15 U.S.C. 3701 et seq.; contracts; cooperative agreements; grants; and interagency agreements entered into by the NIH pursuant to the Economy Act, 31 U.S.C. 1535. For those contracts, cooperative agreements, grants, and interagency agreements that involve construction of more than 12,000 square feet of occupiable space, recipients of NIH funds must certify that they are in compliance with all Federal, State, and local environmental laws and must, as prescribed by NIH, perform all environmental reviews required by NEPA, including preparing environmental assessments and, if necessary, environmental impact statements, and submit these documents to the NIH for review, approval and adoption.					

П.	CATEGORY #2 (continued) Functional Exclusions	NOTE: If the answer to any of the questions in Category #2 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.				
	CRITERIA	YES	NO	EXPLANATION		
(28)	All actions undertaken in preparing for and conducting litigation.					
(29)	The collection, processing, retention, evaluation and dissemination, including publication, of data and other information, including the acquisition and management of resources necessary to carry out those functions.					
(30)	Proposing and adopting guidelines.					
(31)	Traffic management measures, including the installation and operation of traffic control and safety devices and actions designed to control or reduce the number of motor vehicles coming onto the NIH Bethesda campus.					
(32)	Actions taken to respond to public health emergencies.					

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Ш.	CATEGORY #3 Program Exclusions The DHHS procedures on environmental review of authorize the establishment of a categorical exclusion an agency that will not have a significant effect on t Actions taken by the following NIH organizations a normally are excluded from NEPA review, subject t extraordinary circumstances. Actions taken by any organizations to those listed will also be categorical taken by organizations of NIH not listed in this cate in other categories of excluded actions.	NOTE: If the answer to any of the questions in Category #3 is "YES", the action <u>may</u> be categorically excluded from further NEPA review.			
	CRITERIA	YES	NO		EXPLANATION
(1)	Center for Information Technology				
(2)	Center for Scientific Review				
(3)	Fogarty International Center				
(4)	Office of Administration				
(5)	Office of Communications				
(6)	Office of Equal Opportunity				
(7)	Office of Education				
(8)	Office of Community Liaison				
(9)	Office of Loan Repayment and Scholarship				
(10)	Office of Human Resources Management				
(11)	Office of Financial Management				
(12)	Office of Technology Transfer				
(13)	Office of Program Coordination				
(14)	National Library of Medicine				

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IV.	CATEGORY #4 Extraordinary Circumstances Consistent with CEQ's regulations, environmental review is required for all NIH actions involving extraordinary circumstances. Following are examples of extraordinary circumstances that may apply to specific NIH actions.	NOTE: If the answer to any of the questions in Category #4 is "NO", the action <u>may be partially</u> excluded from further NEPA review.		
	CRITERIA	YES	NO	EXPLANATION
(1)	Greater scope or size than other actions included within a category.			
(2)	A threatened violation of a Federal, State, or local law established for protection of the environment or for public health and safety.			
(3)	Potential effects of the action are unique or highly uncertain.			
(4)	Potential effect on a protected or ecologically sensitive area of land, like a wetland or floodplain.			
(5)	Possible impact on property that is listed or eligible for listing on the National Register of Historic Places or that is otherwise of scientific, cultural, or historic importance or interest.			
(6)	Possible impact on endangered or threatened species.			
(7)	Use of especially hazardous substances or processes for which adequate and accepted controls and safeguards are unknown or not available.			
(8)	Substantial and reasonable controversy exists about the environmental effects of the action.			

v.	Summary	NOTE: If the answer to any of the questions the Summary is "YES", the action <u>may</u> be <u>partially</u> excluded from further NEPA review.				
	CRITERIA	YES	NO	EXPLANATION		
(1)	Does the proposed action produce environmental effects with respect to only a few, but not all, of the environmental acts?					
(2)	Is a previously conducted environmental assessment (EA) or environmental impact statement (EIS) broad enough to satisfy the NEPA requirements for the current proposed action?					
(3)	Is the proposed action a response that must be implemented within thirty (30) days to an emergency health situation?					
(4)	Does the law require the proposed action to be taken within thirty (30) days?					
	After substantive review (by first completing the attached NIH Environmental Assessment Criteria checklist) can it be determined that the program or proposed action normally:					
(5)	Will NOT significantly affect the human environment (as defined by NEPA)?					
(6)	Will NOT affect an asset (as defined in the applicable environmental statute or Executive Order) regardless of location or magnitude of the action?					

National Environmental Policy Act (NEPA)



### SECTION 3-3: HISTORIC AND ARCHEOLOGICAL PRESERVATION

3-3-00	Policy
10	Procedures
20	Guidance and Information
30	(Reserved)
X3-3-A	Sample 106 Report, NIH George Freeland Peter Estate
Х3-3-В	Sample Memorandum of Agreement, NIH Building 6

### 3-3-00 POLICY

HHS facility projects shall comply with Section 106 and Section 110 of the National Historic Preservation Act (NHPA) and its implementing regulations, 36 CFR 800. Each Federal agency is required to identify potential National Register of Historic Places (NRHP) eligible properties in accordance with Section 110, which it owns, or otherwise controls and must nominate such potentially eligible properties to the NRHP. Prior to the approval of the expenditure of any Federal funds, the HHS OPDIV shall take into the account the effect of an undertaking on any district, site, building, structure object that is included or eligible for inclusion into the NRHP. The State Historic Preservation Officer or Tribal Historic Preservation Officer and Advisory Council on Historic Preservation shall be provided an opportunity to comment with regard to such undertaking.

## 3-3-10 PROCEDURES

### A. NATIONAL REGISTER CRITERIA FOR ELIGIBLE PROPERTIES

The criteria for evaluating a property's eligibility for listing in the National Register are as follows. The quality of significance in American history, architecture, archaeology, engineering and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling and

- 1. that are associated with events that have made a significant contribution to broad patterns of our history; or
- 2. that are associated with the lives of persons significant in our past; or
- 3. that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- 4. that have yielded, or may be likely to yield, information important in prehistory or history. [36 CFR 60.4]

### **B. ELIGIBILITY DETERMINATIONS**

HHS agencies, in consultation with the State Historic Preservation Officer [SHPO] (or, in the event the Secretary of the Interior has determined that a specific Indian Tribe(s) may assume the functions of the State Historic Preservation Officer with respect to tribal lands on which the property is located, the Tribal Historic Preservation Officer [THPO]), shall apply the National Register Criteria for Eligibility to each property to determine if the property(ies) is (are) eligible for the NRHP. Where a federally recognized Indian tribe has not assumed the responsibilities of the SHPO on tribal lands, consultation with the Indian tribe regarding actions occurring on such tribe's lands or effects on such tribal lands shall be in addition to and on the same basis as consultation with the SHPO.

If the SHPO/THPO fails to respond within 30 days of receipt of a request for review of a determination of eligibility, the agency official may either proceed to the next step in the process based on the finding or determination or consult with the ACHP in lieu of the SHPO/THPO. If the designated HHS agency official determines any of the National Register criteria are met and the SHPO/THPO agrees, the property shall be considered eligible for the National Register. If the OPDIV Federal Preservation Coordinator determines the criteria are not met and the SHPO/THPO agrees, the property shall be considered not eligible.

If the OPDIV Federal Preservation Coordinator and the SHPO/THPO do not agree, or if the ACHP or the Secretary of the Interior (Secretary) so request, the OPDIV Federal Preservation Coordinator shall submit a Nomination Form to the Department of the Interior requesting the Keeper of the National Register (Keeper) to make a decision concerning eligibility. If an Indian tribe or Native Hawaiian organization that attaches religious and cultural significance to a property off tribal lands does not agree with the OPDIV Federal Preservation Coordinator's determination of eligibility, it may ask the ACHP to request the agency official to obtain a determination of eligibility. In the event a request for NRHP eligibility determination is submitted to the Keeper, no action may be taken until the Keeper responds or until 45 days have passed, whichever occurs first. Consultation with the ACHP can be conducted simultaneously. If the Keeper finds the property ineligible for the NRHP, the cultural identification process is complete.

### C. DETERMINATION OF EFFECT ON HISTORIC PROPERTIES

The OPDIV Federal Preservation Coordinator will make a determination of potential effect on the historic property. The affects on historic properties are *no effect, no adverse effect, and adverse effect*. A finding of no adverse or adverse effect requires consultation with the SHPO and the ACHP. An example of a section 106 report is provided as exhibit X3-3-A. In some cases, a simple memorandum may be sufficient. A finding of an adverse effect will require a memorandum of agreement (MOA) with the SHPO. The MOA usually will have stipulations that the agency agrees to accomplish in order to mitigate the adverse effect(s) on historic property. An example of such an MOA is provided as exhibit X3-3-B. The OPDIV Federal Preservation Coordinator will coordinate the Section 106 process between the SHPO, the Advisory Council and the HHS. The OPDIV Federal Preservation Coordinator will negotiate and execute (within his or her authority) memorandums of agreements with the SHPO and the Advisory Council.

Any project that adversely affects HHS historic property must be designed in accordance with the Secretary of the Interior's Rehabilitation Guidelines. A registered architect must prepare the plans and specifications of the projects.

Note that all projects in the National Capital Region that are required to be reviewed by the National Capital Planning Commission must have a "determination of effect on historic property and the SHPO must have concurred with the determination before the Commission will act on the project.

### D. HISTORIC REVIEWS

A historic review is an examination and analysis of potential effects on the property which might occur as a result of the proposed HHS construction action. A historic property may be affected whenever one or more of the following changes occur:

1. Physical characteristics are altered such as by re-grading of site, provision of handicapped access, changing any significant features of the property, remodeling, renovating, restoring, rehabilitating, repairing or any maintenance of the property that is not consistent with the Secretary's stand-

ards for the treatment of historic properties and applicable guidelines, and/or demolition of any buildings or any other portion of the property(ies).

- 2. The physical setting is altered such as extensive changes to nearby districts, sites or buildings.
- 3. The property is moved.
- 4. The use of the property is changed.
- 5. The level of activity occurring at the property changes.
- 6. The property becomes neglected which causes its deterioration.
- 7. The transfer, lease, or sale of property out of Federal ownership.

### E. ARCHEOLOGICAL DATA

- 1. <u>Construction Contract Specifications</u> HHS construction contracts involving excavation should include appropriate specifications to avoid excess claims in the event notification and recovery procedures associated with archeological data are required.
- <u>Notification</u> If continuing with the planned construction will bring about the irretrievable loss of significant scientific, archeological, historic or prehistoric data, the HHS OPDIV shall inform the Secretary of the Interior. If the Secretary does not respond within 60 days, the review is complete. If the Secretary offers to pay for the recovery of the data, he/she shall have at least six months to affect recovery.
- 3. <u>Recovery</u> If a proposed action involves a Federal construction project or a federally licensed project, and the action will result in the irretrievable loss of scientific, archeological, or historic data, up to one percent of the project construction costs may be used to recover the data.

See 43 CFR 10.4 for requirements concerning inadvertent discovery of Native American remains or objects on Federal and tribal land under the <u>Native American Graves Protection and Repatriation Act.</u>

## 3-3-20 GUIDANCE AND INFORMATION

### A. APPLICABILITY

- <u>Historic Preservation</u> Each proposed HHS construction action must be reviewed in order to determine whether it will affect a property that is on or may be eligible for the NRHP. This determination must be made by the HHS OPDIV Head or OPDIV Federal Preservation Coordinator. It is recommended that such determinations be made as early as possible in the planning and budgeting process.
- 2. <u>Archeological Data Recovery</u> Since heavy construction equipment used for site excavation, etc., could destroy the construction site's soil stratigraphy, (which archeologists need in order to date and understand the context of any significant objects or artifacts that might be present), as well as affect the significant objects or artifacts themselves, an archeological survey of the site and reasonable portion of the surrounding Area of Potential Affect (typically 15-30 meters beyond the site's boundaries) should be undertaken as early as possible in the planning process. In any event, it is the responsibility of the HHS OPDIV involved to include proper construction specifications for identification and contextual analysis recovery of artifacts. Potential for time delays and extra costs associated with artifact recovery should also be recognized in the process.

3. <u>Native American Graves Protection and Repatriation Act</u>: These regulations develop a systematic process for determining the rights of lineal descendants and Indian tribes and Native Hawaiian organizations to certain Native American human remains, funerary objects, sacred objects, or objects of cultural patrimony with which they are affiliated. These regulations also pertain to the identification and appropriate disposition of human remains, funerary objects, sacred objects, or objects of cultural patrimony that are: (i) In Federal possession or control; or (ii) In the possession or control of any institution or State or local government receiving Federal funds; or (iii) Excavated intentionally or discovered inadvertently on Federal or tribal lands. See 43 CFR 10.4 for guidance.

### B. ROLES AND RESPONSIBILITIES

- 1. <u>Federal Preservation Officer</u>: Section 110 of NHPA requires that each Federal agency designate a qualified official to coordinate the agency's preservation activities under NHPA.
- 2. <u>State Historic Preservation Officer</u>: State Historic Preservation Officers (SHPOs) administer the national historic preservation program at the State level, review National Register of Historic Places nominations, maintain data on historic properties that have been identified but not yet nominated, and consult with the OPDIV during the Section 106 review. SHPOs are designated by the Governor of their respective State or territory. The OPDIV seeks the views of the SHPO when identifying historic properties. The OPDIV also consults with SHPOs when developing Memorandums of Agreements (MOA).
- 3. <u>The Advisory Council on Historic Preservation</u>: The Advisory Council on Historic Preservation (Council) is responsible for commenting to the Agency Official on an undertaking that affects historic properties. The Council is an independent federal agency, established under NHPA.
- 4. <u>Department of the Interior/National Park Service</u>: The National Park Service (NPS) has no specifically stipulated role in the Section 106 process, but it performs a variety of pertinent functions, including the following: functions as a major land-managing agency; acts as a steward for historic areas in the National Park System; administers the Historic Preservation Fund grants-in-aid program, National Historic Landmarks program, Historic American Buildings Survey/Historic American Engineering Record (HABS/HAER), and the Certified Local Governments program; maintains the National Register of Historic Places; provides technical information and guidance; specifies standards for preservation-related activities that are often referenced in Section 106 agreement documents; and reviews State historic programs.
- 5. <u>Keeper of the Register</u>: The Keeper of the Register (Keeper) is an employee of the NPS and makes the final determination of eligibility for inclusion into the Register.

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## SAMPLE 106 REPORT

# **BUILDING 16 (George Freeland Peter Estate)**

### Nature of the Undertaking

Building 16 is currently used as residence for international scientists and offices for the Fogarty International Center. The Peter House was built as the residence of George Freeland Peter in 1930 and is typical of the estates that were constructed along Rockville Pike. The building's historic features are intact; however, the windows have deteriorated and the building's mechanical and electrical systems are totally inadequate to support the administrative functions now housed in the facility. NIH proposes to replace exterior windows, mechanical and electrical systems.

### **Historic Significance**

## Synopsized History

The George Freeland Peter Estate is an example of the estates that were constructed along Rockville Pike in the early 20th century and is noteworthy for the role it now plays in the medical research community that now surrounds it. The land on which the estate is located was the site of Dr. Armistead Peter's summer home, "Winona", which stood at least until 1919. After Dr. Peter's death, his heirs divided the property into four parts. George Freeland Peter received parts of the tracts called "Huntington" and "Clagett's Purchase", known as lot #2, which contained 47+ acres of land.

## **George Freeland Peter**

George Freeland Peter was noted in Episcopal Church hierarchy as the rector of St. James, assistant rector at St. Mark's and the associate rector at the Epiphany Episcopal Churches in Richmond, VA, and latter as the Chancellor of the Washington Cathedral. He was educated at a number of institutions, including Oxford University (United Kingdom), Columbian College (now George Washington University), the General Seminary (New York City), and Hampden-Sidney College. Upon graduation, he entered the Episcopal Church hierarchy in Washington, DC, and quickly rose in its ranks.
## **The Architect**

The architect for the Peter Estate was Walter G. Peter, FAIA. He was the older brother of George Freeland Peter. He was born in 1868 into a prominent family in the Washington, DC area, and he was raised in the Peter family house, Tudor Place in Georgetown. Tudor Place is considered one of the most important monuments of domestic architecture in the Washington metropolitan area. Walter received his architectural education at the Massachusetts Institute of Technology. Upon graduation in 1890, he joined the noted Washington architectural firm of Hornblower and Marshall, where he worked for a number of years as a draftsman.



In 1888, Walter G. Peter formed a partnership with William J. Marsh. During the 28 years of its existence, the firm of Marsh and Peter was responsible for such important commissions as the First Church of Christ Scientist, the Evening Star Building, the Walter Reed Hospital, the D.A.R. Administration Building, and the Convent of the Visitation. He was also the architect for several large residences in the Washington metropolitan area. In addition, they designed the Charles Corby estate now part of Georgetown Preparatory School. Following Marsh's death in 1926, Peter continued to practice alone. It was during this latter period of his career that he designed the Stone House for his brother.

Walter G. Peter was a Fellow of the American Institute of Architects, served on the boards of several local charitable organizations, and was a member of many prestigious clubs. He died in 1945.

### Architectural Description

The Peter House is a fine example of the Colonial Revival Style, a style suited for domestic architecture, which swept the entire country at the beginning of the 20th century. The architecture is eclectic. Looking to history to establish their roots, Americans often borrowed the house types and ornaments that characterized the colonial buildings. The Peter House was built in 1930 and is typical of the estates that were constructed along Rockville Pike.



The Stone House is a two-story structure with basement and attic laid out in an "I" shape plan. It is a masonry and steel structure with wood framed partitions. The exterior of the house is un-

coursed ashlar blocks of locally quarried blue stone, with corner quoins and wood trim. The house features steep slate roofs that are accented with pediment dormers.

The Stone House is both massive and elegant in its architectural character. The house appears to be symmetrical in massing with a center main mass flanked by two wings. The wings are connected to the main mass by a lower section where the roofline drops and second floor windows are dormers. The fenestration reflects the function of the house and is balanced by the symmetrical massing of the house.

The house is approached from the west off Center Drive. The west elevation is the front of the house. The house appears to be symmetrical except for the connectors. The north connector features a service door and two narrow 4 over 4 windows. The north wing is somewhat larger than the south wing and projects further out to the west. The south elevation of the north wing on the west side of the house features a bay window on the first floor. The west elevation features a robust Georgian portico with a richly carved entablature supporting a segmented arch, supported in turn by two fluted columns. The wood panel door is flanked by fluted pilasters and surmounted by a fanlight. Three attic pediment dormers punctuate the roof of the main block. The second floor features three 8 over 8 windows set in jack arches that are aligned with the attic dormers. In between the window at the center there are two narrow 4 over 4 windows. On the first floor the entry is flanked by two 8 over 8 windows set in jack arches that are also aligned with the attic dormers. The north and south wing west elevations are essentially the same featuring gable ends that terminate with a chimney in the center. Both the first and second floors have two 6 over 6 window symmetrically aligned with two quarter circle windows at the top of the gable end.

The east elevation features a two-story portico that is composed of four two story Corinthian columns that support a blank frieze and pediment with oculus. The entrance is Georgian in character, consisting of a broken segmental arch pediment and fluted pilasters. The wood panel door is flanked by traceried sidelites and capped by a rectangular transom with a modified fanlight motif. On either side of the entrance, there is a narrow 4 over 4 double hung wood window. To either side of the portico there are two windows, still in the main mass of the elevation; each set into a segmental arch. Tripartite in configuration, the windows are composed of a center section that is an 8 over 8 double hung sash, flanked by narrow 2 over 2 windows. Lacking segmental arches, the second-floor windows are otherwise identical to those on the first floor. The north and south wing east elevations are different; however, they both feature gable ends that terminate with a chimney in the center. Both wings on the second floors have two 6 over 6 windows with two quarter circle windows at the top of the gable ends. The south wing features a large bay window with a copper roof on the first floor and the connector on the south wing features a 6 over 6 double hung window surmounted by a circle top window set in a stone arch. This window is flanked on both sides by a narrow 4 over 4 double hung windows. The first floor of the north wing features three 6 over 6 double hung windows.

The south wing features a large verandah that opens onto a formal garden. The central axis of the garden is framed with boxwood and holly, and delineated at its focal point by a fountain and a curved stonewall. An ornamental iron rail, providing a terrace for the second floor sitting room surmounts the verandah's flat roof, supported by ten columns. The north wing originally housed

the kitchen and service areas for the house. Due to a one-story section that extends across the width of the wing, the north wing is slightly larger than the south wing.

The plan of the house reflects the colonial influence seen in the exterior design. The doors on the east and west elevations open into a central reception hall that extends the full width of the house, connecting to another wide hall that runs the length of the main mass along the west wall of the building. Pairs of fluted columns define the intersection of these two halls. A suspended stair with a curvilinear stair railing and finely turned balusters serves as the focal point of the north reception area. A parlor and dining room flank the central reception hall and are entered through double wood paneled doors with intricately carved surrounds. The fireplace mantels and ceiling moldings also display excellent craftsmanship executed in the colonial revival style.

The wings contain service stairs and several rooms each. The south wing is completely open and provides for assembly seating. The north wing holds the kitchen, butler's pantry, elevator, men's lounge, office and a library. The library, office, and butler's pantry all retain some of their original features, such as mantelpieces, moldings, and cabinets.



The second floor contains seven bedrooms most with private baths, sitting rooms, and servant's quarters which all open off a long narrow central hallway. These rooms are currently used as scholar's studies or administrative offices. Movable, temporary partitions have been added to provide privacy screens for the scholars sharing single spaces. One room to the north wing has been converted into a kitchen. The attic has been partitioned into offices.

The interior of the house was sympathetically rehabilitated in the early 1960s, following alterations made to the structure when NIH initially occupied it. All moldings and mantelpieces were repaired and rooms, which have been dramatically partitioned, were returned to their original configurations. In 1989, the first floor of the house was redecorated to accentuate its colonial revival character.

# Statement of Eligibility for the National Register of Historic Places

The Peter Estate is eligible for listing on the national register of Historic Places under Criteria B and C at the local level of significance. The Peter Estate is significant in American history and architecture; possesses integrity of location, design, setting, materials, workmanship, and feeling; is associated with events associated with the lives of persons significant in our past; designed by

a master; and embodies the distinctive characteristics of a type of country estate found in the Washington Suburban Area.

# **Determination of Affect**

I have reviewed the plans for the undertaking and I have determined that there is no adverse affect on historic property.

NIH Federal Preservation Officer



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## SAMPLE MEMORANDUM OF AGREEMENT

# Submitted to the Advisory Council on Historic Preservation, Pursuant to 36 CFR 800.6(a) February 1998

Whereas the National Institutes of Health (NIH) has determined that the existing mechanical systems in Building 6 (National Cancer Institute) are functionally obsolete and cannot be economically maintained or rehabilitated;

Whereas the NIH has determined that the existing laboratory configuration cannot support today's state-of-the-art biomedical research;

Whereas the NIH proposes to replace the functionally obsolete mechanical system with a new state-of-the-art mechanical system;

Whereas the NIH proposes to demolish the interior of Building 6 and construct new laboratories to support today's NIH biomedical research needs.

Whereas NIH has determined that the construction of the new mechanical system will have an effect on Building 6, a contributing resource of the NIH Historic Core District, properties eligible for the National Register for Historic Places, and has consulted with the Maryland State Historic Preservation Officer (SHPO) pursuant to 36 CFR Part 800, regulations implementing Section 106 of the National Historic Preservation Act (16 USC 470f); and

NOW, THEREFORE, NIH and the Maryland SHPO agree that the undertaking shall be implemented in accordance with the following stipulations in order to take into account the effect of the undertaking on historic properties.

## **Stipulations**

NIH will ensure that the following measures are carried out:

1. DEMOLITION: NIH may proceed with demolition of the interior of Building 6.

2. RECORDATION: Prior to the demolition of the interior of Building 6, NIH will record Building 6 to the outline form of the Historic American Building Survey (HABS) standard. All documentation must be complete and accepted by the U.S. Department of the Interior, National Park Service, HABS/HAER Office prior to demolition. Copies of this documentation will be provided to the Maryland SHPO.

3. DESIGN REVIEW: NIH shall ensure that the design of the new mechanical system is compatible with the historic and architectural qualities of Building 6 and the NIH Historic Core District in terms of scale, massing, color, and materials, and is responsive to the recommended approaches to new construction set forth in the Secretary of the Interior's *Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* (U.S. Department of the Interior, National Park Service, 1992), and that the design and specifications for the project are developed in consultation with the Maryland SHPO.

- A. NIH will submit project plans to the Maryland SHPO for review and comment at the schematic, design development and contract document phases.
- B. Major changes during construction that will affect the architectural character and features of the plans for the Building 6 rehabilitation approved under the terms of this MOA must be submitted to the Maryland SHPO for review and comment.

4. AMENDMENTS: Should NIH determine that the terms of the MOA cannot be met or believes that the MOA needs to be modified to change a stipulation or add or delete stipulation, NIH shall request an amendment in accordance with 36 CFR Section 800.5(e)(5). If the SHPO determines that the provisions of the MOA are not being satisfactorily met, the SHPO shall immediately notify NIH and request that they consult to consider terminating, amending, or preparing an amendment to the "Agreement".

5. DISPUTE RESOLUTION: Should the Maryland SHPO object within 30 days to any plans or actions proposed pursuant to this agreement, NIH shall consult with the Maryland SHPO to resolve the objection. If NIH determines that the objection cannot be resolved, NIH shall request the recommendation of the Advisory Council on Historic Preservation (Council). Any Council recommendation provided in response to such a request shall be taken into account by NIH in accordance with 36 CFR 800.6 (c) (2) with reference only to the subject of dispute; NIH's responsibility to carry out all actions under this agreement that are not the subject of the dispute remain unchanged.

Execution of this Memorandum of Agreement and implementation of its terms evidence that the NIH has afforded the Council an opportunity to comment on the undertaking and its effects on historic properties, and that NIH has taken into account the effect of the undertaking on historic properties.

By:	Date:
Federal Preservation Officer, N	NIH
Concurrence:	Date:
Associate Director for Research	h Facilities, NIH
By:	Date:
Maryland State Historic Preser	vation Officer
Accepted by:	Date:
Advisory Council on Historic I	Preservation

#### SECTION 3-4: DESIGN GUIDELINES

3-4-00	Policy
10	Procedures
20	Guidance and Information
20	<b>(D</b> 1)

30 (Reserved)

#### 3-4-00 POLICY

HHS buildings shall be designed and constructed to best meet the functional, safety, security, and environmental needs of the programs they house. A safe and healthy work environment is the crucial objective in the design of HHS facilities. The requirements listed in this section are the minimum OPDIV requirements to meet this objective.

