

NCA CONSTRUCTION PROGRAMMING AND BUDGETING PROCESS

1. REASON FOR ISSUE: This issuance updates policies, procedures and responsibilities related to the National Cemetery Administration (NCA) Construction Programming and Budgeting Process for major and minor construction projects and major land acquisitions.

2. SUMMARY OF CHANGES:

a. Revised policy statements to clarify how the SCIP process will be used (see para 3.b.(1) and new para 3.b.(2)).

b. Minor revisions to the following responsibilities:

(1) Realigned one element within the office of the Deputy Under Secretary for Finance and Planning (DUSFP) (see para 4.c.5).

(2) Clarified coordination between NCA's Budget Service and Design and Construction Service (DCS) (see paras 4.d.(7)(b), 4.f.(1)(d), and 4.f.(2)(e)).

(3) Added responsibility statements to NCA's Cemetery Development and Improvement Service (CDIS) to clarify coordination with NCA's Budget Service (see new paras 4.i.(3)(b) and (4)(c)).

(4) Added responsibility statement to NCA District Engineers to reflect their role in submitting mini-minor construction operation plans to NCA Budget Service (see new para 4.k.(4)).

c. Revised definitions for Major Construction, Minor Construction and Mini-Minor Construction specifically related to threshold criteria (see paras 5.f thru 5.h.).

d. Revised NCA's construction prioritization working group responsibilities (see Appendix A, para 4.a. and new paras 4.c. and 4.d.).

3. RESPONSIBLE OFFICE: NCA, Office of Finance and Planning, 810 Vermont Avenue, NW, Washington, DC 20420.

4. RELATED PUBLICATIONS:

a. VA Directive 0011, Strategic Capital Investment Planning;

b. NCA Directive 7546, Lodge Management at National Cemeteries; and

c. NCA Directive 7545, Cultural Resource Management.

d. NCA Directive 3001, Department of Veterans Affairs National Cemetery Establishment, Expansion and Replacement.

5. RESCISSIONS: NCA Directive 3020 NCA Construction Programming and Budgeting Process (December 17, 2019).

6. RECERTIFICATION: This directive is scheduled for recertification not later than five (5) years from the date of issuance.

/s/
Ronald E. Walters
Acting Under Secretary for Memorial Affairs

Distribution: Electronic

NCA CONSTRUCTION PROGRAMMING AND BUDGETING PROCESS

1. PURPOSE.

a. This directive updates NCA Construction Programming and Budgeting Process policies and responsibilities for the administration of the major and minor construction programs and major land acquisitions through the Strategic Capital Investment Planning (SCIP) process. The establishment, expansion and improvement projects in SCIP support NCA's budget request each fiscal year. SCIP also supports the Department of Veterans Affairs (VA) Capital Investment Process, including the 10-Year Action Plan submitted to Congress. SCIP includes proposals for both major and minor construction projects for the upcoming budget year, and a list of potential NCA major and minor construction projects over the upcoming ten-year period.

b. The statutory authority for this directive is found in Title 38, United States Code, chapter 24.

2. BACKGROUND.

a. The VA Office of Construction and Facilities Management (CFM) manages NCA's major construction projects (projects with a total estimated cost of more than \$30 million). However, NCA is responsible for identifying, planning and requesting funding for major projects. The NCA Office of Management manages NCA's minor construction projects (projects up to and including \$30 million). Changes to project scope or costs cannot be made without written approval from the NCA Construction Management Board (CMB) and notification, as applicable and in writing, to the VA Office of Asset Enterprise Management (OAEM).

b. The Capital Investment Process requires a formal submission for all capital investments, including major construction projects. Exhibit 300 (Capital Asset Plan and Business Case Summary) is prepared by NCA Design and Construction Service (DCS) for each major construction project.

c. NCA's Construction Prioritization Working Group (CPWG) makes recommendations to the CMB for the budgeting, financial planning and management of the NCA Construction Program. The CPWG reviews and ranks funded and unfunded requirements for presentation to the CMB and recommends funds distribution. See Appendix A for procedural information.

d. NCA's CMB meets quarterly, synchronized with the Office of Management and Office of Finance and Planning SCIP and budget formulation processes. It may meet more often if required to react to continuing resolutions, emergent or ongoing project funding issues such as cost limit increases or to make mid- or year-end adjustments. The CMB reviews CPWG recommendations and prepares financial recommendations for Under Secretary of Memorial Affairs approval to ensure that there is an NCA-wide balanced construction program designed to use available resources best to accomplish the NCA mission. See Appendix B for procedural information.

e. Appendix C provides an annual timeline for minor construction projects and Appendix D provides definitions for terms used in this publication.

3. POLICY.

a. NCA major and minor construction projects will be programmed to support the mission of ensuring that the burial needs of Veterans are met, and VA national cemeteries are maintained as national shrines.

b. The NCA SCIP process will be used to:

(1) Ensure gravesite expansion and new cemetery projects with available land for development are planned in a timely manner (no later than six years from the estimated depletion date for minor construction and no later than eight years for major construction projects);

(2) Plan and program gravesite expansion projects for 15 years of burial capacity to the extent possible;

(3) Identify projects needed to correct deficiencies related to maintenance, fire, safety, health, environmental or other infrastructure issues and/or to implement cemetery improvements;

(4) Develop a unified, comprehensive, prioritized nationwide inventory of project needs that supports the annual construction budget submitted for funding; and

(5) Ensure compliance with all laws, regulations and requirements governing Federal construction programs.

4. RESPONSIBILITIES.

a. **Under Secretary for Memorial Affairs (USMA)** is responsible for approving the NCA SCIP 10-Year Action Plan.

b. **Principal Deputy Under Secretary for Memorial Affairs (PDUSMA)** is responsible for presiding over the CMB.

c. **Deputy Under Secretary for Finance and Planning** is responsible for:

(1) Developing policy and providing guidance for the NCA Construction Programming and Budgeting Process;

(2) Maintaining policy oversight and fiscal control of all construction funding;

(3) Participating in quarterly CMB meetings as a voting member;

(4) Notifying USMA, PDUSMA, Deputy Under Secretary for Management, Deputy Under Secretary for Field Programs, Cemetery Operations and Executive Director, Cemetery Operations, of approved current-year and anticipated future-year budgets; and,

(5) Coordinating and reporting projected gravesite utilization and depletion on an annual basis.

d. **Director, Budget Service** is responsible for:

(1) Coordinating and co-chairing the annual CPWG as a voting member;

(2) Serving as Budget Advisor for the CMB;

(3) Receiving Facility Condition Assessment (