The purpose of this section is to provide general design guidance to the OPDIVS to assist them in developing design criteria for projects. Over the years several OPDIVS have developed design criteria to provide guidance to A/Es and to ensure the quality of design and construction of HHS facilities. Design Criteria generally represents a body of knowledge gathered from many sources within the OPDIV, Department, Federal / State / local entities and the private sector. The purpose of design criteria is to provide guidance to A/E and OPDIV staff in the preparation of HHS contract (construction) documents and to promote excellence in the process of planning, programming, design and construction of HHS facilities.

#### 3-4-10 PROCEDURES

Design criteria reflect the collective corporate knowledge and wisdom of the OPDIV's design professionals based on history and experience that is benchmarked against best practices within the industry. OPDIVS are encouraged to use industry design criteria that are readily available for ordinary buildings that are common in the practice of architecture and engineering. Highly specialized buildings may, to an extent, require development of project unique design criteria. However, even in these specialized facilities there will be design features and elements that can be generic in nature. Using generic design criteria to avoid customizing individual spaces, functions, and operations will save taxpayer money.

#### 3-4-20 GUIDANCE AND INFORMATION

The overarching design guidelines described below are intended to establish general performance objectives for HHS buildings and facilities. The OPDIV Project Officer should ensure that project specific objectives are identified when the design Statement of Work (SOW) is developed. The A/E should be responsible for determining how to achieve specified objectives.

#### A. ENVIRONMENTAL AND FUNCTIONAL NEEDS

HHS buildings shall provide an environment in which occupants can do their work with maximum efficiency at the optimum level of comfort, taking the following factors into consideration.

- 1. Arrangement of Space. Space relationships within buildings shall be planned to optimize the functions being performed by the occupant. Interaction areas should be provided within the building to promote informal discussion between scientists / occupants.
- 2. Access for Persons with Disabilities. Refer to the Section 3-6, entitled "Accessibility Requirements for Persons with Disabilities" in this Chapter.

- 3. Illumination. Natural and artificial illumination shall be sufficient to meet requirements of the tasks performed by the occupants.
- 4. Thermal Environment. The thermal environment shall be such as to provide healthy working conditions for the occupants and proper climatic conditions for the work being performed. Provision of flexibility and suitable control is necessary.
- 5. Acoustical Environment. New buildings and alterations shall be planned and designed to minimize noise that disturbs occupants unduly or interferes with their ability to do their work. An adequate level of privacy shall be provided so that occupants can perform their tasks effectively with minimum outside disturbance. The level of privacy required will vary depending on the tasks involved.
- 6. Maintenance and Operation. Designs shall be based on user needs and maintenance capabilities and shall satisfy the functional requirements for efficient operation of the facility. Materials and products shall be durable, easily maintained, and appropriate for the intended use.
- 7. Harmony with Environment. Special attention should be paid to the arrangement of streets and public space of which the building is a part. Within budgetary and site limitations, designs should include generous development of well-landscaped, inviting, people-oriented space.
- 8. Regional Character. Buildings should reflect the architectural character of the locale. Local building ordinances and zoning practices should generally be followed. Consistent with applicable Federal procurement requirements, the use of materials and products indigenous to the locale of the project should be given preference.

### B. SAFETY, HEALTH AND SECURITY

HHS buildings shall provide an environment that is safe and healthful for occupants, and that offers them maximum protection during emergencies or disasters.

- 1. Structural Adequacy. Design of buildings shall be adequate for the functions to be performed and the loads imposed by building equipment, occupants, and their activities.
- 2. Protection against disaster. Design shall provide minimum exposure to fire, earthquake, or other natural disaster, and shall provide egress and refuge for all people, including the disabled, in an emergency.
- 3. Security. For information relating to facility security refer to the Section 3-7, entitled "Facility Security" in this Chapter.
- 4. Accident Prevention Design. Design shall be the result of safety analyses and shall address unsafe conditions that cause injury, illness, or property damage.
- 5. Health Hazards. Materials and products with known or suspected properties that are hazardous to the health of occupants and installers shall be avoided. Only materials that are lead and asbestos free shall be used in HHS buildings. This includes materials such as paint, adhesives, sealers, sealants, floor tiles, etc.
- 6. Repair, Renovation, and Alterations. Design shall be accomplished to reduce or eliminate hazardous exposure through astute selection and use of materials and methods. Prior to any renovation or demolition project, the design should identify any existing hazardous building constituents asbestos or lead etc. If lead or asbestos containing materials is present, the contractor shall be required to submit relevant management and abatement plans as part of their proposal for HHS approval and send notification letters to the State regarding asbestos removal prior to initiating work.

#### C. ECONOMY

HHS buildings shall be designed at the most reasonable cost in terms of combined initial and long-term expenditures, without compromising other project requirements.

- 1. Site Adaptation. In many, if not most instances, a site has already been selected before design begins; however, OPDIV design professionals should, where possible, have a part in the selection. The design of the building shall be sited economically and efficiently.
- 2. Efficient Utilization. The ratio of net usable to gross area should be as high as possible (without wasted space) consistent with program objectives as stated in the POR. The design shall comply with the HHS Space Utilization Rate (U/R) Guidelines.
- 3. Economical Materials. Materials, products, and systems of proven dependability shall be used in the design or alteration of buildings. Materials shall be as economical as possible, in terms of combined initial and long-term cost and consistent with program objectives. To the extent possible, standard commercially available products shall be used.
- 4. Energy Efficiency. The National Energy Conservation Policy Act (PL 95-619), as amended by the Energy Policy Act of 1992 (PL 102-486), and including all applicable Executive Orders, set out and reinforces long-standing requirements for energy conservation in Federal facilities. It is HHS Policy in response to these mandates to foster cost effective energy management practices to ensure the efficient use of energy, while maximizing the ability of the OPDIV to accomplish its mission and maintaining the health and safety of HHS employees and visitors.
- 5. Life Cycle Cost (LCC) Analysis. LCC shall be performed on all projects as required by OMB Circular A-11 for capital assets. The analysis shall consider the overall estimated costs of each program alternative over the life of the program. In assessing LCC the assumed life of a new facility shall be 50 years. In addition, during design value engineering shall be done to determine the most cost effective, long-term solutions for the selected program alternative. See also Section 3-8.
- 6. Maintenance, Operation, Repair, and Replacement Costs. Buildings shall be designed, and materials selected, to minimize the cost of maintenance and repair.
- 7. Foster Maximum Competition. Buildings shall be designed and building materials, components, and systems incorporated into the design so as to foster maximum competition among suppliers and contractors.
- 8. Project Administration. Projects shall be planned and scheduled to ensure effective and efficient design.

### D. COMPLIANCE WITH CODES AND STANDARDS

In accordance with 40 U.S.C. 3312 each HHS building shall be constructed or altered, to the maximum extent feasible, in compliance with one of the nationally recognized model building codes and with other nationally recognized codes including mechanical and electrical codes, fire and life safety codes, and plumbing codes. Due consideration shall be given to all State and local zoning laws as if the project were not being constructed or altered by a Federal agency. The Government and its contractors shall not be liable for the cost of issuing permits or performing inspections. The Contracting Officer shall insert a clause in every design and construction contract solicitation notifying prospective contractors of the statutory provisions of 40 U.S.C. 3112 (f) and (g).

#### SECTION 3-5: SUSTAINABLE DESIGN

3-5-00	Policy
10	Procedures
20	Guidance and Information

30 (Reserved)

#### 3-5-00 POLICY

HHS and its OPDIVS shall consider sustainable design during planning, programming and budget formulation for all new federally-owned HHS facilities. Sustainable design is a desired integral characteristic of HHS facility project development. Through sustainable design and construction of HHS facilities, OPDIVs will model responsible environmental practices and help create the framework within which the building industry as a whole can shift towards practices that will promote "Green Buildings". HHS has signed the Memorandum of Understanding on Federal Leadership in High Performance and Sustainable Buildings. More detailed policy and guidance will be developed to implement the Guiding Principles of the MOU as appropriate and practical.

#### 3-5-10 PROCEDURES

Several executive orders affecting facilities have been issued which promote and mandate the greening of the Federal Government. The design therefore shall provide for the protection of the environment through energy efficiency, recycling, pollution prevention, and affirmative procurement.

1. Energy conservation shall be given major consideration in the design of HHS buildings. Products, materials, and systems shall be selected with a view toward minimizing the use of nonrenewable resources.

2. Pursuant to Executive Order (E.O.) 13101, *Greening the Government Through Waste Prevention*, *Recycling, and Federal Acquisition*, HHS is committed to recycling and buying recycled content and environmentally preferable products. OPDIVS are encouraged to reduce construction and demolition waste by reducing debris, reusing materials and recycling. The design shall maximize the use of environmentally preferable products and services to the extent feasible, consistent with price, performance, availability, and safety considerations.

3. Pursuant to E.O. 13123, *Greening the Government Through Efficient Energy Management (June 3, 1999)*, HHS shall select, where life-cycle cost effective, ENERGY STAR® and other energy efficient products when specifying energy - using products. The design should specify products that are in the upper 25 percent of energy efficiency as designated by the Federal Energy Management Program (FEMP). The design should meet ENERGY STAR® building criteria for energy performance and indoor environmental quality in eligible HHS facilities.

4. Pursuant to E.O. 13148, *Greening the Government Through Leadership in Environmental Management (April 21, 2000)*, the design shall maximize the use of cost-effective environmentally sound landscaping practices to reduce adverse impacts to the natural environment, prevent pollution and potential future liabilities at HHS facilities.

5. Explore life-cycle cost-effective system alternatives and make selections based on long-term durability, energy efficiency, flexibility, accessibility, ease of operation and maintenance, for Heating, Ventilation, and Air Conditioning (HVAC), Plumbing, Fire Protection systems, steam systems, boilers, air compressor systems, industrial processes, fuel switching systems, and cogeneration. 6. Incorporate the use of renewable energy and technologies in the design of HHS buildings and facilities when life cycle cost effective. Renewable energy includes photovoltaic, solar thermal, biomass (wood, wood waste, refuse and agricultural waste), wind, geothermal and low- impact hydropower technologies.

7. Incorporate Best Management Practices (BMP) for water conservation in the design of the project.

# 3-5-20 GUIDANCE AND INFORMATION

## A. GOALS

HHS facilities, both new and existing, should serve as models for a healthy workplace with minimal environmental impacts. To achieve this goal, OPDIVS are encouraged to utilize both innovative, state-of-theart technologies and a holistic approach to design, construction, renovation, and use. Important considerations in the design, construction, and use of HHS owned and leased facilities include the following:

- 1. Site planning that utilizes resources naturally occurring on the site such as solar and wind energy, natural shading, native plant materials, topography, and drainage.
- 2. Location and programs to optimize use of existing infrastructure and transportation options.
- 3. Use of recycled content and environmentally preferable construction materials and furnishings, consistent with HHS and Federal Acquisition Regulations.
- 4. Minimize energy and materials waste throughout the building's life cycle from design through remediation.
- 5. Design of the building envelope for energy efficiency.
- 6. Use of materials and design strategies to achieve optimal indoor environmental quality (such as lighting quality and air quality) to maximize health and productivity.
- 7. Operation systems and practices that support an integrated waste management system.
- 8. Recycling of building materials at demolition.
- 9. Management of water as a limited resource in site design, building construction and building operations.
- 10. Utilization of solar and other renewable technologies, where appropriate.

Evaluation of trade-offs will be an important component of the design of Green Buildings. Where the goals of a Green Building are contradictory (e.g., increased ventilation vs. increased energy efficiency), the trade-offs will have to be evaluated in a holistic framework to achieve long-term benefits for the environment.

OPDIVS are encouraged to design construct and operate high performance facilities by establishing performance goals at the programming phase. Whether building a new laboratory or renovating an existing structure, there are nine key elements to creating a high performance building:

- 1. Set high performance goals early and include them in the specifications.
- 2. Minimize the impact of the site.
- 3. Provide high performance design.
- 4. Communicate goals to designers.

- 5. Pursue integrated design.
- 6. Communicate goals to construction contractors.
- 7. Monitor construction.
- 8. Verify goals.

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9. Train maintenance and administrative staff.

For a high performance facility, project team collaboration and integration of design choices should begin no later than the programming phase.

### SECTION 3-6 ACCESSIBILITY REQUIREMENTS FOR PERSONS WITH DISABILITIES

- 3-6-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 (Reserved)

## 3-6-00 POLICY

This section sets forth policy and procedures for complying with the Architectural Barriers Act of 1968, 42 USC 4151-4156, also commonly referred to as Public Law 90-480, and as defined in the Federal Management Regulation (FMR) §102.76.60 through 102.76.95. The Architectural Barriers Act applies to any facility constructed, altered, leased, or financed with federal funds that is intended for use by the public or may result in employment of persons with disabilities.

If the construction or alteration commences, or the lease is entered into after May 8, 2006, the facility shall meet the Architectural Barriers Act Accessibility Standard, defined as Appendices C and D, 36 CFR 1191, ABA Chapters 1 and 2, and Chapters 3 through 10.

If the construction or alteration commences, or the lease is entered into before May 8, 2006, the facility must meet the Uniform Federal Accessibility Standards.

If plans and specifications for the construction or alteration of a facility were completed or substantially completed on or before May 8, 2006, the facility is permitted to meet the Uniform Federal Accessibility Standards provided the construction or alteration commences by May 8, 2008.

The Architectural Barriers Act Accessibility Standard and the Uniform Federal Accessibility Standards are available at the <u>United States Access Board website</u> (<u>http://www.access-board.gov</u>).

## 3-6-10 PROCEDURES

#### A. ASSESSING COMPLIANCE

- 1. All projects shall be reviewed for compliance with the applicable standard during the review of contract drawings and specifications (for all design phases), and again at the time of the final on-site inspection of the completed facility.
- 2. The review of contract drawings and specifications and/or inspection during construction at serves the following purposes:
  - a. It provides assurance that project plans are being reviewed closely for adherence to prescribed requirements at appropriate design stages.
  - b. It provides documentation in the project file that the facility meets mandatory requirements, or that the contract drawings reflect certain omissions or deviations from the standards.
  - c. It serves as a guide to take corrective action by the project architect in instances where the contract drawings do not conform completely to the standards.
  - d. Where historic properties may be adversely affected, early consultation with the State Historic Preservation Officer and the Advisory Council on Historic Preservation is advisable, to avoid delays in the design process.
- 3. To meet the record keeping responsibilities of FMR §102-76.95, it is recommended that the applicable portions of the standard be used as a checklist. A completed copy of the checklist should be placed in the project file when the design documents are completed and a second completed

checklist when construction is completed. A notation in the left margin of "Y" (yes), "N" (no) or "NA" (not applicable) opposite each item in the checklist is sufficient.

### B. EXCEPTIONS:

- 1. Exceptions for specific facilities as defined in FMR §102-76.60 are:
  - a. Privately owned residential facilities unless leased by the Government for subsidized housing programs, and
  - b. Any facility on a military reservation designed and constructed primarily for use by ablebodied military personnel.
- 2. Exceptions when the costs of alterations to meet accessibility are disproportionate to the costs of the overall alterations are defined in FMR §102-76.70 through 102-76.85. Documentation shall be maintained in the project file demonstrating the basis of the disproportionate costs and the extent to which the standard is incorporated into the project.

#### C. WAIVERS

- 1. HHS and its OPDIVS cannot grant waivers to the requirements. The Administrator of General Services has the authority to waive or modify the standards in FMR § 102–76.65(a) on a case-by-case basis if the agency head submits a request for waiver or modification and the Administrator determines that the waiver or modification is clearly necessary.
- 2. All requests for waivers, supporting documentation, and notification of final action on requests shall be placed in the project file. Accessibility requirements cannot be waived in HHS facilities that are accredited by the Joint Commission on Accreditation of Healthcare Organizations.

### 3-6-20 GUIDANCE AND INFORMATION

- A. The Architectural Barriers Act (ABA) of 1968, 42 USC 4151 4156, establishes accessibility requirements for facilities designed, built, altered or leased with Federal funds.
- B The Americans with Disabilities Act (ADA) of 1990 (42 USC 12204), establishes accessibility requirements for employment, public services, public accommodations and telecommunications. The Act does not directly cover Federal or federally funded facilities, which remain under the Architectural Barriers Act (ABA).
- C. 42 USC 4152 of the Architectural Barriers Act authorizes the Administrator of the General Services Administration (GSA), in consultation with the Secretary of the Department of Health and Human Services (HHS), to prescribe standards for the design, construction and alteration of buildings (other than residential structures, Department of Defense (DOD) and Postal facilities) to ensure accessibility by persons with disabilities.
- D. The U.S. Access Board issued the guidelines for both the Americans with Disabilities Act (ADA) and Architectural Barriers Act (ABA) requirements as the combined document, "The ADA and ABA Accessibility Guidelines for Buildings and Facilities" June 23, 2004. The guidelines issued by the U.S. Access Board are not legally enforceable but serve as baselines for meeting ADA and ABA accessibility requirements. Under the ABA, the "Uniform Federal Accessibility Standards" remained the applicable standard until GSA (along with DOD, HUD and USPS) issued new enforceable standards based on the U.S. Access Board's guidelines. With respect to the ADA, the guidelines issued by DOJ in 1991 remain the applicable enforceable standard.
- E. GSA issued the FMR §102-76 Design and Construction on November 8, 2005 containing the updated standard in Subpart C, Architectural Barriers Act effective May 8, 2006.

#### SECTION 3-7: FACILITY SECURITY

- 3-7-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 (Reserved)

## 3-7-00 POLICY

The purpose of this section is to establish HHS policy for incorporating security features in the design of HHS facility projects (leased and federally-owned). HHS facility projects shall be planned, designed, and constructed in accordance with the most current issuance of the Interagency Security Committee (ISC) Security Design Criteria for New Federal Office Buildings and major Modernization Projects, except hospitals and clinics.

By Executive Order 12977, dated October 19, 1995, President William Clinton established the Interagency Security Committee (ISC) mandating that representatives from 17 Agencies and several Federal offices participate. The Department of Health and Human Services is one of the Agencies specified by the President for membership.

## 3-7-10 PROCEDURES

The intent of the ISC Security Design Criteria for New Federal Office Buildings and Major Modernization Projects is to apply the security design criteria on a building-by-building basis. The criteria should be applied using a decision-based approach tailored to each building. The building's specific security requirements should be based on a facility-specific risk assessment, done at the earliest stages of planning for a multi-disciplinary project team to use to plan the security measures.

## 3-7-20 GUIDANCE AND INFORMATION

On May 30, 2001, the ISC issued their first Security Design Criteria for New Federal Office Buildings and Major Modernization Projects. It contains physical security design and construction criteria and standards for Federal buildings and facilities. It was developed to ensure that security becomes an integral part of the planning, design and construction of new Federal office buildings and major modernization projects. The criteria apply to new construction of office buildings, including build-to-suit lease construction, to be occupied by Federal employees in the United States. When prudent and appropriate, the criteria also apply to major modernization projects and projects not meeting the foregoing definitions.

The ISC Security Design Criteria for New Federal Office Buildings and Major Modernization Projects is a living document. Criteria will change as a result of ongoing research and rapid technological development. An ISC working-group will review and update the Criteria at least once per year. HHS formally adopted the September 29, 2004 issuance as policy. It shall be the policy of the Department to utilize the latest issuance of this document where appropriate. Users should also visit the GSA websites for relevant new information. (Add link.)

A copy of the ISC Security Design Criteria can be obtained from OPDIV security representatives, from the Departmental Physical Security Program Manager, GSA sources or the GSA building technology security website at <u>http://www.oca.gsa.gov/mainpage.php</u> (site registration is required).

#### SECTION 3-8: VALUE ENGINEERING

3-8-00	Policy
10	Procedures
20	Guidance and Information
30	<b>Reporting Requirements</b>

#### 3-8-00 POLICY

This section describes HHS policy and procedures for value engineering (VE) in Architectural/Engineering (A/E) and construction contracts for federally-owned HHS real property assets. VE is mandatory for projects where the construction cost is \$1 million or greater. (See OMB circular A-131.) All projects developed using Design-Build that are procured using full and open competition and are awarded based on a best value selection process are exempt from further VE. HHS requires an independent VE analysis by a specialized consultant or Government personnel for projects with a total project cost of \$10 million or more.

Each OPDIV facilities office that performs technical management of A/E and construction contracts shall designate a value engineering coordinator (VEC) to coordinate the OPDIV's VE activities. The VEC shall receive formal Society of American Value Engineering (SAVE) approved training in value engineering. The Contracting Officer, in consultation with the VEC, is responsible for determining which contracts are subject to VE and for accepting or rejecting VE proposals.

#### A. DEFINITIONS

- <u>Life Cycle Cost</u> (LCC) The sum of all costs over the useful life of a building, system or product including the costs of design, construction, acquisition, operation, maintenance, repairs, disposal and salvage (resale) value, if any, using present worth costs. For evaluating proposed capital investment projects the modes of analysis to be used include:
  - a. Total Life Cycle Costs
  - b. Net Savings
  - c. Saving-to-Investment Ratio
  - d. Payback Period
  - e. Internal Rate of Return
- <u>Value Engineering</u> (VE) The formal technique by which contractors may (1) voluntarily suggest methods for performing more economically and share in any resulting savings or (2) be required to establish a program to identify and submit to the Government methods for performing more economically. Value engineering attempts to eliminate anything that increases acquisition, operation, or support costs, without impairing essential functions or characteristics. VE involves an organized effort to analyze alternative approaches for provision of systems, equipment, facilities, services, and supplies for the purpose of achieving the essential functions at the lowest life cycle cost consistent with required performance, reliability, quality, and safety.
- <u>Value Engineering Change Proposal (VECP)</u> A proposal developed by a construction contractor under a value engineering clause in its construction contract that typically involves sharing in any resulting savings. The proposal normally involves changes in the drawings and specifications directed at reducing the construction costs or life cycle costs without impairing the project's essential functions or characteristics.

- <u>Value Engineering Proposal (VEP)</u> As used in this section, a VEP in connection with an A/E design contract, is a proposal for change developed by the A/E design firm, employees of the Federal Government, or a specialized VE consulting firm. The proposal is similar to the VECP described above and is generally performed on a partially completed facility design. However, it is noted that there is no cost sharing of projected savings during the design phase.
- Base Year The base year is the first year of the Value Engineering study period.
- <u>Funds Invested</u> Estimates should include salaries and overhead expenses of value engineering, training costs for contracting for value engineering services, value engineering proposal development and implementation costs, and any other costs directly associated with the VE program.
- Present Worth (PW) The time-equivalent value of past, present, or future cash flows as of the beginning of the base year.
- <u>Net Savings</u> The net savings is the time-adjusted savings less time-adjusted costs taken over the study period.

#### 3-8-10 PROCEDURES

#### A. VALUE ENGINEERING IN DESIGN CONTRACTS

<u>General</u> - Federal Acquisition Regulations (FAR) Part 48 requires the Contracting Officer to include a VE clause in solicitations and contracts for A/E services whenever the Government requires and pays for a specific VE effort in A/E contracts.

<u>Projects Requiring HHS Capital Investment Review Board Approval and a total project cost of \$10 Mil-</u> <u>lion or More</u> - OPDIVs shall obtain independent VE analysis from a specialized consultant or Government personnel. The specialized consultant must be an independent party from the project A/E.

<u>Projects with a construction cost of \$1 million or greater</u> - OPDIVs may accomplish value engineering through the A/E contractor, a specialized independent consultant, or Government personnel at the discretion of the VEC and the Contracting Officer.

Regardless of who performs VE, the value engineering analysis shall be done at the end of schematic design phase or no later than the midpoint of the design development phase to be effective. In addition, the VE team shall include a certified value specialist team leader and A/E professionals with VE training and experience.

- 1. When projects meet the thresholds for VE, the VEC should proceed as follows:
  - a. In conjunction with the Contracting Officer, determine the scope of VE analysis to be undertaken, considering the size and type of the project, and document to the contracting file.
  - b. If being accomplished by Government personnel, appoint a VE team. The VE team shall consist of members with expertise in the areas or disciplines to be reviewed for the project.
  - c. Upon completion of analysis, file a VE report.
  - d. Maintain copies of VE proposals and supporting documentation in the contracting file.
- 2. The following information shall be included in each VEP whether done by the A/E, specialized consultant or Government personnel:
  - a. <u>Description and Comparison</u> A description of the difference between the existing and proposed design, the comparative advantages and disadvantages of each, a justification when an item's function is being altered, the effect of the change on system or facility performance, and any pertinent objective test data. This may include but is not limited to sketches, calculations, models, etc.

- b. <u>Specifications</u> A list and analysis of design criteria or specifications that must be changed if the VEP is accepted.
- c. <u>Project Cost Impact</u> A separate detailed estimate of the impact on project cost of each VEP, if accepted and implemented by the Government.
- d. <u>Implementation Costs</u> A description and estimate of costs the Government may incur in implementing the VEP, such as design change cost and test and evaluation cost.
- e. <u>Life Cycle Costs</u> A prediction of any effects the proposed changes may have on life cycle cost. Cost comparisons shall assume a 30-year building life.
- f. <u>Schedule Impact</u> The effect the VEP will have on design or construction schedules.

## B. VALUE ENGINEERING IN CONSTRUCTION CONTRACTS

<u>General</u> - FAR Part 48 requires the contracting officer to include a VE clause in construction solicitations and contracts when the contract amount is estimated to be \$100,000 or more, unless an incentive contract is contemplated or the agency has granted an exemption. The Contracting Officer may include a VE clause in construction contracts of lesser value, if the Contracting Officer sees the potential for significant savings.

- 1. As a minimum each VECP submission from the contractor shall include the documentation required under FAR Part 48.
- 2. The OPDIV will review and objectively evaluate each VECP, and document the contract file with the rationale for acceptance or rejection of the VECP. If a VECP is accepted, the Government and the contractor shall share the savings, as prescribed in FAR Part 48.
- 3. Each OPDIV is responsible for establishing guidelines for processing VECPs consistent with FAR Part 48 requirements.

## 3-8-20 GUIDANCE AND INFORMATION

The payment for VE services performed by non-governmental employees is an authorized expense of project design funds. These services must be separately priced in the A/E contract and are not included in the six percent fee limitation for the A/E design services. VE services will be quantified in terms of "level of effort" rather than as a deliverable.

Below is a list of the primary Federal regulations governing value engineering for HHS projects:

- 1. OMB Circular A-131, Value Engineering
- 2. FAR, Part 48
- 3. <u>10 CFR 436 subpart A</u> Life Cycle Cost methods and criteria contained in the Federal Energy Management Program (FEMP) rules.

## 3-8-30 REPORTING REQUIREMENTS

OMB Circular A-131, "Value Engineering," requires that HHS maintain data on the VE program. The VEC shall maintain records on the number of VECPs received from construction contractors, the number of VEPs prepared on design contracts and the amount of potential savings accepted by the Government within each of these categories. This information will be compiled and provided to the Division of Planning and Construction, OFMP, OS to fulfill the annual reporting requirements to the Office of Management and Budget.

#### SECTION 3-9: PARTNERING

- 3-9-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 (Reserved)

#### 3-9-00 POLICY

The purpose of this section is to encourage "Partnering" as a best practice on HHS construction projects for federally-owned real property assets. Each OPDIV shall consider developing and implementing a partnering procedure for all new and renovated facilities that meet or exceed the Capital Investment Review Board threshold.

Partnering is designed to create an agreement between the Government and Contractor to work cooperatively as a team, to identify and resolve problems and to achieve mutually beneficial performance and result goals. The expected benefits are achievement of contract goals, lower contract administrative costs, improved problem solving, and fewer conflicts. Participants in the Partnering process must include the Contracting Officer, project officer, designer (architect / engineer), and contractor; but may also include end user(s), upper management, consultants, and major subcontractors.

Partnering Agreement(s) must be consistent with all applicable FAR requirements and the controlling Government contract. Partnership agreement(s) do not waive the Government's or the Contractor's responsibilities under "contract disputes" provision and process required by FAR 33.2 and the HSAR, Sub-part 333.2.

#### 3-9-10 PROCEDURES

#### A. PARTNERING

The Partnering process shall be clearly defined in the solicitation for bids that advertise for the procurement of the Project. This process is based upon the expectation of a mutual commitment between Government and industry to work cooperatively as a team to identify and resolve problems and to facilitate successful contract performance. The process is designed to be mutually beneficial, providing the OPDIV with quality services, on time and at a reasonable price, while allowing the contractor to operate efficiently and earn a fair profit. Partnering requires the parties to look at and to formulate actions that promote their common goals and objectives. It is a relationship that is based upon open and continuous communication, mutual trust and respect, and the replacement of the "us versus them" mentality of the past with a "win-win" philosophy. Partnering also promotes synergy, creative thinking, pride in performance, and the creation of a shared vision for success. Partnering agreements are more than just signatures and handshakes. They represent a willingness and a commitment to resolve differences in a structured and constructive manner. Although formal Partnering is most effective for large construction procurements, the same philosophy and process can be applied successfully on a smaller scale by the OPDIVs.

#### B. THE FOUR PHASES OF PARTNERING

The four phases of partnering are:

1. <u>Communicating with Industry</u>. The solicitation will contain a clause informing offerors of the Government's requirement to use partnering on the contract.

- 2. <u>Making the Commitment to Partner.</u> This requires willingness and support of senior management to empower participants with the required responsibility and authority to make binding decisions. OPDIV Senior Managers should lead the partnering process by reinforcing the team approach to contract administration, breaking down barriers, actively participating in the resolution of issues escalated to their level, and championing the process. There is an initial investment of participant time to make the process work, as well as some cost in conducting the initial workshop.
- 3. <u>Conducting the Workshop and Developing the Partnering Agreement</u>. The purpose of the workshop is to build a Contractor/Government team and create momentum that will drive the partners toward successful accomplishment of mutual goals and objectives throughout the contract term. Recommended elements of the initial Partnering Workshop include:
  - a. Introduce the partnering concept share experiences, concerns, etc.
  - b. Build relationships Team building exercise.
  - c. Set team Goals What are we jointly trying to achieve through a partnering agreement?
  - d. Establish accountability How will we accomplish this?
  - e. Establish an evaluation process What are the issues involved in helping us to realize our goals? What metrics can we track to tell us if the contract is effective and our goals are being met?
  - f. Establish the process to resolve conflicts How will we resolve disputes to avoid hurting each other?
  - g. What are the specific kinds of disputes that we can think of now?
  - h. Develop a conflict escalation procedure.
  - i. Put it in writing Develop the Partnering Agreement, signed by all key contractors and contract administration personnel.

All future working meetings are conducted and guided by the principles and procedures established during the workshop and incorporated in the drafting of the initial Partnering Agreement.

4. <u>Making it Happen</u>. After development of the Partnering Agreement, it is critical that all actions taken are consistent with the Partnering Agreement objectives. At the periodic progress meetings, checks can be made to gauge how everyone feels about the value of the partnering agreement. If necessary, a follow up workshop may be held to refocus the team on the process and educate new stakeholders.

#### 3-9-20 GUIDANCE AND INFORMATION

OPDIVS are encouraged to consult the Construction Industry Institute best practice on partnering for developing their own partnering model: SP17-1 In Search of Partnering Excellence RS 102-1 Model for Partnering and IR102-2 Partnering Toolkit.

#### SECTION 3-10 COMMISSIONING

3-10-00	Policy
10	Procedures
20	Guidance and Information

30 (Reserved)

#### 3-10-00 POLICY

This section describes the HHS policy and procedures for commissioning on all major renovation and construction projects for federally-owned real property assets. Each OPDIV will develop, implement and maintain a commissioning procedure for all new and renovated facilities that meet or exceed the Capital Investment Review Board threshold (\$10M). The OPDIV may determine that other facilities should be commissioned based on the complexity and nature of the facility.

Commissioning is the process of making sure all building systems are working when occupants move in. It involves making sure all systems are: installed properly and perform according to design; cost effective; meet the users' needs; adequately documented and well understood by operators. Commissioning serves to accomplish the following goals:

- Reduced number of deficiencies at completion.
- Lower utility costs attributable to efficiently operating systems.
- Lower maintenance costs due to properly trained maintenance crew.
- Higher productivity of the building occupants because of properly balanced ventilation system.
- Design for Maintainability.
- Reduced outages and downtimes due to better diagnosis of failures.
- Well-documented and successful system tests.
- All building systems perform in accordance with the design requirements.

#### 3-10-10 PROCEDURES

- A. Each OPDIV will develop a commissioning process for its facilities utilizing industry wide standards such as ASHRAE Guideline 0-2005, "The Commissioning Process." The process will include the early programming phases of the project and extend through the end of the warranty phase for the facility.
- B. Each OPDIV will develop a plan to implement the commissioning process. The implementation will include staff training to ensure clear understanding of the process. Commissioning requirements will apply to any applicable project with a design start date after the implementation of the OPDIV's Commissioning process.
- C. The OPDIV will continue to maintain the process by:
  - Ensuring that appropriate funding is requested within each project budget.
  - Reviewing the projects and process to determine if the aforementioned goals are being met.
  - Updating the process appropriately to ensure continual improvement.

#### 3-10-20 GUIDANCE AND INFORMATION

Commissioning functions as an advocacy service to the OPDIVS. Rigorous operational testing provides a high level of assurance that building systems are properly installed and will operate within performance guidelines set forth in the design documents.

### A. Quality Assurance for Building Systems

Facility commissioning affords the owner an unbiased expert's perspective of a building's system installation, operation, and performance and provides for monitoring of specified building system service training events. The commissioning process does not alter the responsibilities of design professionals, installing contractors or their vendors, but rather augments the efforts of all parties toward the common goal of achieving a quality-building product. It promotes the delivery of a safe, healthy environment for building occupants by turning over functionally tested building systems with appropriate documentation and training for owners and operators. Commissioning, with its quality management focus, should be part of the project from its inception because an early start provides maximum benefits. Facility's commissioning bridges the gaps between the Government, the design team, the construction team and building system vendors using a methodical process employing:

- Identifying and documenting the needs and the requirements of the facility and ensuring that the designed systems are commensurate with and meet those needs.
- Thorough review of design and submittal documents.
- Ensuring that the systems installed are operable and maintainable.
- Functional performance testing of the systems to ensure that they are interacting and performing optimally.
- Progress and coordination meeting attendance.
- Resolution tracking forms.
- System verification checks.
- Start-up and operator involvement for HVAC equipment.
- Functional performance testing.
- O&M and as-built documentation corroboration.
- Specified factory service and off-season mode testing enforcement.
- O&M training facilitation and recording.
- Ensuring that the design intent, the installations and the O&M requirements are clearly and thoroughly documented.
- Training of the operators and the facility staff to ensure they operate and maintain the facility per the design intent.
- Integration of subsystems.
- B. Functions and Responsibility of the Commissioning Agent

The methodology for carrying out a comprehensive commissioning process is organized by project phase: pre-design, design, construction, acceptance, and finally post-acceptance. The functions and responsibility of the Commissioning Agent during each phase shall include:

- <u>Share Information</u> The primary responsibility is to inform the General contractor (Construction Manager), the Government and A/E on the status, integration, and performance of systems within the facility. The Commissioning Agent shall function as a catalyst and initiator to disseminate information and assist the design and construction teams in the completion of the construction process. This shall include system completeness, performance, and adequacy to meet the intended performance of each system. Services include construction observation, spot testing, verification and functional performance testing, and providing performance and operating information to the responsible parties.
- <u>Quality assurance</u> Assist the responsible parties to maintain a high quality level of installation and system performance.
- <u>Observation of test</u> The Commissioning Agent shall observe and coordinate testing as required to ensure system performance meets the design intent. The construction contractor does some testing. The commissioning agent doesn't coordinate the construction contractor's work but does verify that the contractor coordinates the work.
- <u>Documentation of tests</u> The Commissioning Agent shall document the results of the performance testing directly or ensure that the appropriate technicians document all testing. The Commissioning Agent shall provide standard forms to be used by all parties for consistency of approach and type of information to be recorded.
- <u>Technical Expertise</u> The Commissioning Agent shall provide technical expertise to review and edit operating and maintenance descriptions by systems.
- <u>Deficiencies</u> The Commissioning Agent shall provide technical expertise to oversee and verify the correction of deficiencies found during the commissioning process.
- <u>Acceptance</u> The Commissioning Agent shall work with and advise the Construction Manager, Government, and A/E concerning the date of acceptance for each system for start of the warranty period (if different than the overall Beneficial Occupancy Date).

## C. COMMISSIONING PHASES

Objectives for each commissioning phase are outline below.

- 1. Program & Pre-design commissioning phase
  - Document initial design intent

Develop commissioning plan

- Document requirements as specified in Owner's program
- Select commissioning Agent
- 2. <u>Design Commissioning Phase</u>
  - Ensure clear design intent documents are developed
  - Develop commissioning plan & specifications
  - Coordinate building systems with HVAC equipment & systems
- 3. Construction Commissioning Phase
  - Verify system/equipment start-up and operation
  - Verify building management controls

- Verify Testing Adjusting & Balancing report
- Document all tests, observations, and issues
- Verify system installation
- Verify installed equipment is maintained in accordance with O&M while project is under construction and prior to final acceptance
- Coordinate as-built drawings
- Coordinate O&M training
- 4. <u>Acceptance Commissioning Phase</u>
  - Enforcement of Warranty
  - Verify functional testing of all systems
  - Verify all system comply with contract documents
  - Verify accuracy of final TA&B report
  - Conduct O&M training
  - Complete systems manual
  - Complete training program
- 5. Post Acceptance Commissioning Phase

Shall be done before warranties expires.

- Continued adjustment, optimization of the building systems
- Maintain performance of the systems throughout the useful life
- Revision of as-built records
- Testing, adjusting & balancing of affected systems

## D. <u>The Commissioning Report</u>

The commissioning report will generally consist of the following:

- Detailed narrative of commissioning results.
- Verification checklist data sheets.
- Functional performance test data records.
- System operation description and final design intent.
- As built drawings/ shop drawings.
- Final updated operation & maintenance manuals.
- Training documents.

These records will be beneficial to the owner for as long as the building serves its occupants. The records are helpful to the maintenance personnel that operate and maintain the equipment. The records would also be helpful to the OPDIVS should there be any question regarding air quality and working environment.

### SECTION 3-11: FEASIBILITY AND OTHER FACILITIES STUDIES

- 3-11-00 Policy
  - 10 (Reserved)
  - 20 Guidance and Information
  - 30 (Reserved)

#### 3-11-00 POLICY

The purpose of this section is to provide both general and specific information on requirements for facility studies to agency staff responsible for preparing or managing such studies.

This section includes guidance and requirements on all technical facility studies normally performed by OPDIVs. Generally, the studies described in this section are contracted for with private architectural/engineering (A/E) or other technical consulting firms. Alternatively, the OPDIV or other Federal personnel may perform them. When an OPDIV component does not conduct an in-house study and turns to another Federal component for the service, an interagency agreement is executed. The OPDIV remains responsible for the adequacy of all documents.

### 3-11-20 GUIDANCE AND INFORMATION

### A. GENERAL GUIDANCE FOR FACILITY STUDIES

The following general study outline is provided as an option for studies where a format for preparing a work plan is not otherwise specified. At a minimum, facility studies address program, budget, and environmental requirements. This applies to all types of feasibility and special studies, and is oriented to studies conducted by consultants.

- 1. Content
  - a. <u>Statement of the Problem</u>. What is/are the question(s) to be answered by this study?
  - b. <u>Background</u>. The background and reasons for the study should be developed in sufficient detail to justify its need.
  - c. <u>Methodology</u> and approach to the study
  - d. <u>Observations and Findings</u> (including presentation of data)
  - e. <u>Conclusions and Recommendations</u>

#### B. EXAMPLES OF FACILITY STUDIES

#### 1. FEASIBILITY STUDIES

The feasibility study is the most fundamental of facilities studies and addresses program, engineering, architectural, environmental, and budget issues. It is most frequently undertaken as part of a decision process comparing different solutions to satisfying a facility requirement, such as modernizing and/or expanding an existing facility versus constructing a replacement facility, or to establish the appropriate size and scope of a planned new facility. Such feasibility studies are frequently made in conjunction with preparation of a Program of Requirements (POR) document.

a. The scope and parameters for a feasibility study must be stated in objective terms so that the A/E or consultant firm can produce an unbiased report.

- b. If the issues are basically technical, requiring A/E disciplines, the A/E selection process described in Volume I, Section 4-2, "Architect/Engineer Selection Process and Approvals," must be followed after the scope is approved.
- c. The recommendations of feasibility studies will be recorded in the Facility Survey Data Base. Each recommendation will be classified and prioritized in the Facility Survey Data Base.

#### 2. PRE-DESIGN AND PRE-TRANSFER STUDIES

Pre-design and pre-transfer studies are undertaken when insufficient information is available to proceed.

- a. <u>Utility Studies</u> Adequate utility support is essential. Such needs are particularly complex for hospitals and research facilities. Such studies require detailed information on utility availability, capacity, reliability, projected life, etc. Studies may be devised to cover all relevant utilities or specified ones; e.g., steam or water supply only. Studies should address the special needs related to the management of medical and/or hazardous waste.
- b. <u>Physical Plant Audits or Existing Condition Survey</u> Physical Plant Audits or Existing Condition Survey is complete inventories of the physical plant with all deficiencies identified with a general plan of correction and estimated construction cost as well as disclose hazardous materials activities.

### 3. SUBSURFACE AND SOIL STUDIES

The studies listed below may be part of the site selection study. The complexity or individual nature of the site may require a special study or studies.

- a. <u>Soil Investigation and Structural Report</u> Certain sites may contain unusual soil materials or formations that require special consideration (e.g. expandable clays, water table problems or unstable organic fill). The report should be prepared by a soils testing laboratory and reviewed by a licensed geotechnical engineer registered in the state or territory of the site.
- b. <u>Seismic/Geologic Study</u> These studies are required for all sites in high risk seismic areas. Other sites may logically require special geologic studies; e.g. where rock or ledge is visible within or near the area to be developed.

### 4. BUILDING SYSTEMS STUDIES

Complexity in building systems often requires that individual systems be isolated and analyzed in order to develop the most effective and efficient application.

- a. <u>Energy Conservation</u> The high-energy usage in hospitals and laboratories has prompted these studies. Mechanical and electrical systems are the prime focus. For instance, lighting may be reduced at certain hours and electric motors may be interlocked to reduce demand.
- b. <u>Pollution Prevention</u> This includes both physical systems and management programs to prevent or minimize pollution, including recycling programs.
- c. <u>Other Building Systems</u> Many other building systems may benefit from special studies. Some common subjects are as follows:
  - (1) HVAC System and Controls
  - (2) Accessibility for Persons with Disabilities
  - (3) Vertical Transportation Elevators and Escalators
  - (4) Security
  - (5) Maintenance of Building Equipment
  - (6) Fire Safety System

#### 5. OTHER STUDIES

HHS facilities may require specific studies as listed but not limited to those below.

- a. <u>Research Animal Holding Studies</u> Research animals require sophisticated environments that differ significantly from typical human environments. Use of hazardous chemicals in animal research requires careful monitoring, from delivery to final disposal of wastes. Facilities for animal studies must consider the animal species, population, research protocol, material handling, cage washing and disposal methods. A special study may be appropriate to answer facility questions in one or several of these animal research areas (e.g., Does the facility meet American Association for Accreditation of Laboratory Animal Care (AAALAC) standards?)
- b. <u>Hospital Department Studies</u> As a result of disease incidence or population changes, certain departments may require space adjustments after a hospital has been in operation for several years. Efficient use of space may be improved by departmental studies. Such studies should address environmental issues, such as the management of hazardous or medical wastes.
- c. <u>Technology Improvements</u> New equipment and technology may permit facilities to be operated more efficiently, or in a more environmentally benign manner (e.g., an improved medical waste incinerator). Specific studies are frequently necessary to plan such advancements.
- d. <u>Transportation Studies</u> Special studies may be necessary to integrate the HHS facility into a community transportation plan. In addition, on-site traffic patterns of vehicles and materials may be of a complex nature requiring in-depth analysis of alternatives.
- e. <u>Food Service</u> Food service functions of inpatient care complexes frequently warrant basic review when the cooking and serving equipment needs replacement. A study may identify more efficient methods of receiving, storing, preparing, and serving food.
- f. <u>Laundry</u> Hospital requirements for laundry are demanding, complex and expensive. Studies are performed to develop more efficient laundry facilities and to determine cost effectiveness of private contracting for hospital linens, etc.





**Office for Facilities Management and Policy** *Office of the Assistant Secretary for Administration and Management* 

### SECTION 4-1 ACQUISITION PLANNING

4-1-00	Policy
10	Procedures
20	Guidance and Information
30	<b>Reporting Requirements</b>

### 4-1-00 POLICY

In accordance with FAR Part 7 and HHS policy, OPDIVS shall perform acquisition planning for all acquisitions in order to provide for -

- Acquisition of commercial items or, to the extent that commercial items suitable to meet the Government's needs are not available, non-developmental items, to the maximum extent practicable; and
- Full and open competition or, when full and open competition is not required in accordance with Part 6, to obtain competition to the maximum extent practicable, with due regard to the nature of the supplies or services to be acquired.

Acquisition planning for federally-owned real property assets shall integrate the efforts of all personnel responsible for significant aspects of the acquisition. The purpose of this planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner. In order to facilitate attainment of the acquisition objectives, the plan should identify those milestones at which decisions should be made. The plan should address all the technical, business, management, and other significant considerations that will control the acquisition. The specific content of plans will vary, depending on the nature, circumstances, and stage of the acquisition. The acquisition plan should include the following:

- Acquisition background and objectives that includes statement of need; applicable condition; lifecycle cost; performance characteristics; trade-offs; risks; and acquisition streamlining;
- Plans of action that includes sources, competition, source-selection procedures, acquisition considerations, budgeting and funding, product or service descriptions, priorities, allocations, and allotments, contractor versus government performance, inherently governmental functions, logistics considerations, government-furnished property, government-furnished information, environmental and energy conservation objectives, security considerations, contract administration, other considerations, and milestones for the acquisition cycle.

#### 4-1-10 PROCEDURES

Acquisition planning should begin as soon as the OPDIV need is identified, preferably well in advance of the fiscal year in which contract award or order placement is necessary. In developing the plan, the OPDIV forms a team consisting of all those who will be responsible for significant aspects of the acquisition, such as contracting, fiscal, legal, professional and technical personnel. The OPDIV should review the plan and if appropriate revise it at key dates specified in the plan, whenever significant changes occur, and no less often than annually. Requirements personnel (customer and users) should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally restricts competition, increases prices, and increases project risks. Early in the planning process, the Project Officer should consult with the customer or user who determines type, quality, quantity, and delivery requirements. As part of developing an acquisition strategy OPDIVs are encouraged to use the Construction Industry Institute (CII) Project Delivery Contract Strategy (PDCS) to evaluate alternate project management delivery mechanisms. Design-Build must be considered as a preferred strategy in the evaluation.

The evaluation through PDCS or a similar tool shall be forwarded with the Facility Project Approval Agreement (FPAA) on all projects requiring Department approval.

The Project Officer should coordinate with and secure the concurrence of the Contracting Officer in all acquisition planning. If the plan proposes using other than full and open competition when awarding a contract, the plan shall also be coordinated with the Competition Advocate as required in the Competition in Contracting Act (CICA). The acquisition plan or strategy must be coordinated with the Small Business and Disadvantaged Business Utilization Specialist (SADBUS).

# 4-1-20 GUIDANCE AND INFORMATION

# A. CONTRACT TYPES

In acquisition planning, determining the type of contract early in the process is important. A wide selection of contract types is available to the Government and contractors in order to provide needed flexibility in acquiring the large variety and volume of supplies and services required by agencies. Contract types vary according to-

- The degree and timing of the responsibility assumed by the contractor for the costs of performance; and
- The amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals.

The contract types are grouped into two broad categories: fixed-price contracts and cost-reimbursement contracts.

The specific contract types range from firm-fixed-price, in which the contractor has full responsibility for the performance costs and resulting profit (or loss), to cost-plus-fixed-fee, in which the contractor has minimal responsibility for the performance costs and the negotiated fee (profit) is fixed. In between are the various incentive contracts in which the contractor's responsibility for the performance costs and the profit or fee incentives offered are tailored to the uncertainties involved in contract performance.

- 1. <u>Firm Fixed Price Contract:</u> A firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties. The Contracting Officer may use a firm-fixed-price contract in conjunction with an award-fee incentive and performance or delivery incentives when the award fee or incentive is based solely on factors other than cost.
- 2. <u>Cost-Reimbursement Contracts</u>: Cost-reimbursement types of contracts provide for payment of allowable incurred costs, to the extent prescribed in the contract. These contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without the approval of the Contracting Officer. There are several cost reimbursement type contracts allowed under the FAR.
  - a. <u>Cost Contracts</u>: A cost contract is a cost-reimbursement contract in which the contractor receives no fee.
  - b. <u>Cost-Sharing Contracts</u>: A cost-sharing contract is a cost-reimbursement contract in which the contractor receives no fee and is reimbursed only for an agreed-upon portion of its allow-

able costs. A cost-sharing contract may be used when the contractor agrees to absorb a portion of the costs, in the expectation of substantial compensating benefits.

- c. <u>Cost-Plus-Incentive-Fee Contracts</u>: A cost-plus-incentive-fee contract is a costreimbursement contract that provides for an initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs.
- d. <u>Cost-Plus-Award-Fee Contracts</u>: A cost-plus-award-fee contract is a cost-reimbursement contract that provides for a fee consisting of (a) a base amount (which may be zero) fixed at inception of the contract and (b) an award amount, based upon a judgmental evaluation by the Government, sufficient to provide motivation for excellence in contract performance.
- e. <u>Cost-Plus-Fixed-Fee Contracts</u>: A cost-plus-fixed-fee contract is a cost-reimbursement contract that provides for payment to the contractor of a negotiated fee that is fixed at the inception of the contract. The fixed fee does not vary with actual cost, but may be adjusted as a result of changes in the work to be performed under the contract. This contract type permits contracting for efforts that might otherwise present too great a risk to contractors, but it provides the contractor only a minimum incentive to control costs.

#### B. INDEFINITE-DELIVERY CONTRACTS

There are three types of indefinite-delivery contracts: definite-quantity contracts, requirements contracts, and indefinite-quantity contracts. The appropriate type of indefinite-delivery contract may be used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award. Requirements contracts and indefinite-quantity contracts are also known as delivery order contracts or task order contracts.

- 1. The various types of indefinite-delivery contracts offer the following advantages. All three types permit
  - a. Government stocks to be maintained at minimum levels; and
  - b. Direct shipment to users.
- 2. Indefinite-quantity contracts and requirements contracts also permit
  - a. Flexibility in both quantities and delivery scheduling; and
  - b. Ordering of supplies or services after requirements materialize.
- 3. Indefinite-quantity contracts limit the Government's obligation to the minimum quantity specified in the contract.
- 4. Requirements contracts may permit faster deliveries when production lead time is involved, because contractors are usually willing to maintain limited stocks when the Government will obtain all of its actual purchase requirements from the contractor.
- 5. Indefinite-delivery contracts may provide for any appropriate cost or pricing arrangement under FAR Part 16, Cost or pricing arrangements that provide for an estimated quantity of supplies or services (*e.g.*, estimated number of labor hours).
- 6. A/Es should be selected for discrete tasks based on qualifications in accordance with FAR Part 36.

#### C. HHSAR - PART 307

Acquisition plans should include applicable provision of HHSAR Part 307 HHS Acquisition Plans.

# 4-1-30 REPORTING REQUIREMENTS

On projects requiring the Department's approval, a submittal of the Acquisition Plan is not required. However, the analysis/documentation supporting the chosen acquisition methodology using PDCS or a similar tool shall be forwarded to OFMP with the initial FPAA submittal. OFMP may require that the OPDIV submit the detailed acquisition plan as additional justification.

### SECTION 4-2 REAL ESTATE ACQUISITION

4-2-00	Policy

- 10 Procedures
- 20 (Reserved)
- 30 (Reserved)

## 4-2-00 POLICY

The purpose of this section is to establish HHS policy for the acquisition of real property through purchase, donation or transfer. The acquisition of real property through leasing is addressed in Section 4-7.

When seeking to acquire space, Federal agencies should first seek space in Government-owned and Government-leased buildings. If suitable Government-controlled space is unavailable, Federal agencies must acquire real estate and related services in an efficient and cost effective manner in accordance with the Federal Management Regulation (FMR) §102-73. It is HHS policy that (a) only such real property as is needed for effective program operation be acquired, and then only after requisite authorization and clearances; (b) private property may be acquired or improvements constructed only if suitable Governmentowned facilities are not available; and (c) wherever practicable, HHS activities in the same city or town should be located in the same building.

No agency or element of HHS will undertake any discussion of prospective geographical areas or locations for sites or facilities with persons outside the Department without the approval of the Assistant Secretary for Administration and Management (ASAM), OS if the area under consideration extends into more than one region.

## A. BASIC ACQUISITION AUTHORITIES

The principal statutes authorizing the acquisition of land and the provision of space are the following:

- 1. <u>Section 304(b)(4) of the PHS Act</u> (42 U.S.C. 242b) authorizes the Secretary of HHS to acquire, construct, improve, repair, operate, and maintain laboratory, research and other necessary facilities and equipment, and such other real or personal property as the Secretary deems necessary for health statistical activities and health services research, evaluation, and demonstrations.
- Section 321 of the PHS Act (42 U.S.C. 248) authorizes the Secretary, with the approval of the President, to select sites for and to establish such institutions, hospitals, and stations as are necessary to enable HHS to discharge its functions and duties. The President's authority to approve facilities has been delegated by him to the Director of the Office of Management and Budget (OMB).
- 3. <u>Section 413(b)(6)(A) of the PHS Act</u> (42 U.S.C. 285a-2) authorizes the Director of the National Cancer Institute (NCI), NIH/HHS (in consultation with the advisory council for the Institute) to acquire, construct, improve, repair, operate, and maintain laboratories, other research facilities, equipment, and such other real or personal property as the Director determines necessary.
- 4. <u>Section 413(a) of the PHS Act</u> (42 U.S.C. 285b-3) authorizes the Director of the National Heart, Lung, And Blood Institute (NHLBI), NIH/HHS (after consultation with the National Heart and Lung Advisory Counsel) to acquire such real property as may be necessary.
- 5. <u>Section 386 of the PHS Act</u> (42 U.S.C. 286a-1) authorizes the Administrator of General Services to acquire suitable sites, selected by the Secretary of HHS in accordance with the directions of the Board of Regents of the National Library of Medicine (NLM), NIH/HHS and to erect thereon,

furnish, and equip suitable and adequate buildings and facilities for NLM. It also authorizes appropriations for the erection and equipment of buildings and facilities for the use of the Library.

- 6. <u>Section 13 of Public Law 67-85</u> (known as the Snyder Act) (25 U.S.C. 13) authorized the Bureau of Indian Affairs to expand, improve, repair, operate and maintain buildings and grounds of existing plants and projects and irrigation systems and develop water supplies serving Indians.
- Section 7 of Public Law 83-568 (known as the Indian Health Transfer Act) as amended (42 U.S.C. 2004), transferred authority for the construction, improvement, and extension of buildings and grounds and sanitation systems to serve Indians including the acquisition of lands, or rights or interests therein, to the Public Health Service of the Department of Health and Human Services.
- 8. <u>Section 402(b)(4)(A) of the PHS Act (42 U.S.C. 282(b)(4)(A))</u> provides land acquisition authority to the Director of the National Institutes of Health (NIH).
- 9. <u>Section 464P(b)(3) of the PHS Act (42 U.S.C. 2850-4(b)(3))</u> provided land acquisition authority to the Director of the National Institute of Drug Abuse (NIDA) in certain circumstances.

## B. TITLE TO FEDERAL REAL PROPERTY

With certain minor exceptions, title to all Federal real property is held in the name of the United States of America. The HHS does not hold title to any real property in its own name. That is so because neither the HHS nor any official thereof has the statutory authority to hold title to real property, such as do certain Government corporations and officials of certain agencies in connection with their lending authorities.

Title to real property acquired by the HHS is taken in the name of the United States of America, and the deed transferring such title is recorded in the appropriate local land records. Transfers of control and accountability to or from other Government agencies are not so recorded because title thereto continues to be vested in the United States of America. Such transfers are usually made administratively through the General Services Administration (GSA).

There is no general repository of Federal land records for lands owned by the United States, although GSA maintains an inventory based on data submitted by the agencies having control and accountability (see Section 2-6, Real Property Inventory Reporting Requirements). Verify this reference, 2-6 is Site Selection in Volume 1. This emphasizes the importance of HHS keeping accurate and complete records of its real property holdings. They play an important role in determining whether the real property is effectively utilized and whether statutes and regulations are fully executed.

There are a few statutes, such as section 321 of the PHS Act (42 U.S.C. 248), authorizing HHS to acquire sites and to construct facilities so that it may carry out its functions. Such space, wholly or predominantly used for the special purposes of HHS and not generally suitable for the use of other agencies, is referred to as "special purpose" space. Other space, primarily space used for office or storage purposes, is called "general purpose" space. Generally, such space is acquired by GSA and administratively assigned to HHS.

#### 4-2-10 PROCEDURES

#### A. AQUISITION BY PURCHASE

All acquisitions of land require specific statutory authority, 41 U.S.C. 14, and specifically designated funding in an OPDIV's budget and/or appropriation. All land acquisitions must be submitted to and approved by the HHS Capital Investment Review Board. See also Section 2-1 Funding Sources for Facilities Projects.

After the Secretary concurs that the Department will acquire the property under its own authority, and after adequate funds are apportioned for such a purpose, the HHS OPDIV will proceed with the purchase. Generally all acquisitions of land or buildings and the underlying land, should be accomplished by the OPDIVs consistent with the "Department of Justice Title Standards 2001," which is also available online at the Department of Justice (DOJ) web site. The land acquisition process is conducted and staffed by the OPDIV acquiring the real property.

The OPDIV will obtain, from the owner(s) of the property, for a period of at least 90 days, an option to purchase the preferred site, subject to the establishment of just compensation by appraisal in accordance with the provisions of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (P.L. 91-646).

An appraiser, approved by the U.S. Attorney having jurisdiction over the area in which the property is located, will be used to establish the amount which he/she believes to be just compensation. The cost of the appraisal will be determined by negotiation.

After a price has been agreed to, the OPDIV will coordinate the acquisition with the Office of the General Counsel (OGC) and/or the Office of Chief Counsel who will play a vital advisory role in all real property acquisitions. As advisors, OGC and the Office of Chief Counsels provide legal advice as requested by the OPDIVs throughout the process, prepare and execute requests to DOJ for required Preliminary and Final DOJ Title Opinions, and if requested, would assist in drafting such documents as the "contract of sale" and the draft deed.

The OPDIV will prepare the necessary purchase commitment documents consisting of (1) contract of sale, (2) draft of deed, (3) authority to execute the deed, (4) title policy commitment, and (5) a survey prepared by a registered surveyor.

After receiving advice from the Attorney General that the site acquisition documents are complete, including a satisfactory title opinion, payment, by U.S. Treasury check, may be made. The original site purchase documents will be retained by the OPDIV, with a CD-ROM copy provided to OFMP, after they are recorded with the registry of deed in the area where the property is located.

## B. PURCHASE OF BUILDINGS

The purchase of buildings shall be in accordance with the FMR §102-73.240 through 73.250 including compliance with the location policies in FMR §102-73 and §102-83. See Exhibit X4-7-A for guidance on Suggested Award Factors & Evaluation of Buildings and Sites.

#### C. PURCHASE OF LAND

The purchase of land shall be in accordance with FMR §102-73.255 through 73.260 and shall follow the land acquisition policy in the Uniform Relocation Assistance and Real Property Acquisition Polices Act, 42 U.S.C. 4651-4655. See Section 2-6 Site Selection for guidance on evaluating sites for purchase.

#### D. ACQUISITION BY DONATION

1. Donations of Real Property: The procedures for acquiring real property by gift or donation are set forth in this section. The sequential steps relating to acquisition by purchase will generally be followed. Although statutory authority to accept gifts obviates the need for returning to the Treasury an amount equal to the value of the gift, an appraisal is required. The cost of the ap-
praisal must be borne by the OPDIV. OGC will review the formal offer of donation prior to requesting a title opinion from the Attorney General. The opinion must be received before the land is accepted on behalf of the United States.

On October 11,2005, the Secretary delegated authority to the Assistant Secretary for Administration and Management (ASAM) to accept gifts of real property under Section 231 of the Public Health Service Act (42 U.S.C. 238) and 25 U.S.C. 451, as amended. ASAM redelegated this authority to the Deputy Assistant Secretary for Facilities Management and Policy on October 21, 2005.

HHS Procedures for Processing Offers of Gifts of Real Property:

- The applicable HHS OPDIV presents the offering organization's formal written proposal of gift of real property and the OPDIV's program analysis to OFMP for review. The program analysis must contain supporting documentation that the gift is mission related, mission dependent, and does not constitute a conflict of interest. Any conditions regarding Departmental acceptance or use must also be clearly identified.
- If OPDIV program analysis supports and recommends acceptance, and OFMP is in agreement, OFMP will transmit the written offer and program analysis document to OGC for a legal opinion of the offer. OGC will review the offer and analysis to determine whether the proposed donation of land is within the Department's statutory gift acceptance authority and to assess if any legal requirements, conditions or encumbrances are imposed on the Department by acceptance of the gift.
- If HQ offices concur, and the gift has a value of \$10 million or involves land acquisition, the proposal is presented to the Capital Investment Review Board for approval. If the Board approves, the delegation procedure noted below will be implemented by OFMP.
- If HQ offices concur and the gift is valued at less than \$10 million and land acquisition is not part of the gift, OFMP will issue a specific delegation of authority to the applicable PHS agency to accept the gift of real property in accordance with all Departmental policies, procedures, and requirements outlined in the HHS Facilities Program Manual Volume 2 and Federal regulations and statutes.
- 2. Section 231 of the Public Health Service Act (42 U.S.C. 238) and 25 U.S.C. 451, as amended are the overriding statutes authorizing the acceptance of gifts of real property (usually unconditional but sometimes conditional) by or on behalf of HHS. Additional relevant statutes include:
  - a. 42 USC 289f authorizes the Secretary of HHS to accept conditional gifts, including real property, for the benefit of the National Institutes of Health.
  - b. Section 22 of the Occupational Safety and Health Act (29 U.S.C. 671) authorizes the Director of the National Institute of Occupational Safety and Health, CDC/HHS to accept conditional or unconditional gifts for the benefit of the Institute.

# E. AQUISITION BY TRANSFER

Property which is excess to the needs of another department of agency of the Government may be requested for use by HHS when the requirements of acquisition set forth herein are met, and it has been established that the transfer will prove more economical over a sustained period of time than the acquisition of a new facility specifically designed to satisfy the program requirement. Transfer of property must be made under the Federal Property and Administrative Services Act of 1949 and FMR §102-75 including the requirement for 100% reimbursement, except as noted otherwise. The OPDIV will be responsible for initiating the transfer request, obtaining program approvals and funding commitments, and preparing the Request for Transfer (GSA Form 1334). A copy of the Request for Transfer, together with supporting documents, will be forwarded to OFMP concurrently with the OPDIV's submittal to GSA.

# SECTION 4-3: PROJECT DESIGN REVIEW

- 4-3-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 (Reserved)

## 4-3-00 POLICY

The purpose of this section is to provide general guidance to the OPDIVS for reviewing projects during the design phase. This policy applies to federally-owned real property assets.

The OPDIV has the overall responsibility to provide Government oversight for the design of an HHS facility. The OPDIV review and comment on the Architect/Engineers (A/E) design submittal is vital to the success of the project.

The A/E is contractually responsible to design the project within the specified scope, budget and schedule. This is not only a Government requirement, but it is a common practice within the industry. The OPDIV shall ensure that the A/E fulfills their contractual responsibility to deliver a design of the approved HHS facility within Scope, Budget and Schedule.

# 4-3-10 PROCEDURES

The OPDIV determines the number of design submittals based on size and complexity of the project. The Project Officer (PO) holds and chairs design review meetings with technical and program review staffs at each specified design submittal stage. The A/E and the PO shall certify that the Project is within the Scope, Schedule and Budget per the approved FPPA at each submittal. If a submittal is found to be deficient and does not meet contractual obligations, the Government must reject the submittal. The A/E will revise and resubmit the submittal at <u>No Additional Cost</u> to the Government.

#### 4-3-20 GUIDANCE AND INFORMATION

#### ROLES AND RESPONSIBILITIES

- A. <u>Architect/Engineer</u> The A/E shall submit completed progress designs in accordance with their contract to the Government for review and comment. The OPDIV shall require their A/E to provide the following minimum milestone submittals for all projects with a cost of \$ 5,000,000 or more:
  - 1. Schematic Design
  - 2. Design Development
  - 3. Construction Documents

The A/E shall not proceed to the next phase of project design until written approval of the current submittal is received from the approval authority.

B. <u>Project Officer</u> - The Project Officer (PO) serves as the Contracting Officer's Technical Representative (COTR). The PO leads, directs and controls the Government's activities as they relate to the design review of an HHS facility. The PO is the focal point for the Government and as the COTR, the PO serves as the Government's authorized representative with respect to communicating and distributing comments to the A/E. The PO holds and chairs design review meetings with OPDIV program and technical staff to evaluate design review comments. The PO determines if the review comments are within the scope of the A/E's contract. If comments are not within the scope, the PO will reject the comments and does not forward them to the A/E.

- C. <u>OPDIV Technical Review Staff</u> The OPDIVS are encouraged to select senior design discipline experts who have experience in preparing contract documents to assist the PO in reviewing and evaluating the A/E's work. The technical review staff should be very familiar with the A/E scope and contract, and should be allowed to interact with the A/E when it is appropriate. Comments should be recommendations and suggestions to ensure the success of the project. Comments that are directives should be avoided unless items within the design submittal are not in accordance with the scope of contract.
- D. <u>OPDIV Program Staff</u> Care and deference must be given to OPDIV Program staff as the end-users, customers, and clients. However, they are not the A/E's customer or client. The A/E's client is the Contracting Officer (CO) or the COTR acting as the CO's designated representative. OPDIV program staffs are generally not familiar with the A/E contract and their comments may be programmatic without consideration of A/E Government contractual obligations. Care must be taken to ensure the OPDIV program staff's comments are within contract scope. OPDIVs are encouraged to establish internal procedures to ensure that the PO is the communications conduit between the program staff and the A/E.

Section 4-4: PROJECT COST MONITORING & COST CONTROL

- 4-4-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 Reporting Requirements

# 4-4-00 POLICY

The purpose of this section is to provide guidance to the OPDIVS for monitoring project cost on federally-owned real property assets. When constructing funding is submitted to the Office of Management and Budget (OMB) as part of the Department's budget, the maximum project budget is considered to be fixed and linked to project scope. Reducing scope to maintain budget limits is considered similar to a cost overrun.

- A. <u>Pre-Project Planning</u> The OPDIV shall ensure that the cost and scope of the project is locked into the budget and linked to the Pre-Project Planning and the Facilities Project Approval Agreement (FPAA). Pre-Project Planning must be completed <u>prior</u> to a construction budget submission to OMB and Congress. Once the construction budget is submitted to OMB and Congress, the OPDIV/HHS is committed to that budget and scope. Adequate Pre-Project-Planning must be done for assurance that the project can be delivered at full scope within the submitted budget.
- B. <u>Programmatic Requirements</u> Once submitted to HHS and under A/E design, programmatic changes and other requirements (i.e. growth) must be held to an absolute minimum. The OPDIV must maintain control of its programmatic requirements.

# 4-4-10 PROCEDURES

The OPDIVs shall certify that the project is within scope, schedule and budget per the approved FPAA at each submittal. The A/E contract "Design within Funding" clause must be consistent with the approved FPAA. At a minimum the A/E should submit a broad order of magnitude estimate (square meter cost) at the schematic level, a systems estimate at design development level, and detailed quantity takeoff estimate at the contract document level.

If a subsequent submittal is found to be over the budget the Government will reject the submittal. The A/E shall resubmit the submittal and bring it within the budget in accordance with the "Design within Funding" clause of his/her contract. The exceeded budget portion of the construction cost shall not be a basis for the A/E to claim against the Government for additional fee.

# 4-4-20 GUIDANCE AND INFORMATION

- A.  $\underline{A/E}$  The A/E shall design the project within the budget and shall provide a construction cost estimate at each scheduled design submission. The A/E shall provide a narrative description of the methodology used in the development of the estimate. If estimating software is used to produce the estimate, provide summary details of the software.
- B. <u>OPDIV Cost Consultant</u> The OPDIVS are encouraged to utilize a highly qualified cost engineer or estimator (in-house staff or through contract) to assist the Project Officer in monitoring A/E cost estimates for major capital projects. The Cost Consultant should be fair, impartial, objective, and effective in evaluating the cost reasonableness of the A/E's estimate.

- C. <u>The Government Estimate</u> The final estimate will be considered the "Government Estimate" after it has been reviewed and accepted by the OPDIV Contracting Officer. The final estimate shall be detailed including material, labor, and significant equipment costs for each line item. The final estimate shall not exceed the construction budget.
- D. <u>Cost Estimate Format</u> It is recommended that detailed cost estimates be broken down in accordance with the OPDIV's construction-estimating format. The following indirect cost items shall be shown as separate line items in detailed estimates:
  - 1. Sub-Contractor overhead and profit
  - 2. Prime Contractor markup on subs
  - 3. Prime Contractor overhead and profit
  - 4. Sales tax, State tax, Tribal fees (or tax), bonds and insurance
  - 5. Escalation cost per year

#### 4-4-30 REPORTING REQUIREMENTS

With adequate level of Pre-Project-Planning prior to budget submission, scope changes and cost overruns should be rare occurrences. However, it is recognized that unexpected mission changes do occur that could not have been anticipated during the budget development, and that these mission changes can drive unexpected changes in the scope or budget of facility projects. OPDIVs are encouraged to avoid custom design and develop generic designs that are flexible and adaptable to deal with unexpected mission changes. In the event that an unexpected change in mission results in a change in scope or budget of the project, the OPDIV will immediately report these changes to OFMP and submit a revised FPAA per the requirements outlined in Section 2-3.

#### SECTION 4-5: DESIGN-BUILD

4-5-00	Policy
10	Procedures
20	Guidance and Information
30	Reporting Requirements
X4-5-A	General Design-Build Guidance and Considerations
Х4-5-В	Sample Design-Build Qualifications Questionnaire
X4-5-C	Sample Phase Two Design-Build Proposal Selection Criteria

#### 4-5-00 POLICY

This section establishes Design-Build (D-B) as the procurement methodology that receives first consideration for all design and construction projects of federally-owned real property assets throughout the Department of Health and Human Services.

Implementation of Design-Build as the preferred project delivery system will ensure that facilities development within the Department honors the Department's value of fiscal responsibility and prioritization of mission critical functions over administrative bureaucracy. The acquisition of design and construction services for federal facilities using Design-Build shall follow the policies and procedures in FAR 36.3. Design-Build is the preferred method for design and construction of facilities owned and operated by HHS.

The Office for Facilities Management and Policy, Assistant Secretary for Administration and Management (OFMP/ASAM) will review any exceptions to this policy as part of the project approval process. (See Section 2-3 HHS Facility Project Approval Agreements.) Exceptions will be granted for projects contracted under P.L.93-638, Indian Self-Determination and Education Act, with tribal entities.

#### 4-5-10 PROCEDURES

# ACQUISITION PLANNING.

During planning of project delivery and contract strategy for all projects, OPDIVs shall analyze the appropriateness of the Design-Build methodology. The OPDIV Contracting Officer, in close collaboration with appropriate design and construction professionals, determines during the budgeting and planning stage whether it is feasible and effective to use the Design-Build process. The OPDIVs should base their analyses on a best practice such as the Construction Industry Institute's Project Delivery and Contract Strategy. The OPDIVs shall include the acquisition analysis documentation with the Facility Project Approval Agreement provided to OFMP/ASAM. While D-B procurement can save time once the project is awarded, the D-B process requires more extensive "front-loading" of the project – that is, a more thorough and rigorous programming effort and a more thorough definition of requirements. In the planning stages of the project, the D-B process can be significantly more labor intensive for in-house personnel than the more traditional project delivery methods (e.g. design-bid-build process). Key elements in the success of a D-B project include:

- A. Development and continual update of a thorough acquisition plan.
- B. Developing comprehensive planning and programming documents based on preliminary studies and documents.
- C. Developing a request for proposal with a balance between performance specifications and specific technical requirements, where needed, for the type of facility being built. The level of technical detail

included in the request for proposal will depend upon the complexity of the project and specific OPDIV requirements for construction.

- D. Preparing accurate and necessary planning documents that will become integral to the request for proposal. The project team must secure OPDIV and high-level buy-in of the programming documents ahead of time, rather than making changes after award of the D-B contract.
- E. Preparing realistic budgets to reduce the likelihood of scope reductions once the RFP is advertised.
- F. Developing procedures and project controls to minimize owner-generated changes. Owner generated changes can be particularly problematic during a D-B project.
- G. Assignment of a multi-disciplined technical review board that can ensure during D-B selection evaluations that the proposers have met the requirements of the RFP with sound design and the D-B firm is qualified for the level of work. The Government has the best opportunity for success by securing a D-B contractor with a demonstrated track record and collaborative experience in the type of project being proposed.

Prior to advertising design-build services the OPDIV must ensure that adequate funds are available to complete the design of the project; that the Planning and Programming Documents and HHS Facility Project Approval Agreement documents and statement of work are complete; evaluation criteria is established and the government estimate is complete.

# 4-5-20 GUIDANCE AND INFORMATION

# A. GUIDANCE ON DESIGN-BUILD CONTRACT FORMULATION & PROCUREMENT

FAR 36.3 prescribes only the acquisition method for two-phase Design-Build selection procedures and there is no guidance on the required clauses or contract administration. Design-Build does not waive Federal law or regulations. For example, the 6 percent fee limitation for basic design services applies and the Miller Act requiring bonding applies. Refer to the FAR Matrix for the appropriate provisions and clause under both A/E and construction contracts. It is recommended that the provisions and clauses be written in full text.

Design-Build can be accomplished through various procurement methods. This is not intended to be an all-inclusive list, nor does HHS endorse a preference, but provides the following information on the most common methods.

- 1. <u>"Best Value"</u> is a selection process in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative can be further subdivided as to technical design and/or management plan. A qualification based selection process can be used in Phase One to determine the competitive range. Those firms who are the most qualified are invited to submit a proposal in response to the Phase Two RFP.
- 2 "<u>Equivalent Design/Low Bid</u>" is a form of best value selection in which qualitative proposals are followed by a critique rather than scoring. Price envelopes remained sealed. Each offeror receives the critique of its proposal and makes design changes and corresponding price amendment. Revised designs are evaluated for compliance, and then price envelopes, both original and amended, are opened. Award is based on lowest price because the proposal creates relative equivalency of designs.
- 3. <u>"Fixed Price/Best Design"</u> is a form best value selection in which the contract price is established by the Government and stated in the RFP. Design proposals and management plans are evaluated and scored, with award going to the team offering the best qualitative proposal for the established price.

Exhibit X4-5-A provides additional guidance to the OPDIVS in developing a Two-Phase Design-Build Selection.

## B. REQUIREMENT TO USE DESIGN FIRMS LISTED IN DESIGN-BUILDER'S PROPOSAL

One of the significant qualitative considerations when evaluating a Design-Builder's proposal (in response to the government's RFP) is the quality of proposed design professionals on the team. The RFP should specify that the Design-Builder must retain all of the design professional firms listed in its proposal, for the entire period of the contract, for the duties and responsibilities assigned in the same document, unless specifically authorized otherwise by the Government. See exhibit X4-5-B for a Sample Design-Build Qualifications Questionnaire and X4-5-C for Sample Selection Criteria.

# C. DESIGN BUILD CONTRACT ORDER OF PRECEDENCE AND CLAUSES

Do not use the standard clause "Order of Precedence-Uniform Contract Format" (FAR 52.215-8). This standard clause puts the order of precedence of the proposal above the scope of work when there are inconsistencies or conflicts between the two. In design-build construction, the RFP is the minimum standard except when the offeror's best value proposal exceeds the minimum RFP requirements, known as betterment. In this case, the betterment becomes the new minimum standard. The recommended language for this clause is:

#### Design-Build Contract – Order of Precedence

- (a) The contract includes the standard contract clauses and schedules current at the time of the award. It also entails: (1) the solicitation in its entirety, including all drawings, cuts and illustrations, and any amendments during proposal evaluation and selection, and (2) the successful Offeror's accepted proposal. The contract constitutes and defines the entire agreement between the Contractor and the Government. No documentation shall be omitted which in any way bears upon the terms of that agreement.
- (b) In the event of conflict or inconsistency between any of the provisions of the various portions of this contract, precedence shall be given in the following order:
  - (1) Betterments: Any portions of the Offeror's proposal, which both meet and exceed the provisions of the solicitation.
  - (2) The provisions of the solicitations.
  - (3) All other provisions of the accepted proposal.
  - (4) Any design products, including but not limited to plans, specifications, engineering studies and analyses, shop drawings, equipment installation drawings, etc. These are deliverables under the contract and are not part of the contract itself. Design products must conform to all provisions of the contract, in order of precedence herein. (End of Clause)

#### 4-5-30 REPORTING REQUIREMENTS

#### BID REPORT FOR CONSTRUCTION CONTRACTS

The OPDIV shall submit a bid report to the Office for Facilities Management and Policy (OFMP) at the completion of the selection and evaluation process. A bid report is required only on those projects requiring HQ approval per the FPAA policy. The report is for OFMP information only. The Bid Report may be a copy of the selection report or summary of the significant technical and cost information contained therein. A format similar to the sample bid report form provided in Section 4-6, as Exhibit X4-6-D is acceptable.

#### GENERAL DESIGN-BUILD GUIDANCE AND CONSIDERATIONS

The Contracting Officer will determine if two-phase design-build selection procedures are appropriate to use in accordance with FAR 36.301

# A. PHASE ONE SELECTION PROCEDURES

Proposals or qualifications will be evaluated in Phase One to determine which offerors will be invited to submit proposals for Phase Two. The Phase One request for qualifications RFQ is a formal request for the necessary and desirable qualifications from potential Design-Build contractors wishing to be considered for the competitive proposal preparation phase of the selection process (See Facilities Program Manual Exhibit X4-5-B, Sample Design-Build Qualifications Questionnaire.). The Design-Builders who intend to submit qualification statements in response to the Government's RFQ shall be informed in advance of the requirements of request for proposal (RFP). Alternatively, the Government may publish both the RFQ and the RFP as a single, comprehensive document. Phase One evaluation factors shall be in accordance with FAR 36.301-1(a)(2). In addition the following evaluation factors are recommended:

- 1. Minimum level of bonding capacity and proof thereof,
- 2. Minimum insurance requirements,
- 3. Required license, registration and/or tax status of Design-Builder and team members, and
- 4. Financial strength and organizational resources.

After evaluating phase-one proposals, the Evaluation Board shall recommend to the Contracting Officer the most highly qualified offerors (not to exceed the maximum number specified in the solicitation). Only those offerors will be invited to submit phase-two proposals. Due to the cost involved in preparing a design-build proposal, the Evaluation Board should be certain that any firm on the short-list is considered competitive for selection in that they would be capable of completing the project successfully.

#### B. PHASE TWO REQUESTS FOR PROPOSAL EVALUATION PROCEDURES

Phase Two of the solicitation shall require submission of technical and price proposals, which shall be evaluated separately, in accordance with FAR Part 15. Beyond the mandatory requirements of the program and performance specifications, the proposal selection criteria are arguably the most critically examined section in the RFP. The selection criteria should be derived from and support the Government's stated objectives for the project. The criteria are the basis for determining which contractor proposals are responsive. Therefore, it is very important for the Government to do a good job of defining the essential criteria and to communicate it clearly in the RFP. (See Facilities Program Manual Exhibit X4-5-C, Sample Phase Two Design-Build Proposal Selection Criteria.) The clarity with which the government understands and communicates the project requirements will be significant in the quality of proposals received and ultimately in the quality of the product delivered.

- 1. <u>Communications</u>: It is in the Government's best interest to maintain a high level of competition between the offerors. To accomplish this, the offerors must know that they have an equal opportunity to prepare a winning Design-Build proposal. Critical to maintaining equal opportunity for all offerors is the establishment of an unbiased method of communication between the offerors and the Government. Techniques and procedures that improve Government/Offeror communication and create an atmosphere of impartiality should be implemented.
- 2. <u>Design-Build Planning and Technical Requirements</u>: Development of a comprehensive program of facility requirements and performance specifications that anticipates and answers the offerors questions is imperative. In-person briefings for Design-Build teams can be held. The Govern-

ment's technical and contracting staff and others that are familiar with the project should be utilized for this purpose. The Government must document and distribute the outcomes of these meetings. The Contracting Officer should allow only written questions outside the Q&A sessions, and provide written answers to all offerors simultaneously. If necessary, the Contracting Officer may issue addenda to the RFP as a result of the questions throughout the process. Contact between the proposers and the Government should carefully follow the process outlined in the RFP. The Contracting Officer should set a cutoff date for questions and a deadline for last addenda to the RFP, typically no less than two weeks prior to the submission deadline.

- 3. <u>Discussions with Offerors</u>: Members of the Source Selection Board may, with approval of the Contracting Officer, submit written questions to each offeror, which are requests for clarification of that offeror's proposal. The offeror provides a written response to those questions.
- 4. <u>Presentations:</u> For Design-Build competitions in which design criteria are the predominant factor in selection, the offeror may be given an opportunity to present and defend their proposal before the Evaluation Board. The following procedures are recommended:
  - a. The Contracting Officer determines the order of presentation. The Government should determine the dates, duration, and venue well in advance.
  - b. Only members and employees of the offeror's team may participate in the presentation (no professional presenters).
  - c. Members of competing offeror's teams are excluded from the audience. The Government will determine in advance what presentation materials, if any may be used in the presentations. The offeror should not modify or add to their proposal during their in-person presentations. This restriction includes technical information not contained in their initial submittal, unless it is in response to a question from the Evaluation Board.
- 5. Other Information at the Option of the Offeror: It may be appropriate to allow the offerors to submit additional technical drawings, specifications, calculations and special reports. This additional procurement sensitive information typically has to be prepared by the Design-Build team in order to arrive at a price proposal. This additional information can serve to protect the interests of both parties in the Design-Build contract by more precisely describing what is offered in the response to the RFP. This additional procurement sensitive information should be provided only to the Evaluation Board, and kept separate from the specified design display materials.
- 6. <u>Unsolicited Alternates</u>: The Design-Build selection process is based strictly on the offeror's response to the RFP and its requirements. Therefore, the Evaluation Board should not consider unsolicited alternates.
- 7. <u>Disqualification</u>: If significant and intentional breeches of the RFP procedures occur, the Contracting Officer will investigate and make corrective actions, including offeror disqualification, if warranted. If unintentional or unlisted discrepancies appear in the proposal, the Contracting Officer will require the offeror to certify that the proposal will meet every requirement of the RFP, or disqualify the proposal. The basis of disqualification at each phase of the selection process should be described in the RFP.

#### C. DESIGN-BUILD MANAGEMENT PROCEDURES

1. <u>Contract Award</u> - After the proposals have been evaluated, an award will be made with reasonable promptness to the Offeror whose proposal is the "Best Value" and most advantageous to the Government, considering price and the price-related factors included in the RFP, as well as the other evaluation factors which may include past performance, safety history, available resources, schedule, etc.

- 2. <u>Design-Build Contract Administration</u> Each OPDIV shall decide the appropriate key staff for any project team depending on complexity, cost, type of construction, etc. Key team members that may be involved in construction projects are: Contracting Officer, Project Officer (COTR), Commissioning Agent (if required see Section 3-11) and the Design-Build Contractor.
  - a. <u>Monitoring Schedule, Scope, and Cost</u>: In addition to visual inspections of the work and materials, it would be good practice for project officers to measure performance of design-build projects using management tools that evaluate progress with respect to schedule, scope and cost. By integrating the resultant data, useful information is derived which can be used to determine the percentage of work complete for payment purposes or to identify schedule problems that require corrective action on the part of the contractor.
  - b. <u>Submittals</u>: The need for submittals shall be determined by the OPDIVs, as required by the contract. Typically, submittals take one or more of the following forms: architectural and engineering plans, technical specifications, shop drawings, diagrams, catalog submittals, color charts, samples, mock-ups, safety plans, testing plans, test results, disposal plans, production plant visits, as-built drawings, and other associated information. Substitutions may be allowed only at the discretion of the Contracting Officer. The OPDIVs shall define the scope, process, elements, and documentation of the submittal approval activity.
  - c. <u>Contractor Payments</u>: Contractor progress, or partial, payments are usually made periodically (monthly) during the progress of the Project. The amount of payment is usually based upon the contract amount, an approved schedule of values, an approved progress schedule, project officer verification of the value of work-in-place and stored materials, satisfactory progress on the approved progress schedule, and project officer recommendation to the Contracting Officer for payment. From time to time, payments may be reduced for cause, as outlined in the FAR. Approval authority for progress payments rests with the Contracting Officer.
  - d. <u>Final Payment</u>: Contractor final payment is made at the end of the Project when all provisions and requirements of the contract have been satisfactorily accomplished by the contractor. The project officer addresses construction issues and reports any deficiencies to the Contracting Officer. Approval authority of final payment rests with the Contracting Officer.
- 3. <u>Acceptance:</u> The Contracting Officer has sole authority to grant final acceptance of any facility or portion thereof. Generally, acceptance infers approval of all work, including satisfactory correction of all the items on the deficiencies and omissions list. Acceptance of the contract work is final and conclusive, subject to certain contractual conditions such as warranties, guarantees, latent defects, etc. For this reason, a facility should not be accepted without a clear delineation in writing of any conditions or exceptions to the acceptance. Acceptance should not be granted unless all close-out items have been completed, such as O&M Manuals, as-built drawings, list of systems and equipment, attic stock, tools, maintenance parts, etc., and that all specified operator/ maintenance personnel training has been provided.
  - a. <u>Warranties</u>: The OPDIVs responsible for the Project shall appoint appropriate staff to assist the Contracting Officer in the management of the technical portion of the warranty process for the completed Project. The OPDIVs shall determine the period of time that the project officer remains involved with warranty management, before transferring the responsibility to the organization providing operations and maintenance functions for the facility.

- b. <u>Closeout Documents</u>: All documents required by the contract including, but not limited to, Guarantees and Warranties, Commissioning Reports, Record Drawings, Operation and Maintenance Manuals, and Training Documents, shall be provided as specified prior to contract closeout. Each OPDIV shall prepare a format to assure that all contracts are closed out and all funds are disbursed or de-obligated from the project.
- c. <u>Training</u>: Training of Operations and Maintenance Staff to operate and maintain the new facility and sophisticated building systems and equipment is important to the activation of the facility. Provisions for adequate operation and maintenance training should be provided for in the specifications or in the general provision of the contract. The contract should require the contractor to provide a detailed training plan based on actual submitted manufacturer's recommendations for review and approval by the COTR. Provisions for training the operators/ users in the care and use of equipment should also be included in the contract. Training should occur prior to acceptance of the work by the Government.

#### D. RECOMMENDED CLAUSES

- 1. <u>Proposed Betterments:</u> This clause notes that all betterments offered in the proposal become a requirement of the awarded contract. Betterment is defined as any component, system, or any other material aspect of the proposal that exceeds the minimum requirements stated in the Request for Proposal. This includes all proposed betterments listed by the offeror in its proposal and all Government-identified betterments. The Government-identified betterments are provided in a list of accepted project betterments by the Evaluation Board and are made a part of the contract.
- <u>Key Personnel</u>: Subcontractors, and Outside Associates of Consultants Contract Clause 52.244-4 is modified by adding the term "Key Personnel" to the title. This prevents the contractor from switching key personnel and subcontractors after award. This can only be done with written permission from the Government's Contracting Officer.
- 3. <u>Responsibility of the Contractor for Design</u>: This is modified from FAR Clause 52.236-0023 to fit the design-build process. Instead of using the term Architect-Engineer Contractor, the clause references "Contractor." The clause also requires the contractor to correct construction errors resulting from faulty design.
- 4. <u>Warranty of Construction Work:</u> The Contracting Officer may want to delete references in the typical Warranty of Construction clause by deleting references to "design furnished." This word-ing limits the warranty for design services to one year.
- 5. <u>Sequence of Design/Construction</u>: Include an appropriate clause that either allows or disallows fast track construction prior to design completion.
- 6. <u>Constructor's Role during Design</u>: This clause is especially crucial in D-B contracts. It emphasizes that the contractor's construction management key personnel must be actively involved during the design process to effectively integrate the design and construction requirements of the contract.
- 7. <u>Government Oversight during Design and Construction</u>: Government oversight of the designbuild process is required for the success of the project. Treating the process as a turnkey operation may lead to the owner receiving a product unlike what they expect or require. The Government representatives must refrain from taking on any approval responsibility that is within the contractor's jurisdiction including shop drawings, submittals, etc. However, the facility users and the technical and contractual representatives should stay abreast of these items and provide recommendations and review comments when warranted. The Government's main function during

the design and construction is to ensure the D-B contractor meets the requirements of the request for proposal and the contractor's proposal, both of which are part of the formal contract.

- 8. <u>Project Coordination</u>: Includes provisions to submit design and construction documents for approval by the Government at various stages, and defines the stages and the level of documentation required. When accepted and approved by the Government for progress, design development and construction documents (plans and specifications) produced by the Design-Builder after award become part of the contract documents. However, the Government's concurrence with these documents does not relieve the Design-Builder of the obligation to meet the requirements of the RFP and its proposal, unless specifically indicated otherwise by the Government on an item-by-item basis.
- 9. <u>Inspections and Interpretations</u>: The Design-Builder's architect/engineer should inspect the work periodically and reject work that does not comply with the construction documents prepared by and/or approved by the A/E. The Design-Builder's architect/engineer should make interpretations of its construction documents when requested to do so by the Government, which interpretations should be reasonably inferred from those documents. The Design-Builder's architect/engineer should be reasonably available to the Government for such interpretations and other information related to the design and construction documents.
- 10. <u>Review of Shop Drawings and Submittals</u>: The Design-Builder's architect/engineer should review and approve all shop drawings, submittals, samples, etc. for compliance with the construction documents and the intent of the RFP, prior to their submission to the Government. (The Government does not approve, but acknowledges progress represented by the submissions.)

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# Sample Design-Build Qualifications Questionnaire

Design - Build Services Request for Qualifications	1.	Project Name and Location	2a FedBizOpps Announcement Date,	2b.	Agency Identifica- tion Number	2c. Date Prepared	
3. Firm (or Joint Venture) Name	SS	3a. Name, title & Telephone Number of Principal to Contact					
4a. Year Present Firm(s) Established Firm: Firm: Firm:		4b (Firm 1) Specify Type of Owner- ship and check below if applicable □Small Business □Small Disadvantaged Business □Woman Owned Business	4c (Firm 2) Specify Type of Ownership and check below i applicable □Small Business □Small Disadvantaged Busi- ness □Woman Owned Business	if	4d (Firm 3) Specify Type of Ownership ar check below if applicable □Small Business □Small Disadvantaged Business □Woman Owned Business		
<ul> <li>5. Team Member Personnel by sign/Construction Profession:</li> <li>Administrative</li> <li>Architects</li> <li>Civil Engineers</li> <li>Construction Managers</li> <li>Draftspersons/CADD Opera</li> <li>Electrical Engineers</li> </ul>	/ De-	<ul> <li>Estimators</li> <li>Field Supervisors</li> <li>Geotechnical Engineers</li> <li>Interior Designers</li> <li>Landscape Architects</li> <li>Mechanical Engineers</li> <li>Planners Urban/Regional</li> <li>Project Managers</li> </ul>	<ul> <li>Quality Control Managers</li> <li>Safety Officers</li> <li>Sanitary Engineers</li> <li>Schedulers</li> <li>Specification Writers</li> <li>Structural Engineers</li> <li>Surveyors</li> </ul>	5	Other: To To	tal Personnel	
6. If submitted by Joint-Venture	e list partio	cipating firms and outline specific areas o	f responsibility(including admin	istrat	tive, technical and fina	ncial) for each firm:	

# HHS Exhibit X4-5-B HHS Facilities Program Manual (Volume I)

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ofile ode	Number of Pro- jects	Design Only	Construction Only	Design-Build	Profile Code	Number of Pro- jects	Design Only	Con	struction Only	Design-Build	Profile Code	Number of Pro- jects	Design Only	Construction Only	Desigr Build
						N of	Acres	Area	Number of Floors or Height						

9. Proposed Subcontracts for Special Pr	ofessional Design Services		
Type of Service           Name of Firm           Address			
Type of Service           Name of Firm           Address	Type of Service           Name of Firm           Address	Type of Service           Name of Firm           Address	Type of Service Name of Firm Address
10. Proposed Major Subcontractor Tean	Members for Construction	1	1
Type of Work Name of Firm Address	Related Project Examples:	Type of Work           Name of Firm           Address	Related Project Examples:
Type of Work           Name of Firm           Address	Related Project Examples:	Type of Work	Related Project Examples:
Type of Work Name of Firm Address	Related Project Examples:	Type of Work           Name of Firm           Address	Related Project Examples:
Type of Work           Name of Firm           Address	Related Project Examples:	Type of Work	Related Project Examples:

11. Insert\Attach Organizational Chart

12. Brief Resume of Key Personnel, Specialist, and Individual Consultant for this	Project
a. Name & Title	
b. Project Assignment	
c. Name of Firm with which Associated	
d. Years Experience	
e. Education/Training	
f. Registration/License	
g. Experience and Qualifications Relevant to the Proposed Project	

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13. Work by Firm or Joint Venture Members which best illustrate current qualifications relevant to this project. (List no more than 10 projects)				
a. Project Name and Location	b. Nature of Firms Responsibility	c. Completion Date	d. Estimated Cost (in thousands)	e. Project Owners Name & Address and Contacts Name & Phone Number
Project Description and Magnitude				

14. All work by firm or joint-venture members currently being performed directly for federal agencies						
a. Project name and Location	b. Nature of Firm's Responsibility	c. Agency Name & Address	d. Percent Complete	e. Estimated cost (In Thou- sands)		
				Entire Pro- ject	Work for which firm is responsi- ble	

15. Narrative Response to Specialized Experience and Technical Competence

16. Narrative Response to: Capability to accomplish the work in the time required.

17. Narrative Response to: Location in the general geographical area of the project and knowledge of the locality of the project.

18. Narrative Response to: Quality of technical and managerial organization proposed.

19. Narrative Response to: Design approach or philosophy.

20. Narrative Response to: Construction management plan, including time, cost and quality control.

21. Narrative Response to: Financial strength and stability of the offeror.			
a. Name & Address of Bonding Company	b. Bonding Limit	c. Current Bonding Capacity	

22. Narrative Response to: Past performance of the offeror's team (including the architect-engineer and construction members) Past performance on contracts with Government agencies and private industry in terms of cost control, quality of work, and compliance with performance schedules

23. Narrative Response to: Minority Participation.

24. Narrative Response to: Other appropriate factors (excluding cost or price related factors, which are not permitted in Phase One.

25. The Forgoing is a Statement of Facts:

Date:\_\_\_\_\_

Signature:\_\_\_\_\_

Typed Name and Title: \_\_\_\_\_\_

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# SAMPLE PHASE TWO DESIGN-BUILD PROPOSAL SELECTION CRITERIA

- A. Building Project
  - 1. Architectural Image & Character
  - 2. Functional Efficiency & Flexibility
  - 3. Quality of Materials and Systems
  - 4. Quantity of Usable Area
  - 5. Access
  - 6. Safety & Security
  - 7. Energy Conservation
  - 8. Operation & Maintenance Cost
  - 9. Cost/Value Comparison
  - 10. Completion Schedule
- B. <u>Alternate for Engineering Project</u>: Technical Innovation and Environmental Acceptability of Engineered Solution. Criteria 2, 3, 5, 6, 7, 8, 9, and 10 above apply.

#### SECTION 4-6: DESIGN-BID-BUILD

4-6-00	Policy
10	Procedures
20	Guidance and Information
30	Reporting Requirements
X4-6-A	Checklist to Award Architect/Engineer Design Contract
X4-6-B	Sample Statement of Work
X4-6-C	Sample Selection Evaluation Form
X4-6-D	Sample Bid Report Form

#### 4-6-00 POLICY

This section sets forth polices, procedures and guidance for Design-Bid-Build of federally-owned real property assets, the traditional method that utilizes two or more separate and discrete contracts to deliver a facility. Usually there is one design (architect-engineer contract) and one or more construction contracts. Under this arrangement there is no privity between the contracts. The designer who develops the plans and specification (contract documents) cannot direct or supervise construction.

The procurement of architectural-engineering (A/E) services is qualifications based, in accordance with FAR 36.6 and the requirements of the Brooks Act (40 U.S.C.1101-1104). The Brooks Act "declares it to be the policy of the Federal Government to publicly announce all requirements for architectural and engineering services and to negotiate contracts for architectural and engineering services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices". Construction can be procured using sealed bids in accordance with FAR 36.1 and FAR 36.2. Construction can also be procured under FAR 36.214 Special Procedures for Price Negotiation in Construction contracting.

## 4-6-10 PROCEDURES

The following information is provided to assist with the planning and implementation of Design-Bid-Build projects. Exhibit X4-6-A provides a checklist for the sequence of events leading up to award of an Architect/Engineer design contract.

#### A. REQUEST TO UTILIZE DESIGN COMPETITIONS

The OPDIVS shall obtain permission to utilize design competitions from the Assistant Secretary for Administration and Management through the Office for Facility Management and Policy.

#### **B. PRE-DESIGN PROCEDURES**

Prior to advertising design services the OPDIV must ensure that adequate funds are available to complete the design of the project; that the Planning and Programming documents and HHS Facility Project Approval Agreement and statement of work are complete; evaluation criteria is established and the government estimate is complete.

1. <u>Availability and Certification of Design Funds:</u> Designs for new facilities, replacement facilities, and building additions must be accomplished with funds appropriated for the specified project. Designs for building improvement projects must normally be accomplished with specifically designated funds or with lump sum amounts appropriated for repairs and improvements. Guidance

should be requested from the OFMP, in the event of questions on the appropriateness of proposed design funding sources.

In unusual cases where time is critical, and the appropriation/apportionment appears to be imminent, it may be appropriate to advertise for design services before the funds are actually received. In such cases, the Contracting Officer should obtain a written statement from the agency's financial management officer to the effect that appropriation and apportionment of proper funds is expected within 60 days. Wording should also be included in the announcement to the effect that the Department expects to receive design funds in the near future, and that the award of the A/E contract is subject to the receipt of these funds.

- 2. <u>Planning and Programming Documents and HHS Facility Project Approval Agreement:</u> The planning and programming documents and HHS Facility Project Approval Agreement (FPAA) define a large portion of the scope of work, and are essential to the A/E selection process. Therefore, planning and programming documents clearly defining the project scope and requirements should be approved prior to advertising the procurement. An HHS Facility Project Approval Agreement must be approved by the Department prior to awarding a design contract.
- 3. <u>Preparation of the A/E Statement of Work:</u> The A/E Statement of Work is the key document in the actual performance of the work. A well-prepared statement of work minimizes negotiation problems, eliminates ambiguities, and assures that the design will satisfy program needs. The planning and programming documents should be incorporated into the Statement of Work or attached to the Statement of Work to describe the project requirements and concept. The Statement of Work should be tailored to the specific design requirements of each project. Typical areas covered by the Scope of Work are pre-design services, basic design service and optional construction contract administration services. See Exhibit X4-6-B for a Sample Statement of Work.
- 4. <u>Evaluation Criteria:</u> In qualification-based selections, the Evaluation Board establishes criteria to be used in evaluating the A/E firms before making the public announcement. The criteria for qualification-based selections shall conform to the Federal evaluation criteria set forth in FAR 36.6.

In design competitions the selection of the A/E is based on a comparison of proposed solutions to planning and programming documents or the design problem.

The evaluation criteria will be listed in the announcement, in descending order of importance.

- 5. <u>Government Prepared Estimate of A/E Costs:</u> The rules governing preparation of the independent government estimate of the cost for required A/E services are set forth in FAR 36. The estimate shall be prepared on the basis of a detailed analysis of the required work as though the Government were submitting a proposal. The estimate must be prepared prior to publishing the Fed-BizOpps announcement. The independent government estimate serves two main purposes:
  - a. It determines the sufficiency of funds to cover the project as outlined in the statement of work. If the estimate indicates that the allocated funds are not sufficient to cover the proposed project, the procuring agency may modify the statement of work or pursue an authorized increase in funding.
  - b. It serves as a guideline to measure the reasonableness of the A/E firm's fee proposal. Major differences between the government estimate and the A/E cost proposal, or the scope of services to be furnished, should be investigated thoroughly. Major differences may indicate that the statement of work is not clearly defined or communicated. Any changes that are made in the government estimate or statement of work must be agreed upon by both the Contracting Officer (CO) and the technical staff and recorded in the CO's file.
The fee estimate for design shall not exceed six percent (6%) of the estimated cost of construction, as required by law. Other required services, not related to design, must be included in the estimate but are not included in the 6% calculation. The maximum fee limitation does not apply to the following A/E services: preparing planning and programming documents; feasibility studies; measured drawings of existing facility; subsurface investigations; structural, electrical, and mechanical investigation of existing facility; topographic/ boundary/ utilities surveys; special consultant services; the cost of reproducing drawings and specifications for bidding and for distribution to prospective bidders and plan file rooms; reproduction of approved designs through models, color renderings, photographs, or other presentation media; travel and per diem allowances; supervision or inspection of construction, review of shop drawings or samples and other services performed during the construction phase; and all other services that are not integrally a part of the A/Es design services.

## C. EVALUATION BOARDS

The OPDIVS shall establish appropriate evaluation boards or juries to evaluate A/E qualifications to design HHS facilities.

- 1. <u>The Evaluation Board</u> for architect-engineer services shall be established according to FAR 36.602-2. It is recommended that the board include registered professionals representing relevant architectural and engineering disciplines. The board could also include members representing the program users to be housed in the facility, operations and maintenance, agency planning and other specialized support functions. The agency official responsible for facilities will establish an Ad Hoc Evaluation Board for each architect-engineer contract.
- 2. <u>Duties of the Chairperson</u> The Chairperson of the A/E Evaluation Board for all contracts will assist the OPDIV Facility Manager or designee in appointing the members of the board. In addition, the Chairperson will call and preside over as many meetings as he/she deems necessary to complete the selection process. The Chairperson will also recommend the assistance of other technical personnel (non-voting technical advisors) who may make a substantial contribution to the evaluation process. The Chairperson will also develop the final selection report for approval and inclusion in the contract file.
- 3. <u>Competition Advisor</u> In the rare event that a design competition is contemplated the OPDIV shall appoint a Competition Advisor. The Competition Advisor serves as the sponsoring OPDIV's focal point for the design competition. The Competition Advisor should be a registered architect who holds a senior position within OPDIV or HHS. The Competition Advisor may be hired from the outside if HHS does not have qualified personnel available for the assignment. The Competition Advisor will: prepare the Competition Announcement; assist in the preparation of the Program of Requirements; establish eligibility requirements and register the competitors; assist in the recruitment of design jurors; establish competition security protocols; and establish the presentation format for the competition.
- 4. <u>Design Competition Jury -</u> The jury should be composed of nationally recognized registered architects and engineers including senior HHS design professionals. The jurors or members of their staff are not allowed to compete for the project. (See 4-6-20B when used.)

#### D. DESIGN-BID-BUILD PROCEDURES

1. <u>Public Announcements</u> - The Government shall make a public announcement of any planned A/E selection. See paragraphs 4-6-20A and 4-6-20B for additional information.

- Evaluation Procedures A/E firms shall be evaluated and rated to establish the competitive range. Each evaluation board member shall review the information submitted by each A/E firm and rate the firms individually. When the members have finalized their rankings of the firms, they shall be tabulated and summarized. See Exhibit X4-6-C for a Sample Selection Evaluation Form. From this summary, the firms within the competitive range are selected for interviews. At least three of the top firms thus selected shall be notified and scheduled for discussions (interviews).
- 3. <u>Interviews</u> The evaluation board shall clearly communicate to each firm the evaluation criteria, time allowed and key A/E personnel that should attend the interview. Firms should be allowed sufficient time to prepare for interviews. The topics must stay within the parameters established in the announced evaluation criteria in the public announcement. At the end of the interviews, the board members shall rank the interviewed firms again, using the previously established ranking criteria. With the approval of the OPDIV Facility Director, telephone interviews may be conducted with A/E Firms for small projects in accordance with the Short Selection process described in the FAR.
- 4. <u>Selection Report</u> The selection report shall be prepared by the Chairperson of the board, and signed by the Chairperson and each member of the board. It shall include a list of the most highly qualified firms (not less than three) ranked in terms of relative qualifications. This report shall document the extent of the evaluation and the considerations upon which the recommendations were based. The report shall be submitted to the Selecting Official.
- 5. <u>Negotiations</u> Negotiations shall be conducted with the top-ranked A/E firm. If a mutually satisfactory contract cannot be negotiated with that firm, the CO shall obtain a best and final offer, in writing, from the prospective A/E firm, terminate the negotiations, and so advise the firm. Negotiations shall then be initiated with the next listed firm in the order of preference, and this procedure shall continue until a mutually satisfactory contract has been negotiated. If negotiations fail with all the listed firms, the selection process shall reconvene. Promptly at the conclusion of any negotiations, a memorandum setting forth the principal elements of the negotiations shall be prepared for use by the reviewing authorities and for inclusion in the contract file.
- 6. <u>Design Contract Award</u> After the selection of the A/E firm and conclusion of negotiations, the CO shall award the contract. The contract and the statement of work shall reflect any changes that were agreed upon during negotiations. The contract shall set forth the scope, the period of performance (i.e., the start and completion dates), a schedule of submissions, and method of payment. The contract shall reflect the A/E firm's assurance that it will provide a design that can be constructed within the Government's construction/renovation cost estimate.
- 7. <u>Design Contract Administration</u> Each OPDIV shall decide the appropriate key staff for any project team depending on complexity, cost, type of construction, etc. Key team members that may be involved in design projects are: Contracting Officer, Project Officer (COTR), Architect/Engineer, and Commissioning Agent (if required see Section 3-10).
  - a. <u>Monitoring Schedule, Scope, and Cost</u>: In addition to review of the work it is standard practice for project officers to measure performance of design projects using management tools that evaluate progress with respect to schedule, scope and cost. By integrating the resultant data, useful information is derived which can be used to determine the percentage of work complete for payment purposes or to identify schedule problems, which require corrective action on the part of the contractor.

- b. <u>Submittals</u>: The need for submittals shall be determined by the OPDIVs. (See Section 4- 3) The OPDIVs shall define the scope, process, elements, and documentation of the submittal approval activity.
- c. <u>Contractor Payments</u>: Contractor progress or partial payments are usually made periodically (monthly) during the progress of the Project or at specific submittal authorized in the contract. The amount of payment is usually based upon the contract amount or an approved progress schedule, and project officer recommendation to the Contracting Officer for payment. From time to time, payments may be reduced for cause, as outlined in the FAR. Approval authority for progress payments rests with the Contracting Officer.
- d. <u>Final Payment</u>: Contractor final payment is made at the end of the Project when the contractor has satisfactorily accomplished all provisions and requirements of the contract. The project officer addresses design issues and reports any deficiencies to the Contracting Officer. Approval authority of final payment rests with the Contracting Officer.
- 8. Pre-Acquisition Review (PAR) for Construction Contracts The Contracting Officer will take charge of and manage the project acquisition and the construction contracting process. The architect/engineer is responsible for the professional quality, technical accuracy, and coordination of all services required under their contracts including adequacy of the plans and specifications. The OPDIVs are encouraged to establish a pre-acquisition review process to assure that everyone involved in the development and assembly of the construction acquisition package confirms that the package is complete and satisfactory. Under the direction of the Contracting Officer, the PAR team should consist of the Contracting Officer, Contracting Officer's technical representative, architect/engineer, OPDIV's technical review team, and the Office of General Counsel. It is recommended that the PAR team review the construction contract to assure that all applicable provisions and clauses are included. The PAR team should confirm that the construction acquisition package is in accordance with the Facility Project Approval Agreement (FPAA).
- <u>Pre-Bid Conference</u> OPDIVs are encouraged to hold on-site pre-bid conferences for all construction projects. The agenda will vary depending on the scope and complexity of the project. For major projects, it is recommended that OPDIVs use the services of a professional recorder to record the proceedings and send each participant a hard copy of the meeting record.
- 10. <u>Submission of Bids or Proposals</u> Consistent with FAR Part 14 or 15, as appropriate, bids or proposals must be submitted in accordance with the terms and conditions of the solicitation, which shall specify a due date, time and location for submission.
- 11. <u>Evaluation of Bids or Proposals</u> If sealed bidding procedures are used, the contracting officer will follow evaluation requirements of FAR Part 14. If a negotiated acquisition, then the contracting officer will follow the evaluation requirements of FAR Part 15, including the provision at FAR 52.215-1, which allows for award without discussion.
- 12. <u>Contract Award</u> Contract award will be made with reasonable promptness upon completion of the evaluation of the offers pursuant to the relevant FAR provisions and terms of the solicitation.
- 13. <u>Construction Contract Administration</u> Each OPDIV shall decide the appropriate key staff for any project team depending on complexity, cost, type of construction, etc. Key team members that may be involved in construction projects are: Contracting Officer, Project Officer (COTR), Architect/Engineer, Commissioning Agent (if required) and the Construction Contractor.
  - a. <u>Monitoring Schedule, Scope, and Cost</u>: In addition to visual inspections of the work and materials, it is standard practice for project officers to measure performance of construction projects using management tools that evaluate progress with respect to schedule, scope and cost. By integrating the resultant data, useful information is derived which can be used to deter-

mine the percentage of work complete for payment purposes or to identify schedule problems that require corrective action on the part of the contractor. In so doing, the project officer is applying the most basic Earned Value principles.

- b. <u>Submittals</u>: The need for submittals shall be determined by the OPDIVs, as required by the appropriate acquisition regulation, the contract, and the pre-construction conference agenda. Typically, submittals take one or more of the following forms: shop drawings, plans, diagrams, catalog submittals, color charts, samples, mock-ups, safety plans, testing plans, test results, disposal plans, coordination drawings, production plant visits, as-built drawings, and other associated information. Substitutions may be allowed only at the discretion of the Contracting Officer. The OPDIVs shall define the scope, process, elements, and documentation of the submittal approval activity.
- c. <u>Contractor Payments</u>: Contractor progress or partial payments are usually made periodically (monthly) during the progress of the Project. The amount of payment is usually based upon the contract amount, an approved schedule of values, an approved progress schedule, project officer verification of the value of work-in-place and stored materials, satisfactory progress on the approved progress schedule, and project officer recommendation to the Contracting Officer for payment. From time to time, payments may be reduced for cause, as outlined in the FAR. Approval authority for progress payments rests with the Contracting Officer.
- d. <u>Final Payment</u> Contractor final payment is made at the end of the Project when all provisions and requirements of the contract have been satisfactorily accomplished by the contractor. The project officer addresses construction issues and reports any deficiencies to the Contracting Officer. Approval authority of final payment rests with the Contracting Officer.
- 14. <u>Acceptance:</u> The Contracting Officer has sole authority to grant final acceptance of any facility or portion thereof. Generally, acceptance infers approval of all work, including satisfactory correction of all the items on the deficiencies and omissions list. Acceptance of the contract work is final and conclusive, subject to certain contractual conditions such as warranties, guarantees, latent defects, etc. For this reason, a facility should not be accepted without a clear delineation in writing of any conditions or exceptions to the acceptance. Acceptance should not be granted unless all close-out items have been completed, such as O&M Manuals, as-built drawings, list of systems and equipment, attic stock, tools, maintenance parts, etc., and that all specified operator/ maintenance personnel training has been provided.
  - a. <u>Warranties</u>: The OPDIVs responsible for the Project shall appoint appropriate staff to assist the Contracting Officer in the management of the technical portion of the warranty process for the completed Project. The OPDIVs shall determine the period of time that the project officer remains involved with warranty management, before transferring the responsibility to the organization providing operations and maintenance functions for the facility.
  - b. <u>Closeout Documents</u>: All documents required by the contract including, but not limited to, Guarantees and Warranties, Commissioning Reports, Record Drawings, Operation and Maintenance Manuals, and Training Documents, shall be provided as specified prior to contract closeout. Each OPDIV shall prepare a format to assure that all contracts are closed out and all funds are disbursed or de-obligated from the project.
  - c. <u>Training</u>: Training of Operations and Maintenance Staff to operate and maintain the new facility and sophisticated building systems and equipment is very important to the activation of the facility. Provisions for adequate operation and maintenance training should be provided for in the specifications or in the general provision of the contract. The contract should require the contractor to provide a detailed training plan based on actual submitted manufacturer's recommendations for review and approval by the COTR. Provisions for training the op-

erators/ users in the care and use of equipment should also be included in the contract. Training should occur prior to acceptance of the work by the Government.

#### 4-6-20 GUIDANCE AND INFORMATION

#### A. QUALIFICATION BASED SELECTIONS FOR A/E SERVICES

The Federal Acquisition Regulations (FAR) pertaining to A/E services were adopted to carry out the requirements of the Brooks Act (40 U.S.C. 1101-1104).

- 1. The regulations setting forth the procedures for choosing an A/E firm may be found in FAR subpart 36.6, "Architect Engineer Services." These procedures apply to the selection of all architectural and engineering services, including studies, surveys and analyses. The purpose of this section is to supplement the FAR subparts mentioned throughout the section and it should be read in conjunction with them.
- 2. The Short Selection Process described in the FAR may be utilized for contracts that do not exceed the small purchase limitation. The Board or the Chairperson of the Board can make the selection of the A/E.
  - a. <u>Selection by the Board</u> The board shall review and evaluate architect-engineer firms in accordance with Board's functions, except that the selection report shall serve as the final selection list and shall be provided directly to the Contracting Officer. The report shall serve as an authorization for the Contracting Officer to commence negotiations in accordance with FAR 36.606.
  - b. <u>Selection by the Chairperson of the Board -</u> When the board decides that formal action by the board is not necessary in connection with a particular selection, the following procedures shall be followed:
    - (1) The chairperson of the board shall perform the functions required in FAR 36.602-3.
    - (2) The OPDIV's designated selection authority shall review the report and approve it or return it to the chairperson for appropriate revision.
    - (3) Upon receipt of an approved report, the chairperson of the board shall furnish the Contracting Officer a copy of the report, which will serve as an authorization for the Contracting Officer to commence negotiations in accordance with 36.606.
- 3. The CO shall make a public announcement of any planned A/E selection. The CO will provide a copy of the announcement to the Evaluation Board for the file. The specific requirements for publicizing Federal contract actions are set forth in the FAR. Announcements for design contracts expected to exceed \$25,000 must be published in the FedBizOpps, unless the contracts are to be procured through an existing task order or other procurement process through which the firms included in the procurement have been previously selected through full and open competition published in the FedBizOpps. The CO will determine the appropriate method and requirements for the public announcement for each project. The announcement should be published at least thirty days prior to the A/E selection, and the procurement schedule should take this requirement into consideration. For contracts expected to be \$25,000 or less, the CO shall as a minimum publicize the announcement in the vicinity of the project by displaying the notice at the procuring office and publishing it in the local daily newspaper. Affected professional societies in the area may be notified of the project consideration as well.

The public announcement should contain brief but clear statements consistent with the requirements of the FAR. It should include the project location, scope of service required, the relative importance of the significant evaluation factors presented in descending order, range of construction cost, type of contract proposed, estimated start and completion dates, and date by which responses must be received. Any other specialized requirements (energy conservation, phased design/construction, etc.) or limitations on eligibility (small business or Buy Indian set-aside) should also be indicated. The amount of funding available for the project should never be announced. The public announcement should define what information the A/E must provide before and during the selection process. The information to be provided may include the "Architect-Engineer Qualifications" on SF 330, if the A/E firm does not have a current SF 330 on file with the agency. The agency may also request additional information, but the public announcement should clearly define what information will be considered and what the evaluation criteria will be.

### **B. DESIGN COMPETITIONS**

A design competition is a method of awarding a design contract based on design excellence. A design contract should be awarded to the person or firm who submits the best design in the judgment of a jury in accordance with the rules of the competition. Design competitions are allowed under FAR 36.602 (b). When the Department approves the use of design competition, OPDIVs may evaluate firms on the basis of their conceptual design of the project. Characteristics that would make design competition an appropriate A/E selection method include:

- Unique situations exist involving prestige projects, such as the design of memorials and structures of unusual national significance;
- Sufficient time is available for the production and evaluation of conceptual designs; and
- The design competition, with its related costs, will substantially benefit the project.
- 1. <u>Design competitions can be open or invited</u>. They can be one or two stages. Open design competitions are simply competitions that are open to all design professionals most frequently registered architects. Invited competitions are design competitions where a select group of design professionals typically highly regarded or recognized architects are invited to submit a design on a project.
  - a. One-stage competitions are competitions where the winner is selected by the jury and awarded the contract to design the project. This is the most common type of competition used by the private sector and internationally. The competitor bears all the cost and risk in entering the design competition. The Vietnam Veteran's Memorial is an example of a one-stage design competition.
  - b. A two-stage design competition is a competition that is usually open to all design professionals and the highest-ranking competitors are invited to compete in the second stage. It is common practice for the jury to give the second stage competitors a written critique of their design submission.
- <u>The competition announcement should feature a short description of the project and its location.</u> Key dates such as competition registration deadlines and submission deadlines should be mentioned. The name of the jurors should be stated. Eligibility requirements should be clearly stated. The competition announcement should be widely disseminated in professional journals and newsletters to maximize interest in the competition.
  - a. <u>Competition Registration -</u> Persons or firms interested in competing in the design competition should be registered and pay a nominal entry fee to defray the cost of the competition.
  - b. <u>Eligibility</u> Competitions should open to architects and engineers who are registered in the United States.

- c. <u>Competition Security</u> To assure fair and impartial evaluations of competition submittals, names should not be used to identify competitors. Registrants for the competition should be assigned a number to assure anonymity. These numbers should be used throughout the competition process.
- 3. <u>The design competition document</u> should consist of the competition rules, a site description, program of requirements, and competition submission format.
  - a. <u>Rules.</u> The rules of the competition must be clear and enforceable. Date and time for the competition submission deadline must be stated in the document. Failure to meet the dead-lines and other violations of competition rules should be grounds for disqualification.
  - b. <u>Site Description.</u> The site description should contain a site analysis with a detailed site plan showing topography and other physical features. The site and the areas surrounding it should be illustrated, photographed, and discussed. The availability of utilities should be illustrated and discussed.
  - c. <u>Program of Requirements</u>. The Program of Requirements (POR) is key to the success of the design competition. The POR should provide the goals and objectives of the project. It should have space requirements, functional relationships, and other design requirements. The POR should clearly state the design problem.
  - d. <u>Drawings, Photographs and Maps</u>. The OPDIV should provide drawings, site plans, maps and photographs necessary for the competitors to complete their submissions. The OPDIV may require the competitors to use the drawings and maps as base drawings or backgrounds for the sake of consistency in the presentation of submissions.
  - e. <u>Submission Format.</u> The size and number of boards or panels should be clearly stated. The OPDIV should establish the type of media permitted for the presentation of the submission. If written documents are required a format should be established.
- 4. <u>The Jury selects the prize winners</u>. The Jury prepares a report to the OPDIV Selection Authority in accordance with the FAR recommending selection in order of preference. The results of the competition are made public.

## C. PREPARATION AND PUBLICIZING SOLICITATIONS

- 1. Preparation and Publicizing Solicitations: Solicitations must describe the requirements of the Government clearly, accurately, and completely. Unnecessarily restrictive specifications or requirements that might unduly limit the number of bidders or offerors are prohibited. The solicitation should include all documents (whether attached or incorporated by reference) that prospective bidders or offerors submit with their bid or proposal.
  - a. Solicitations must be publicized pursuant to the requirements of FAR 5.2. Publication must provide sufficient time to enable prospective bidders or offerors to prepare and submit bids or proposals. Projects above OPDIV approval authority may not be advertised without an approved Facility Project Approval Agreement.
- 2. In addition, all HHS construction shall be executed in compliance with applicable Federal Acquisition Regulations plus Executive Orders, laws, and regulations relating to 1) labor, 2) energy, water conservation, sustainability, and/or other environmental matters; 3) safety; 4) building codes; and 5) fiscal responsibility.

### D. GENERAL CONSTRUCTION PROCUREMENT GUIDANCE

The procurement of construction should be in accordance with the acquisition plan. There are only two basic types/ major categories of contracts. They are Fixed Price and Cost-Reimbursement. Generally, firm-fixed priced contracts shall be used to acquire construction, FAR 36.207. Firm-fixed-price contracts shall be used when the method of contracting is sealed bidding, FAR 14.104. FAR 16.2 addresses incentives and economic price adjustments in fixed-price contracts.

- 1. A firm-fixed-price contract provides for a price that is not subject to adjustment, except for appropriate modifications. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and perform effectively, while imposing a minimum administrative burden upon the contracting parties.
- 2. Fixed-price contracts with economic price adjustment may be used for construction in certain circumstances as outlined in FAR 36.207(c) and when authorized in accordance with FAR 16.203.
- 3. Justification is required for other than firm-fixed-price contracts for construction, except on projects contracted with tribes on P.L. 93-638. The basis for using incentives or economic price adjustments in a fixed-price construction contract shall be documented in the acquisition plan.

### E. SAFETY

The OPDIVs should assure that the Contractor is in compliance with federal and state safety regulations as they relate to construction. Although job safety is the responsibility of the contractor, the project officer should look for unsafe or potentially unsafe conditions. Should the project officer become aware of any such conditions, the project officer should notify the Contracting Officer and the contractor. If the unsafe condition is life threatening, the project officer should direct the contractor to take immediate action to remedy the situation, even to the point of issuing a "Stop Work Order", if necessary. If a "Stop Work Order" is issued, the project officer should notify the Contracting Officer of the pertinent facts as soon as possible.

#### G. GOVERNMENT OVERSIGHT

The OPDIV is responsible for performing oversight of all aspects of the contract to assure that construction contract requirements are met:

- 1. <u>Quality Assurance in accordance with FAR Part 46</u>. Government contract quality assurance shall be performed at any stage of performance and such places as may be necessary to determine that the work conforms to contract requirements. Quality assurance surveillance plans should be prepared in conjunction with the preparation of the statement of work. The plans should specify all work requiring surveillance and the method(s) of surveillance.
- 2. <u>Changes</u>: The FPAA is a binding agreement that establishes project scope, budget, and schedule. Changes at this level of development are costly (construction phase) and should be avoided. Each OPDIV should have a formal change control process. Technical changes due to differing site conditions or errors and omissions by the architect/engineer or the Government should be approved at the OPDIV level. Programmatic changes should also be approved at the OPDIV level. The Contracting Officer is the only person with authority to issue a change or modification to the construction contract. The Contracting Officer may delegate authority to the Project Officer for field changes. If the Program of Requirements (POR) is exceeded or if the cost exceeds the limits of the FPAA, approval must be obtained through HHS using the FPAA process. The OPDIVs

shall assure that the approved changes are properly implemented into the project. See also Section 2-3 for changes requiring Departmental approval through the FPAA.

#### 4-6-30 REPORTING REQUIREMENTS

#### BID REPORT FOR CONSTRUCTION CONTRACTS

The OPDIV shall submit a bid report to the Office for Facilities Management and Policy (OFMP) at the completion of the bid/proposal evaluation process. A bid report is required only on those projects requiring HQ approval per the FPAA policy. The report is for OFMP information only. A sample bid report form is provided as Exhibit X4-6-D. The Bid Report may be in a different format such as the OPDIV's standard bid tabulation format as long as it contains the information included in the Exhibit.

# CHECKLIST TO AWARD ARCHITECT/ENGINEER DESIGN CONTRACT

## 1. PRIOR TO ADVERTISEMENT

2.

3.

4.

a. Certify availability of funds (HHS 393)	
b. Complete Program of Requirements (design criteria)	
c. Develop A/E Statement of Work including time schedule	
d. Develop estimate of facility construction costs	
e. Develop estimate of A/E fee or costs	
f. Develop management plan	
A/E EVALUATION BOARD	
a. Clear delegation of appointing authority	
<ul> <li>Appoint proper persons and numbers to serve as Board members</li> </ul>	
c. Appoint Board Chairman, an agency representative and a Recorder	
d. Establish evaluation criteria.	
e. Establish numerical weighting factors.	
ADVERTISEMENT	
a. Announce in Fed Biz Ops (Old: Commerce Business Daily	′)
b. Include clear statement of project	
c. Do not include cost estimate	
d. Include selection evaluation criteria in descending Order of importance	
e. Emphasize special requirements	
PROCEDURE OF THE EVALUATION BOARD	
<ul> <li>a. Establish pre-screening criteria and pre-screen</li> <li>A/E Firm fairly</li> </ul>	
b. All members shall evaluate all A/E firms.	
c. Minimize discussions on A/E firm qualifications	

- d. Post all A/E firms scores
- f. Determine list of finalists
- g. Conduct equal time A/E firm interviews.
- h. Provide necessary information to the approving authority and obtain approval.
- i. Document all actions.

#### 5. NEGOTIATIONS

6.

Make certain the following items have been satisfied prior to negotiation meetings.

a.	Approval of A/E Selection by the approving authority.				
b.	Funds are available				
c.	Government Project Manager assigned				
d.	Program of Requirements furnished to A/E Firm				
e.	A/E Statement of Work furnished to A/E firm.				
f.	A/E fee or costs estimated by government				
	(Prefer A/E uses same format for estimate)				
g.	Facility Construction cost estimate completed.				
A/E	E CONTRACT AWARD				
Upon successful negotiations, the following items must be satisfied:					
a.	For Project where fees exceed \$100,000; conduct audit to confirm basis of figures used in negotiations.				
b.	Document agreement of all parties on contract content including payment and time schedule.				
c.	File one copy of contract with original signatures, and				
	give two copies to the paying authority.				

### SAMPLE

### SECTION C

## STATEMENT OF WORK

January 2004

#### A. BACKGROUND:

The General Laboratory for Cellular Biology (GLCB) will house the staff of a special task force created by a Presidential Commission on Health. This task force is composed of eminent scientists from different Departments and Centers (DC's), within the Agency. The Task Force is charged with the responsibility to find the cause and cure of a recently discovered virus that attacks the human immune system. The Task Force is to report directly to the Director. For organizational and administrative purposes, the Department of Allergies and Infectious Diseases (AID) will be the lead institute. However, the Task Force will have its own director, executive officer, and scientific director. Extramural Research will be coordinated through AID.

#### **B. PROJECT DESCRIPTION:**

The GLCB will accommodate 7 laboratories, shared analytical laboratories, and support space. The laboratory facility will house the staff of the Scientific Director, administrative space associated with the laboratories as well as ancillary space. Since the Task Force consists of scientists from different DC's, it is important that they interact with one another. It is expected that the scientist will spend long hours in the laboratories; therefore it is important that the workspace be pleasant. The quality of the workspace should not be compromised. Unlike most of the laboratories at the agency, this facility will have a high intensity of instrument laboratories. Once the Task Force's work is completed, the facility will become a part of the Director's reserve. It is important that the design consider flexibility and expansion. The construction cost is estimated to be \$ 35,000,000.00.

#### C. CODES & STANDARDS

#### 1. Model Building Codes

The GLCB shall be designed in compliance with applicable standards of the model building code for the location of the facility. The design may use other appropriate codes and industry standards such as: the Life Safety Code (NFPA 101), Fire Protection for Laboratories Using Chemicals (NFPA 45), Standard for the Installation of Sprinkler Systems (NFPA 13) and Health care Facilities (NFPA 99). (Note: HHS is an agency of the Government of the United States of America, derives its authority from the Congress of the United States, and is not subject to laws, ordinances, regulations established by state and local governments or authorities of a lessor jurisdiction.)

#### 2. Federal Regulations

The GLCB shall be designed in compliance with all applicable Federal Regulations including but not necessarily limited to the following: Uniformed Federal Accessibility Standards, OSHA 29CFR 1910; The National Environmental Policy Act of 1969 (NEPA); The Endangered Species Act; The National Historic Preservation Act of 1966; The Archeological and Historic Preservation Act; The Wild and Scenic Rivers Act; 40CFR Environmental which includes: Safe Drinking Water Act, Clean Air Act, Clean Water

Act, Toxic Substance Control Act, Solid Waste Disposal Act, and RCRA; Executive Order 11990 (Wetlands); Executive Order 11988 (Floodplains); Executive Order 12088 (Compliance with State environmental laws); National Capital Planning Commission (NCPC) "Master Planning Regulations"; Energy Policy Act of 1992; etc.

## 3. Departmental Regulations

The GLCB shall be designed in compliance with NIH Publication 85-23 "Guide for the Care and Use of Laboratory Animals", plus, the U.S. Public Health Service (PHS) and the American Association for Accreditation of Laboratory Animal Care (AAALAC) accreditation standards. GLCB shall be designed in compliance with HHS Publication No. (CDC) 93-8395 "Biosafety in Microbiological and Biomedical Laboratories, 4<sup>th</sup> Edition, May 1999

## 4 Agency Design Policies

The GLCB shall be designed in compliance with the applicable provisions of the Agency Architectural and Engineering Design Policies and Guidelines and the Agency Planning and Programmatic Guidelines

## D. SCOPE OF SERVICES

## 1. General:

The Architect/Engineer (A/E) shall provide all professional services; material and labor necessary to design the GLCB.

## 2. Submittals and Deliverables

The A/E shall make three (3) design submittals at the following stages: concept, design development and contract documents.

## a. Schematic Design

The schematic design constituting 30% design completion consists of but not necessary limited to the following: schematic site, floor plans (for each design discipline), elevations and sections drawn to scale, exterior and interior perspective or axiometric drawings necessary to explain the concept, table of content specifications, broad order of magnitude (square foot) cost estimate, storm drainage, structural, HVAC, plumbing and electrical calculations.

## b. Design Development

Design development constituting 60% of design completion consists of but not necessary limited to the following: site grading and drainage plan, site utilities plan, site pavement plan, landscape plan, sediment control plan, site profiles, definitive floor plans (for each design discipline), elevations, cross, longitudinal and wall sections, interior elevations, reflected ceiling plans drawn to scale, final perspective or axiometric drawings necessary to explain the design for presentation purposes, finish and door schedules, plumbing raiser diagram, one line electrical diagram, communication and data layouts and one line diagrams, out line specifications, systems cost estimate, final storm drainage, structural, HVAC, plumbing and electrical calculations.

## c. Construction Documents

Construction documents constituting 100% of design completion consists of but not necessary limited to the following: site grading and drainage plan, site profiles, site utilities plan, site pavement plans and profiles, landscape plan and plant schedules, sediment control plan, final floor plans (for each design discipline), elevations, cross, longitudinal and wall sections, interior elevations, reflected ceiling plans drawn to scale, finish and door schedules, details for each discipline drawn to scale, plumbing raiser diagram, one line electrical diagram, communication and data layouts and one line diagrams, specifications, quantity takeoff cost estimate, and bid documents

# E. GOVERNMENT FURNISHED ITEMS

## 1. **Program of Requirements**

The A/E shall design the GLCB in accordance with the Program of Requirements.

## 2. Agency Master Plan

**3.** Topographic Survey of the site

# 4. Geo-technical Report and recommendations

## F. INTERFACE & COORDINATION:

## 1. Formal Meetings

Progress meetings will be held at the Agency, 9000 Stoneville Pike Bath, Maryland. The purpose of the progress meetings is to formally review the submittal, resolve outstanding issues, and to provide Agency programmatic and technical direction.

The Government will provide appropriate representatives authorized to make technical and programmatic decisions necessary to maintain progress.

The A/E shall send appropriate representatives consistent with the level of development and the nature of review. The representative(s) shall be qualified and authorized to make the technical decisions as required to maintain effective progress. The A/E shall take minutes of the meeting and distribute a narrative summary to the persons in attendance as well as the Project Officer within seven (7) days after each meeting.

## 2. Interface:

## a. DC Executive Officer:

The Executive Officer (EO) or designee will be the liaison between the DC and DES.

# b. Oversight Committee:

The Associate Director for Research Services (ADRS) will establish an oversight committee. The committee will oversee the development of the GLCB.

## c. User Group:

The user group is a customer (decision making) group that may consist of scientific directors, laboratory chiefs, branch chiefs, AOs, section chiefs etc. within one DC to provide programmatic direction and requirements.

## d. Process Action Team (PAT):

A PAT is a group that provides programmatic and technical recommendations for the GLCB when more than one IC is involved. The PAT consists of members from each involved IC and ORS and serves as an advisory group for the Oversight Committee.

## e. Division of Engineering Services:

The Division of Engineering Services (DES) has the overall responsibility for the development of Agency buildings and facilities designs. The Design and Construction Branch has been delegated the authority to carry out this responsibility for DES.

## f. Design and Construction Branch (DCB) Project Officer:

The Project Officer (PO) will manage the design and construction activities of the project.

### g. Contract Specialist:

The contract specialist is responsible for administrating design and construction contracts.

## G. SCHEDULE

The A/E shall complete the design of GLCB in 210 calendar days

#### 1. Schematic Design

The A/E shall submit the concept design within 60 calendar days after notice to proceed.

#### a. Government Review

The Government will review the concept design and submit comments within 30 calendar days. The Government and the A/E will meet with 15 calendar days after comments are submitted to resolve any outstanding issues. Upon acceptance of the submission the A/E shall proceed to the next submittal.

## 2. Design Development

The A/E shall submit design development documents within 60 calendar days after notice to proceed.

## a. Government Review

The Government will review the design developments and submit comments within 30 calendar days. The Government and the A/E will meet with 15 calendar days after comments are submitted to resolve any outstanding issues. Upon acceptance of the submission the A/E shall proceed to the next submittal.

## **3.** Contract Documents

The A/E shall submit design development documents within 30 calendar days after notice to proceed.

### a. Government Review

The Government will verify that all previous comments are incorporated and the documents are complete and accept the contract documents.

## H. OPTIONS:

At the option of the Government the A/E shall provide the following post design activities

## 1. Construction Administration

The A/E shall administer the construction contract GLCB in accordance with establish professional standards.

## I. NIH PROJECT OFFICER:

The Project Officer for the GLCB will be: Richard Fish, AIA

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## Sample Selection Evaluation Form

Ratings: Excellent = 4, Good = 3, Fair = 2, Poor = 1, and Unacceptable = 0 Rating times the weight = the score

Name	e & Loc	ation of Firm						
		1						1
	Weight	Criteria	Score	Rating/Remarks	Score	Rating/Remarks	Score	Rating/Remarks
Qualifications		Staff Capability						
		Staff Registration						
		Staff Experience						
		Sub Total						
Se		Experience. w/ Building Type						
ien		Quality of Experience.						
(per		Building Performance						
ЦХ		Sustainable Design						
		Sub Total						
e		Federal Government						
nan		State Government						
ast Perforn		Local Government						
		Private Sector						
		Awards						
а.		Sub Total						
$\sim$		Team Resources						
acit		Workload						
apa		Staff Availability						
0		Sub Total						
Ľ		Wash Metro Area						
Locatio		Mid Atlantic Region						
		CONUS						
		Sub Total						
ther								
ō								
		Sub Total						
		Total						

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## SAMPLE BID REPORT FORM

Bid Report Form			1. Project No./ID 2. Revision No.:				
3. Project Title:			4. Budget Year:		5. Date: (mm/dd/year)		
		-	6. Total B&F Cost (\$M	): 7. N	lumber of bid	S	
8. OPDIV/Program Office:	9. Installation/Location (City & State)						
		10. List of Bids					
10.a. Offeror/Bidder Name and Address		).b. Bid Price	10.c Alternative I	10.d Responsive			
					Yes	No	

### SECTION 4-7 LEASE ACQUISITION

4-7-00	Policy
10	Procedures
20	Guidance and Information
30	(Reserved)
X4-7-A	Suggested Award Factors
X4-7-B	List of Leasing Forms and Clauses

### 4-7-00 POLICY

The Administrator of General Services delegated leasing of below prospectus level general-purpose space to The Secretary of the Department of Health and Human Services, effective October 14, 1996. The Secretary, HHS has re-delegated this authority to National Institutes of Health, Indian Health Service, Centers for Disease Control and Prevention, Food and Drug Administration, and the Program Support Center.

The Office of the Secretary has overall responsibility for management and provision of technical and administrative services to all facility development and operations in support of HHS' mission, including real estate, acquisition services, property management, design, construction, facilities planning and environmental protection. The Office of the Secretary, Office for Facilities Management and Policy (OFMP) promulgates and enforces overall space policy, including build-out standards, leasing, and safety policy. The OFMP must approve all leases to ensure adherence to space utilization standards. Additionally the Office of Public Health Emergency Preparedness (OPHEP) reviews all leases for the physical security. OFMP will issue written approval of the space acquisition.

Federal agencies must acquire and utilize the space in accordance with all applicable laws and regulations, including, but not limited to, the Competition in Contracting Act (CICA), Federal Management Regulations (FMR), Executive Order 12072, Executive Order 13006, Davis Bacon Act, and the Federal Acquisition Regulations (FAR) in order to:

- 1. Protect the public interest by conservation of property and prudent management of resources;
- 2. Effectively support the HHS and HHS missions by assuring facilities operation and performance of maintenance at a level of adequacy that will continually provide attractive and functional facilities and a high quality work environment, comparable to industry, for HHS employees and the public they serve.

In addition to Federal Regulations and Executive Orders, HHS OPDIVs are required to adhere to the HHS Space Utilization Policy issued on July 14, 2003.

Apart from the 1996 GSA-delegated leasing authority, HHS OPDIVs have legislative and/or regulatory authority to perform leasing activities. These authorities are cited below:

- 1. 41 CFR 102-73.195 authorized HHS agencies to lease laboratories for periods of up to five years (including options);
- 2. Public Law 94-437, 810, as amended, Indian Health Care Improvement Act, authorizes the IHS to enter into leases with Indian Tribes for periods of up to 20 years;
- 3. Public Law 93-638, 105(1), Indian Self-Determination and Education Assistance Act, requires IHS to enter into leases (upon request) with Indian Tribes and tribal organizations for tribally-operated programs;

- 4. Public Law 100-690, 1987 OMNIBUS Drug Supplemental Appropriations Act, authorizes IHS to lease space for Youth Regional Treatment Centers for American Indians and Alaska Natives (inpatient services);
- 5. Section 413(b)(6)(C) of the PHS Act (42 USC 285(d)(2)) authorized the Director, National Cancer Institute to acquire space in the District of Columbia (DC) or communities adjacent thereto for the use of the Institute for a period not to exceed ten years.
- 6. Section 421(2)(C) of the PHS Act (42 USC 285-3(b)(2)(c)) authorizes the Director, National Heart Blood and Lung Institute to lease space in DC or communities adjacent thereto for the use of the Institute for a period not to exceed 10 years.

#### DEFINITIONS.

For the purposes of Section 4-7 of this manual, the following definitions shall apply.

- <u>Acceptance of Space</u> A certification and commitment from an Agency to occupy space. Based on Agency acceptance, GSA may commit to the use of Government funds to award a lease, make a commitment for initial alterations, and/or establish a date of occupancy. Agencies are financially responsible for losses incurred by the Government caused by any failure by the Agency to fulfill a commitment to accept space.
- <u>Agency-Controlled Space</u> Federally owned, leased, or controlled space acquired or used by Federal Agencies under any authority other than the Federal Property and Administrative Services Act of 1949, as amended. It also includes space for which GSA has delegated authorities for acquisition, use, or disposal to other agencies.
- <u>Available Space</u> The total amount of space that is currently being marketed as available for lease in a given period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.
- <u>Build-Out</u> Refers to the preparation of space for occupancy including lighting, outlets, partitions, doors, carpet, paint, etc. This could mean either demolition of existing partitions, doors, outlets, etc., and then new interior construction or construction from a shell to meet contract terms.
- <u>Build-to-Suit</u> A term describing a particular property, developed specifically for a certain occupant to occupy, with structural features, systems, or improvement work designed specifically for the needs of the tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long-term lease on the space.
- <u>Central Business District</u> the designation of a Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan area, describing the level of real estate development found there. A high density, well-organized core within the largest city of a given metropolitan area, characterizes the CBS.
- <u>Construction Documents</u> Scaled, hard-line drawings communicating a client's exact requirements for build-out. A construction document package contains full and complete furniture plans, finish plans, telephone/electrical plans, construction/demolition plans, and plumbing, mechanical, structural, and electrical engineering plans
- <u>Delineated Area</u> The specific boundaries within which space will be obtained to satisfy an Agency space requirement.

<u>Delivery Date</u> – The date a building completes construction and receives a certificate of occupancy.

- <u>Design Intent Drawings</u> (DIDs) Hard-line drawings of sufficient detail to communicate the client's requirements for build-out. Generally includes full furniture and architectural plans with telephone and electrical locations. Does not include structural, mechanical or engineering drawings.
- <u>Existing Inventory</u> the square footage of buildings that have received a certificate of occupancy and are able to be occupied by the tenants. It does not include space in buildings that are either planned, under construction or under renovation.
- <u>FedBizOpps</u> Formerly titled synopsis of United States Government Proposed Procurement, Sales and Contract Awards. Publishes not only these facts, but also subcontracting opportunities and advance notices of proposed contracts.
- <u>Federally Leased Space</u> Space for which the United States Government has a right of occupancy by virtue of having acquired a leasehold interest.
- <u>Leased Space</u> All of the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.
- Lessor One who lets property under a lease.
- <u>Market</u> Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building type specific, and are non-overlapping contiguous geographic designations having a cumulative area that matches the boundaries of the entire Region. Markets can be further subdivided into sub markets.
- <u>Owner</u> The company, entity, or individual that holds title on a given building or property.
- <u>Request for Space</u> A written document upon which an Agency provides GSA with the information necessary to assign space. A request for space shall be submitted on Standard Form 81 and Standard Form 81-A, and the Space Requirements Questionnaire. The request shall, at a minimum, contain descriptions of the amount of space, personnel to be housed, geographic area, time period required and funding availability.
- <u>Quoted Rental Rate</u> The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates pay by tenants following the negotiation of all terms and conditions in a specific lease.
- <u>Rent</u> The amounts GSA charges for space and related services to its agencies with tenancy in GSAcontrolled space. Rent is capitalized to differentiate it from the "rent" that GSA pays lessors.
- <u>Rental Rates</u> The annual cost of occupancy for a particular space quoted on a per square foot basis.
- <u>Sealed Bid</u> A prospective contractor's reply to the solicitation form used for formally advertised procurements.

- <u>Solicitation for Offers (SFO)</u> Request submitted to prospective offerors. Means invitation for bids in sealed bidding and request for proposals in negotiations per GSAM 570.102.
- <u>Space</u> The area within the confines of buildings and land incidental to their use that is under Federal agency's custody and control.

### 4-7-10 PROCEDURES

General procedures of lease acquisition should follow the GSA Pricing Desk Guide.

### A. MARKET SURVEY PROCEDURES

A market survey is used to identify potential sources that meet HHS requirements for real property. Market surveys may use information available within GSA or other sources that will meet the Government's minimum requirements (GSAM 570.301). All potential facilities must be surveyed and judged in the same manner and use the same criteria. Full documentation is necessary to avoid any potential claims of unfairness. The market survey is utilized as a means of obtaining the best space and at the best value to the Government. OPDIVs using delegated leasing authority for leases exceeding the simplified lease acquisition threshold must obtain offers from the maximum number of qualified sources capable of meeting the government's minimum requirements. All documentation is to be maintained in the procurement file.

The GSA local office can provide basic information about what is available and market rates. The Local Office can aid the Contracting Officer in preparing public advertisements; determining competitive responses and offers, based on market conditions; and making an award that represents the best value to the Government. In addition to the GSA local office, there are other sources of market information available to the Contracting Officer. For example market data can be gathered from local newspapers, real estate brokers, local business people, local board of realtors, recent government market surveys and resultant offers, recent appraisals, the local chamber of commerce, real estate publications by the Building Owners and Managers Association (BOMA), Black's Guide, and the Crane Business Report. Touring desirable locations is another method for gathering marketing data.

The acquisition of federal space requires public advertisement in all non-exempt leasing actions for blocks of space of more than 10,000 square feet. Such advertisements must be publicized in local news-papers and FedBizOpps. In cases where the Government proposes to lease a building to be constructed on a predetermined site, the proposed acquisition must be publicized in FedBizOpps.

Advertisements should broadly define the requirements of space and give all interested parties information to respond to the announcement, including delineated area. The delineated area is the specific boundaries (by streets located to the north, south, east, and west) within which space will be obtained to satisfy the HHS space requirement. The advertisement usually runs once. In order to ensure competition, the Contracting Officer may run other ads in real estate trade journals.

- 1. <u>Market Survey Form:</u> The HHS will use GSA Form 3627 for market surveys. All items or blocks in the form must be completed. The form should be used to record information on each property surveyed. Supporting documents such as floor plans, photos, or tenant directories that are provided should be attached to the form. Completed forms should be kept with the lease solicitation file. The listing file should contain forms for all facilities surveyed for the solicitation. The successful offeror's form must be placed in the official lease file.
- 2. <u>Discussions with Offerors</u>: A market survey is for information only and the Government should not enter into negotiations with a potential offeror. The government shall inform the offeror that a market survey is not a solicitation for offer or commitment on the Government's part whatsoev-

er. The offeror should be informed that an official solicitation for a written offer would be sent if the property meets the minimum standards. Informal discussions are permitted that allow the offeror to state the asking price.

The Government will avoid stating any opinion regarding the acceptability of the property. It is permissible during the market survey to tell the offeror that the property will probably not be considered when major defects are noted. However, the offeror should not be prohibited from competing, but note that the offer will not be considered unless the defects are corrected before occupancy.

## B. LEASE ACQUISITION PLANNING PROCEDURES

Lease acquisition strategy is to leverage the market place by providing the best value for the HHS in acquiring and administering leased space. Lease acquisition strategy will also further define the Solicitation for Offers (SFO). Each OPDIV is required to ensure written availability of funds through the OPDIV Chief Financial Officer (CFO).

Executive Order 12072 requires that first consideration to meet space needs in urban areas be given to the centralized community business area, or central business district (CBD). The local government defines central business districts.

- 1. <u>Space Available within HHS Current Lease Inventory</u>: The OPDIV Real Estate Specialist should first review HHS's lease inventory in the delineated area by contacting the HHS Office of Facilities Management and Policy to determine if space is available to meet the requirement. Any existing lease should have two years remaining on the lease term.
- 2. <u>Space Available within GSA Current Lease Inventory</u>: GSA must be notified of pending lease acquisitions and GSA must certify that no space is available. The Real Estate Specialist should review GSA lease inventory in the delineated area to determine if space is available to meet the requirement. The current GSA inventory can be found at http://www.iolp.gsa.gov.
  - a. No Space Available: If there is no space available in GSA's inventories the Real Estate Specialist must be notified in writing or e-mail by GSA and the lease acquisition process may begin.
  - b. Special Purpose Space: These types of space are generally not available through GSA; therefore HHS OPDIVS may enter into Direct Leases. Refer to 41 CFR 102-73.
- 3. <u>Full and Open Competition</u>: FAR 2.101 defines full and open competition as permitting all responsible sources to compete. The procedures for full and open competition are as follows:
  - a. Negotiated Acquisitions
  - b. Sealed Bids
- 4. <u>Other than Full and Open Competition</u>: The Competition in Contracting Act of 1984 permits under certain specified conditions, contracting without providing for full and open competition. FAR 6 covers the requirements, and approvals for other than full and open competition. The requirements are:
  - a. Only one responsible source and no other supplies or services will satisfy agency requirement;
  - b. Unusual and compelling urgency;
  - c. Industrial mobilization; engineering, developmental, or research capability, or expert services;

- d. International agreement;
- e. Authorized or required by statute;
- f. National security; and
- g. Public interest (FAR 6.302)
- 5. <u>Competition for Leases not exceeding the Simplified Lease Acquisition Threshold</u>: Simplified lease acquisition procedures will be used for procurements that do not exceed the simplified lease acquisition threshold of \$100,000 average net annual rent for the term of the lease, including option periods excluding operating cost.
  - a. Solicit at least three sources to promote competition to maximum extent possible
  - b. When repeated requirements for space occur in the same market and if practicable, invite two sources not included in the most recent solicitation to submit offers.
  - c. If one source is solicited, document the file with explanation for the lack of competition.
  - d. If sources that are not solicited learn of the requirement and express an interest, their space must be considered if they meet, or can be made to meet the requirements.

#### C. METHODS OF LEASE PROCUREMENT

- 1. <u>Sealed Bidding</u>: Sealed bidding requires that all bidders be given a definitive set of requirements and they offer precisely the product or service specified. Evaluation is made as to responsiveness, responsibility and price. Negotiation or discussion is not allowed. "Federal Property Administration Services Act" (FPASA) § 303(a) (2) (a), and FAR 6.401 require that an agency solicit sealed bids if:
  - a. Time permits solicitations, submissions, and evaluation of sealed bids.
  - b. The award will be made solely on the basis of price and price related factors.
  - c. It will not be necessary to hold discussions with offerors.
  - d. There is reasonable expectation of receiving more than one sealed bid.

The use of sealed bidding is usually not practical; unless the building site is pre-selected on the site in accordance with Government-furnished construction documents for lease to the government.

2. <u>Negotiated Acquisition:</u> Negotiated acquisition is any method of purchase or leasing that is not sealed bidding. FPASA § 303(a) (2) (b) directs agencies when sealed bidding is not appropriate. Negotiated acquisition is the preferred method of acquiring lease space because it is necessary to conduct discussions with offerors about their proposals and factors other than price must be considered in making an award.

#### D. LIMITS TO HHS/OPDIV DELEGATED LEASING AUTHORITY

The HHS' delegated leasing authority is limited to projects with a net annual rent (annual rent less operating cost) that is not expected to exceed the prospectus threshold. Projects expected to exceed the threshold require Congressional approval and must be performed by GSA. The prospectus threshold is indexed and changed annually. Refer to Internet Reference Information for link to annual Prospectus Threshold. See Section 4-7-20A for link to current prospectus reporting thresholds

### E. SHORT-TERM LEASE PROCEDURES

Leases for emergency space, short-term space, and swing space must be pre-approved by GSA and HHS.

#### F. SOLICITATION FOR OFFERORS AND AWARD PROCEDURES

The Solicitation for Offers (SFO) is required for all Government lease acquisitions and must include all necessary information to permit an offeror to submit a proposal. The SFO is the foundation for the entire lease negotiation process and will become part of the lease. FMR 102-73.100 requires executive agencies to use the Competition in Contracting Act of 1984 for full and open competition among suitable locations meeting minimum government space requirements. The SFO must set performance criteria by which the lessor must perform and it must also set the evaluation criteria by which proposals will be evaluated. The evaluation criteria must be set forth in the SFO with clear specificity so that offerors making proposals will know in advance by what criteria their proposals will be evaluated. The evaluation criteria in the SFO cannot be overly restrictive. The SFO must disclose the relative order of importance of the evaluation factors in the evaluation criteria. When no order is stated in the SFO then it will be presumed that all of the criteria carry the same weight. The SFO must state whether price is more important or equal to the technical factors. See Exhibit X4-7-A for suggested evaluation factors for award and Exhibit X4-7-B for relevant forms.

The government Contracting Officer or the Realty Specialist, has the responsibility for selecting and incorporating the general provisions, required clauses from the General Services Administrative Manual (GSAM) that sets forth all the clauses that can be included in a government lease. The solicitation is a written document and the provisions selected are based on particular requirements for each lease and the date of delivery or date of performance, and the solicitation must clearly establish the OPDIV's needs.

A sample SFO for leasing can be found on the GSA website. This sample contains appropriate terms, conditions, and clauses required for the lease contract.

<u>Award Procedures</u>: Develop an abstract for offers to determine responsiveness to the SFO and Communicate with offerors to discuss responsiveness and provide an opportunity to correct deficiencies. (Suggested award factors are provided as Exhibit X4-7-A.) The award letter will formally transmit the executed lease and transmits SFO amendments.

#### G. PREOCCUPANCY LEASE ADMINISTRATION

- 1. Requirements for Build-Out: The lease provides consideration for Lessor to provide space to meet the Government's needs before the Government can occupy it. Rent will not commence until space is provided in accordance with the terms and conditions in the lease.
- 2. Program Documents (Section 9): The Program Documents section of the lease is a contract document that is binding on both the Government and the Lessor. It is the primary basis for tenant build-out. All parties involved in the development and negotiation of the Program Documents must realize and clearly understand that Program Documents cannot be changed without consideration of cost, time and scope. It is very important to prepare a set of Program Documents that is clear, concise, correct, and complete.
- 3. Performance Requirements (Sections 4 through 8 of the Lease): The lease provides the performance requirements for the build-out for the lease. These sections also contain provisions that prescribe contractual obligations with respect to r tenant build-out. All parties involved in the development and

negotiation of the lease must realize and clearly understand that these sections cannot be changed without consideration of cost, time and scope.

- 4. Government Design Review: The Government shall review the Lessor's build out plans and specifications for compliance with the Program Documents and the lease for the build-out. The review intervals shall be established in the lease or through agreement between the Contracting Officer and the Lessor.
- 5. Government Acceptance and Measurement of Space: The Government shall conduct a final walkthrough with the Lessor of the build out space to determine if the space is substantially complete. The Government and the Lessor will identify visible deficiencies in the built out space and establish a punch list for the Lessor to complete at a mutually agreed upon time between the Government and Lessor.
- 6. Measurement of Space: Space shall be measured in accordance with (GSA Space Measurement Guidelines) ANSI/BOMA Standard (ANSI/BOMA Z65.1 1996)
- 7. Existing Conditions Survey: Before taking beneficial occupancy the Government shall prepare an existing conditions survey report to document the conditions of the premises. The Existing Condition Survey will be the basis for determining the Government's responsibility at the termination of the lease.
- 8. Beneficial Occupancy: Once the Government and the Lessor determine and agree that the build-out is substantially complete the Government may take beneficial occupancy.
- 9. Lease Performance Period: Rent begins when the Government occupies the space or at substantial completion. The Government and the Lessor must execute a Supplemental Lease Agreement (SLA) to establish the performance period of the lease and to ratify the actual rentable space.
- 10. Default in Delivery Time Extensions: If the Lessor fails to do the work with diligence that will ensure its substantial completion by the delivery date or fails to substantially complete the work by such date, the Government may by notice to the Lessor terminate the lease. The Lessor and the Lessor's surety, if any shall be jointly and severally liable for any damages to the Government resulting from the termination of the lease.

#### H. DESIGN AND BUILD-OUT PROCEDURES

The design and build-out phase of the project further develops the preliminary programming information of the solicitation into the documents necessary for a contractor to construct, or build-out the space interior. The Government is not privy to the Lessor's design or construction contract and therefore has little oversight; however, the Lessor must deliver the space in according to the conditions specified in the lease.

During the design period, the architect/engineering firm (A/E) meets with the agency and creates scaled drawings indicating the agency's desired space layout and finishes. The drawings are developed in iterations starting with a simple partition layout. Adding electrical/voice/data locations, and other general space attributes constitute the Design Intent Drawings (DIDs). The drawings review intervals are established in the lease or through agreement between the Contracting Officer and the Lessor. This process repeats several times, refining the scope of the build-out, and culminates in complete space drawings and specifications, which are called the contract documents.

At or near the completion of the contract documents, the Lessor must obtain pricing for the work shown on the contract documents. The preferred pricing method is for the lessor to compete the build-out scope of work. This may be a competition among general contractors, or with a lessor-assigned general contractor, and a competition of the varying trades, e.g. carpenters, electricians, etc. There are other variations on the theme of integrating an atmosphere of competition into the build-out pricing. However, due to programmatic or scheduling requirements, the cost of the build-out may be negotiated with a single contractor. Regardless of build-out procurement method, a base cost of work is set, and the lessor provides the build-out schedule. This schedule must set forth significant milestones to ensure that the lease occupancy date will be met. The schedule is critical to coordination of the Government's contractors, i.e. voice/data cabling, furniture/fixtures/equipment (FFE), and physical relocation. The SFO contains a paragraph addressing liquidated damages which are penalties paid by the lessor should there be a lessorcaused delay in delivery of the space. Numerous aspects of the build-out phase are administrative. These include holding regular progress meetings, procedures for changes in the work, channels of communication, government representatives and their limits of authority, and the coordination of Government direct contracts, and the contractor's access to the site and work hours. The build-out is complete when the contractor has completed all work and the local building officials have issued a certificate of occupancy (CO).

When notified by the contractor that all work is complete, a final walk-through for space acceptance occurs. This walk-through is usually coincident with the creation of a contractor deficiency list, or punch list, of omitted or substandard work items. With a certificate of occupancy, and agreement that the space is substantially complete, the Government may occupy the space. The contractor is typically allowed to work minor punch list items as the Government occupies the space.

## 4-7-20 GUIDANCE AND INFORMATION

#### A. INTERNET REFERENCE INFORMATION

The following web sites, internet links, and references provide guidance and information relevant to federal leasing.

Federal Management Regulations, are found within Title 41, Subtitle C of the Code of Federal Regulations –

http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200141

Executive Orders including 12072 and 13006 http://www.gsa.gov/Portal/gsa/ep/indexView.do?pageTypeId=8199&channelId=-13339

Public Law 93-638 – http://www.ihs.gov/NonMedicalPrograms/chr/pl93-638.cfm

Public Law 100.690 - www.hawaii.edu/ohr/emp-d&b/drug/pl100690.pdf

42 USC 285(d) (2) – a257.g.akamaitech.net/7/257/2422/14mar20010800/ edocket.access.gpo.gov/cfr\_2002/julqtr/pdf/41cfr101-17.0.pdf

Davis Bacon Act - http://www.dol.gov/esa/whd/contracts/dbra.htm

FAR clauses including 6.202, 6.203, 6.204, 6.205, 6.302, 6.303, 6.304, 6.401. 9.104-1, 15.208, 15.303, 15.305, 15-306, 15.505, and 15.506 at http://www.arnet.gov/far/

HHS Section 4-7 HHS Facilities Program Manual (Volume I)

General Services Administrative Manual (GSAM) including clauses GSAM 501.603, 570.301, 570.303-3, 570.306, 570.307, 570.307, 570.308, 570-309, and 570.7 at http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\_BASIC&contentId=13604&noc=T

GSA forms and standard forms such as SF 2, GSA 1166, GSA 1364, GSA 3626, GSA 3627, and GSA 3628 are available at http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=ALL

FPASA 303 - http://www.dtic.mil/envirodod/Policies/Archives/appndx\_f.htm

Prospectus reporting thresholds http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\_BASIC&contentId=16247&noc=T

ANSI/BOMA Z65.1-1996 – Standard Method for Measuring Floor Area in Office Buildings is available for purchase at

http://www.boma.org/ProductsAndResearch/Standards/StandardMethodForMeasuringFloorAreainOfficeBuildings.htm

Energy Policy Act of 1992 - http://www.epa.gov/radiation/yucca/enpa92.htm

Security Standards for Leased Space ISC Subcommittee Final Report, dated May 16, 2003.

Americans With Disabilities Act (ADA) - http://www.usdoj.gov/crt/ada/adahom1.htm

Competition in Contracting Act of 1984 – http://www.gsa.gov/Portal/gsa/ep/contentView.do?pageTypeId=8199&channelId=-13340&P=PRCOE&contentId=11625&contentType=GSA\_BASIC (This page intentionally left blank)

## SUGGESTED AWARD FACTORS & EVALUATION OF BUILDINGS AND SITES

- A. Ability to meet the Requirements in the Solicitation for Offers
  - 1. Adequate Space to Meet the Requirements *The Offeror must provide adequate space to meet HHS needs. If the offeror's proposal does not provide adequate space, the proposal may be considered as non-responsive.*
  - 2. Configuration of Space to Meet the Requirements The Offeror must provide space that meet HHS's functional and adjacency requirements. If there is a need for the space to be contiguous, it should be required in Program of Requirements attached to the SFO. The efficiency of circulation between and with space should be considered.
  - 3. Adequate Structural Capacity. *The structural system of the property must be able to accommodate HHS needs. Unusual structural requirements should be noted in the Program of Requirements attached to the SFO.*
  - 4. Adequate Building Systems The Offeror's building systems (i.e. HVAC, plumbing, fire protection, electrical and communications systems) must be adequate to meet HHS's needs. Unusual building systems should be noted in the Program of Requirements attached to the SFO.
- B. The Ability to Deliver a Turnkey Facility in Accordance with the Government's Requirements.
  - 1. Minimum construction needed to meet the Government's Requirements. Offers that can meet the requirements as is or with the least amount of construction is desirable because it will allow the HHS to occupy the space soon after award of lease at a lower rent.
  - 2. Offers with earliest delivery date. Consideration should be given to the ability of the offeror to deliver the space at the earliest possible date in a cost efficient manner.

## C. Transportation

- 1. Highway Access The property should be located on or very close to an arterial street as defined by the local planning jurisdiction.
- 2. Parking The property should be located in an area where there is adequate parking for HHS staff
- 3. Public Transportation *The property should be located within 2,500 feet walking distance to mass transit*
- 4. Pedestrian Traffic *The property should be accessible to pedestrians without major conflicts with vehicular and service traffic.*
- 5. Emergency Access All occupied structures on the property should be accessible on all sides to emergency response vehicles and personnel.
- 6. Service Access The property should be accessible to service vehicles and have adequate loading docks to accommodate the needs of HHS mission
- 7. Architectural and Transportation Barriers *The property should be accessible to persons with disabilities free of architectural and transportation barriers in accordance with the Americans with Disabilities Act and/or state or local regulations and laws.*

### D. Neighborhood Amenities

- 1. Eating Establishments *The property should in close proximity to eating establishments within a \_\_\_\_ minute walking distance.*
- 2. Shopping *The property should in close proximity to shopping facilities*
- Postal Services *The property should in close proximity to postal services.* 
   Healthcare
- 4. Healthcare The property should in close proximity to healthcare facilities
- 5. Quality The property should be located in a neighborhood that is well maintained and free of blight
- 6. Other
- E. Ground Floor Space
  - Offers providing ground space

## F. Energy

1.

1. Energy efficient construction, equipment and fixtures *The buildings on the property should be constructed to meet federal energy requirements in accordance with the Energy Policy Act of 1992* 

## G. Environmental Features

- 1. Noise: The site should not be in close proximity to sources of noise such as highways, power plants, and service areas.
- 2. Air and Water Quality: *The site should not be in close proximity to sources of air or water pollution.*
- 3. Solid Waste Disposal: *Solid waste disposal services should be economically available to the site.*
- 4. Hazardous Waste Contamination: *The site should be free of hazardous materials*.
- 5. Historic Characteristics: *The historic and archeological features of the site should be considered.*

## H. Maintenance and Operations

1. Building and Janitorial Services *The Offeror should provide adequate maintenance and janitorial services to maintain the property.* 

## I. Security

1. Site Security

Lessor should provide an electronic key card perimeter security system during non-duty hours which should be monitored 24 hours per day and provide a level of security which reasonably deters unauthorized entry to the leased space. At the Government's expense, the Government retains the right to implement security requirements in accordance with the Vulnerability Assessment of Federal Facilities report of the U.S. Department of Justice, June28, 1995 or other applicable Federal policy.

a. Grouping of Structures

The grouping of structures should reinforce associations of mutual benefit. There should be delineated paths of movement; there should be defined areas of b.

activity for particular users through their juxtaposition with internal work areas, and provides for natural opportunities for visual surveillance. The grouping of buildings should promote a clear understanding of the function of the space

- Visibility of Streets and Open Space Streets and open spaces should be visible from the workspace within the property. Building entrances and lobbies should be visible from the street.
- c. Subdivision of the Site

The site should be subdivided so that all of its areas relate to a particular building or group of buildings. The area surrounding a building should be perceived by occupants as an outdoor extension of their workspace. As such, it comes under their continued use and surveillance. Persons using those areas should feel they are under the natural observation of their co-workers.

d. No Unassigned Areas

No area should be unassigned or simply left "public". Outdoor space should be allocated to specific buildings or building clusters.

e. Boundaries

Physical barriers or symbolic barriers should define the property's boundaries. The barriers should separate public from semi-public areas of the property, provide transition from outdoors to indoors, divide the semi-public space of building lobby from the corridors.

f. Physical Barriers

The property should feature physical barriers such as fences, walls and berms that limit access to facilities by unauthorized persons. Certain areas such as maintenance yards, hazardous material storage, etc. will require fencing.

g. Symbolic Barriers

The property should feature symbolic barriers such as plants, low walls, doors, berms, change in level, and security desks that will discourages unauthorized entry by making distinctions between the occupants and the visitor. The use of symbolic barriers should not limit or block emergency access or access to emergency systems such as fire hydrants, electric disconnects switches, and gas shut-off valves.

Surveillance The buildings and structures on the property should promote the ease of surveillance by staff and security personnel. The surveillance system should be obvious to make a potential intruder aware that any overt act or suspicious behavior will

come under the scrutiny of the facility's occupants.

2. Current Tenants

h.

- a. The current tenants of the property should be engaged in lawful activities and not engaged in activities that are a threat to the security of the United States of America.
- b. When leasing new space or renewing existing leases, consideration should be given to locating in a building with existing federal tenants with similar facility and security requirements.

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### LIST OF LEASING FORMS AND CLAUSES

- 1. Forms Section may consist of:
  - A. SF 2, U.S. Government Lease for Real Property or GSA Form 3626, U.S. Government Lease for Real Property (Short Form) or equivalent documents.<sup>1</sup>
  - B. GSA Form 3516 or GSA Form 3516A, Solicitation Provisions.
  - C. GSA Form 3517A or GSA Form 3517B Required Clauses (Full Text).<sup>2</sup>
  - D. GSA Form 3518, Required Certifications and Representations, signed by Lessor.
  - E. GSA Form 1364, Proposal to Lease Space.
  - F. GSA Form 1217, Lessor's Annual Cost Statement.
  - G. GSA Form 3627, Market Survey

<sup>&</sup>lt;sup>1</sup> The Contracting Officer must approve equivalent documents.

<sup>&</sup>lt;sup>2</sup> The Contracting Officer must approve GSA Form 3517 Required Clauses by reference.




**Office for Facilities Management and Policy** *Office of the Assistant Secretary for Administration and Management* 

#### SECTION 5-1: ACCEPTANCE AND OCCUPANCY

- 5-1-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 (Reserved)

### 5-1-00 POLICY

### A. PURPOSE

The purpose of this section is to provide guidance that will facilitate transitioning from the construction phase of a project to beneficial use and operations by the user. Topic areas of particular significance to effective facility activation include inspection and acceptance, warranties, training, documentation in operations and maintenance manuals, and occupancy.

- 1. HHS activities shall normally take beneficial occupancy or use after substantial completion of a facilities project is achieved. Potential risks, impacts and effects shall be carefully considered when deciding whether to occupy or utilize a portion of a construction project prior to substantial completion of the whole project.
- 2. HHS activities shall ensure that an effective warranty management program is in place to enforce active material, equipment, and workmanship warranties for the benefit of the government.

### **B. DEFINITIONS**

For the purpose of Section 5-1 of this manual, the following definitions shall apply.

- Latent Defect Latent defect is defined in the FAR Subpart 2.1, as "a defect that exists at the time of acceptance but cannot be discovered by a reasonable inspection".
- <u>Beneficial Occupancy</u> Beneficial occupancy takes place on the date when part or all of the work involved in a construction project is substantially complete and the Government takes possession of the designated space or spaces to use for the purpose intended. Beneficial occupancy also initiates the warranty period and the environmental mitigation identified in the environmental documents. (The use of a project or portion thereof for the purpose intended.)
- <u>Substantial Completion</u> The time when the contract work is complete to the point that the Government may take over the facility and receive beneficial occupancy for the purpose intended.

# C. MATERIAL SAFETY DATA SHEETS (MSDS)

MSDS shall be required from the contractor in a separate binder. A MSDS is designed to provide both workers and emergency personnel with procedures for handling or working with a particular substance. MSDS's include information such as physical data (melting point, boiling point, flash point etc.) toxicity, health effects, first aid, reactivity, storage, disposal, protective equipment, and spill/leak procedures. These are of particular use if a spill or other accident occurs.

#### 5-1-10 PROCEDURES

#### A. INSPECTION AND ACCEPTANCE

Contractors and Lessors are required to maintain adequate quality control systems and perform such inspections as will ensure that the work performed under the contract conforms to contract requirements. The Contractor and/or Lessor should maintain complete inspection records and make them available to the Government. All work shall be conducted under the general direction of the Contracting Officer and is subject to Government inspection and test at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the contract. Government inspections and tests are for the sole benefit of the Government and do not relieve the Contractor and/or Lessor of responsibility for providing adequate quality control measures; relieve the Contractor and/or Lessor of responsibility for damage to or loss of the material before acceptance; constitute or imply acceptance; or affect the continuing rights of the Government after acceptance of the completed work under the contract.

OPDIVS are encouraged to have one or more full-time Government inspectors on large and complex construction or design-build projects; however, the presence or absence of a Government inspector does not relieve the Contractor and/or Lessor from any contract requirement, nor is the inspector authorized to change any term or condition of the contract without the Contracting Officer's written authorization.

The Contractor and/or Lessor will, without charge, replace or correct work found by the Government not to conform to contract requirements, unless in the public interest the Government consents to accept the non-conforming work with an appropriate adjustment in contract price. The Contractor and/or Lessor will promptly remove rejected material from the premises.

If, before acceptance of the entire work, the Government decides to examine already completed work by removing it or tearing it out, the Contractor and/or Lessor, on request, shall promptly furnish all necessary facilities, labor, and material. If the work is found to be defective or non-conforming in any material respect due to the fault of the Contractor and/or Lessor or its subcontractors, the Contractor and/or Lessor shall defray the expenses of the examination and of satisfactory reconstruction. However, if the work is found to meet contract requirements, the Contracting Officer shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the work was thereby delayed, an extension of time.

The Government shall accept, as promptly as practicable after completion and inspection, all work required by the contract that the Government determines meets contract requirements or that portion of the work the Contracting Officer determines can be accepted separately. Acceptance by the Contracting Officer shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or the Government's rights under any warranty or guarantee.

### B. WARRANTIES

1. <u>Basic Warranties</u> - It is in the best interest of the Government to have the entire construction project warranted. OPDIV Contracting Officers shall insert in full text FAR Clause 52.246-21, Warranty of Construction, into construction contracts as well as design-build contracts. This clause provides for the following: The contractor, whether a construction contractor or a design-build contractor, essentially warrants that work performed under their contract conforms to the contract requirements and is free of any defect in equipment, material, or design furnished, or workmanship performed by the Contractor or any subcontractor or supplier at any tier. The standard warranty period extends usually for one year from the date of final acceptance of the work.

Contractors shall provide warranties in a separate binder with points of contact names, addresses, and all applicable phone and fax numbers.

- 2. <u>Adjustments of Basic Warranty/ Guarantee Period</u> The contractor may request an adjustment in a warranty period based on completion of the work and use of the equipment and/or system by the Government. Systems that are utilized on a seasonal basis must be tested and used through a complete annual load cycle. For example, if the final inspection were held in the fall, the air conditioning system would not be properly tested under full load until the following air conditioning season. The contractually specified warranty period does not apply to latent defects. The timeframes in which remedies for latent defects are possible is usually much longer than the standard one-year warranty.
- 3. <u>Manufacturers', Subcontractors', and Suppliers' Warranties</u> The A/E generally specifies product performance characteristics that result in warranties. In many cases these warranties are industry standards. All warranties express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished are enforceable under the contract. The Contractor is required to obtain all warranties that would be given in normal commercial practice; all warranties are to be executed, in writing, for the benefit of the Government, and all warranties are to be enforced for the benefit of the Government.

The management of the warranty process should be passed to the maintenance staff operating the facility along with COTR responsibilities. This group of individuals identifies the actual problem through troubleshooting processes and determines if it is in fact a warranty issue. Then appropriate action and follow-up can occur as well as a documented history. This staff also works with the Contracting Officer to resolve any items in dispute and provide any necessary technical information to the Contracting Officer for enforcement of the warranty requirement.

# C. OCCUPANCY

- 1. <u>Normal Occupancy</u> Generally, the facility is occupied after final inspection and acceptance.
- 2. <u>Beneficial Occupancy</u> The Government has the right to take possession of or use any completed or partially completed part of the work. Before taking possession of or using any work, the Contracting Officer should furnish the Contractor a list of items of work remaining to be performed or corrected on those portions of the work that the Government intends to take possession of or use. However, failure of the Contracting Officer to list any item of work shall not relieve the Contractor of responsibility for complying with the terms of the contract. The Government's possession or use shall not be deemed an acceptance of any work under the contract.

Government Responsibility - When beneficial occupancy is effected prior to full acceptance, a careful inspection of the area to be occupied should precede such occupancy. Since the Government would be responsible for restoration and repair of damage resulting from the beneficial occupancy, records of conditions in both photographic and narrative form at the time of occupancy are essential.

While the Government has such possession or use, the Contractor is relieved of the responsibility for the loss of or damage to the work resulting from the Government's possession or use. If possession or use by the Government prior to substantial completion of the entire project delays the progress of the work or causes additional expense to the Contractor, an equitable adjustment should be made in the contract price, the time of completion, or both, and the contract should be modified in writing accordingly.

3. <u>Occupancy Agreements</u> - The Contracting Officer shall prepare an appropriate letter to the contractor setting forth the extent of the occupancy and its effective date and time. Lists of deficiencies and omissions in the occupied area should be included. In addition, when partial occupancy is required, an agreement with the contractor must be executed which delineates facility service responsibilities (maintenance, utilities, security, etc.).

# 5-1-20 GUIDANCE AND INFORMATION

### OPERATIONS AND MAINTENANCE MANUALS

Operations and Maintenance (O&M) Manuals are essential to the activation and long term care of new HHS facilities. Provisions in the construction or design-build contract should require the development of a consolidated operations and maintenance manual for the entire facility in both hard copy and electronic soft copy. A copy of the manual should be kept and maintained by the OPDIV's facilities management office and the OPDIV's operation and maintenance field office. The manual shall include:

- A copy of all warranties.
- As-built/Record drawings of project
- A list of all training requirements and a roster of trainees.
- All information necessary to optimize operations and maintenance of facility equipment and systems.
- Specific operational protocols for special and highly sophisticated equipment.
- Standard operating procedures and parameters.
- Commissioning results as a baseline for validation and facility performance expectations.

### SECTION 5-2: POST-OCCUPANCY EVALUATION SURVEY

- 5-2-00 Policy
  - 10 Procedures
  - 20 Guidance and Information
  - 30 Reporting Requirements

### 5-2-00 POLICY

### A. PURPOSE AND SCOPE

Responsibility for a variety of Facility Surveys is vested in the OPDIVs under policy guidance of this manual. Post Occupancy Evaluation (POE) requires a detailed and systematic assessment of an operational facility. The POE is conducted after occupants have had sufficient time to establish operations and evaluate suitability of the facility to support the program mission. This section explains the rationale for performing POE's, desired outcomes, and the general approach to their accomplishment.

- 1. HHS OPDIVs shall conduct POEs on all leases and GSA assignments over prospectus level and on all federally owned facilities with a total project cost \$10 million or more (Capital Investment Review Board level projects), except staff quarters and utilities projects.
- 2. "Lessons learned" in the process of performing POEs shall be posted electronically in a location accessible to OPDIVs, so that the information may be shared and used for the future improvement of the facilities program.

# B. DEFINITIONS

For the purposes of Section 5-2 of this manual, the following definitions shall apply.

- <u>Post-Occupancy Evaluation (POE)</u> Process of inspecting and analyzing recently completed and occupied facilities.
- <u>Post-Occupancy Evaluation Report</u> Report, which delineates the process of inspecting and analyzing, recently completed and occupied facilities and includes the data gathered and the conclusions and recommendations developed as a result of the process.

#### 5-2-10 PROCEDURES

#### A. POST OCCUPANCY EVALUATIONS

The objectives Post Occupancy Evaluations include:

- 1. To identify poor or inefficient design features or construction deficiencies and take action to avoid those mistakes on future projects.
- 2. To document noteworthy construction features or practices for inclusion in future projects.
- 3. To identify excessive costs incurred during design and construction stages that might have been avoided with better planning.

- 4. To evaluate staffing patterns and adequacy of space.
- 5. To determine whether functional requirements of the program are met at reasonable costs.
- 6. To evaluate the needs of the facility occupants (medical and administrative staffs, patients, and visitors) and the facility performance in response to those needs.
- 7. To stay current with changes in technology, medical equipment, model codes, and federal/state/local requirements.
- 8. To provide evaluation and feedback (lessons learned) to all HHS offices responsible for planning, designing, constructing and operating facilities in order to save future construction and operating costs by contributing to an efficient facilities design and construction program.

If a Program Justification Document and Program of Requirements are required for a project, then the facility is eligible for the POE process.

# B. PROJECT SURVEYS

- 1. The OPDIV will plan and schedule the POE's for their facilities.
- 2. The facility should be in operation for at least ten (10) months before a POE is conducted. The survey should not be conducted until the operation has reached a relatively normal/ steady state. In some cases, this will not occur for two or three years. Initially there may be abnormal spikes in patronage. Conversely, there may be areas that are not fully staffed for operation. It is noted that if the POE can be successfully conducted prior to expiration of the construction warranty, it could potentially allow enough time to enforce the standard one-year construction warranty clause if warranted defects are discovered. However, the primary consideration in scheduling is whether the functionality of the facility can be assessed relative to normal operations.
- 3. The survey team consists of occupants or users, professional staff from each design discipline including architectural, civil/structural, mechanical, and electrical. There should also be program-planning professionals to assist in determining suitability of program department space. The design Architect/Engineer (A/E), Medical Program staff, and Agency customer representative for the project should be invited to participate in the site visit to provide background information on the facility design.
- 4. Prior to a site visit, the survey team should prepare an occupant questionnaire to determine what the users thank of the facility, review the project Program of Requirements (POR) and related project construction documents. This will enable the survey team to better determine whether program requirements have been met. It will also save time at the site since the survey team will be familiar with the facility before arriving.
- 5. The survey team shall visit the facility and inspect all exterior and interior elements of the facility and site. The survey team shall note conformance of the facility to the construction documents.
- 6. During the visit, survey team members shall interview the facility managers and the facility occupants to determine their observations about and reactions to the building. Persons interviewed should include the users, facility director, administrative officer, department heads, facility engineering and maintenance staff.

- 7. In conducting the survey, the information to be gathered is not limited to design or construction deficiencies. The survey team shall note successful integration of positive facility features including but not limited to:
  - a. Efficient use of space including optimizing square footage and floorplan.
  - b. Sustainability in terms of
    - (1) Efficiency of operations and maintenance,
    - (2) Durability of finishes,
    - (3) System flexibility, space adaptability,
    - (4) Technologically current and adaptable, and
    - (5) Energy performance.
  - c. Design elements pleasing to occupants and visitors.
  - d. Acoustics, lighting, ventilation, thermal control.
  - e. Effective exterior design strategies.
  - f. Control of Storm water.
- 8. Photographs should be taken during the site visit. These will document the general appearance of the facility and site as well as specific design and construction features.

# 5-2-20 GUIDANCE AND INFORMATION

Before visiting the site, each survey team should formulate a plan and a project specific checklist for each technical discipline to use as a guideline during the survey. This guideline/template will permit the efficient use of time at the facility and ensure that major areas are not overlooked. The following guidelines are recommended:

- 1. <u>Design Review</u> Note design excesses or deficiencies, omissions or poor design features.
- 2. <u>Supervision</u> Determine whether the A/E, the contractor, and the involved agency enforced/complied with the requirements of the plans and specifications.
- 3. Design Features
  - a. Each technical discipline involved in the review process should evaluate the major systems (for example, Electrical Engineer for emergency power) and its effective performance for the facility.
  - b. Discuss the use of alternate materials and/or systems.
  - c. Comment on the cost effectiveness of the installed systems.
  - d. Address design features contributing to the facility condition.
- 4. Systems Reliability
  - a. Health care and research facilities require a reliable power source and the maintenance of interior environmental conditions. Therefore, essential systems and equipment must be provided with alternate and/or standby power and components. The electrical and the mechanical disciplines should evaluate the reliability of the electric power, heating, air conditioning and other major systems.
  - b. Review other systems, their reliability and whether there is necessary redundancy/ backup for critical systems.

- 5. <u>Staff and Maintenance Personnel</u> Interview the facility management staff and maintenance staff regarding design and construction features, access to equipment, operations, adequacy of as-built drawings, training and maintenance manuals, and "contractorfurnished" training manuals on major equipment items.
- 6. <u>Equipment and Utility Space</u> Determine the adequacy of equipment space for easy access and housekeeping purposes. Equipment that is not readily accessible is difficult to maintain properly. Verify that corridor space, door openings, and knockout panels are adequate for large equipment service or replacement.
- 7. <u>Codes/Standards</u> Summarize National Fire Protection Association, Life Safety Code, Americans with Disabilities Act, and other national code used as design basis.

### 5-2-30 REPORTING REQUIREMENTS

### DOCUMENTATION AND APPLICATION

- 1. Place the data gathered during the project survey in a Post-Occupancy Evaluation Report, with a separate section for each technical discipline. Describe the facility briefly and document deficiencies or notably good design and construction features, using photographs for descriptive purposes. Lists of suggestions for improved solutions should also be included to correct noted deficiencies. (The development of a matrix space analysis is encouraged to show differences between the POR, design documents, actual construction, and current agency design requirements.)
- 2. Promptly identify potential warranty items or latent defects to the Facility Manager so that timely action can be taken to enforce and benefit from the warranty.
- 3. Furnish copies of the report to the OPDIV planning office and the facility manager. This survey report is for information and use in planning and constructing future health care and research facilities. Make copies of the report available to all HHS OPDIVs, and any office or committee engaged in updating design criteria for use in HHS health care and research facilities construction programs.
- 4. Each OPDIV should develop and make available a method of posting and electronically retrieving the "Lessons Learned" during the POE process. By all OPDIVs this can be invaluable for future planning of facilities because it will make information available on items and procedures to avoid and those features that are desirable.
- 5. Submittal of completed survey reports is not routinely required; however, OFMP, Division of Planning and Construction may request a completed survey report be submitted for information purposes.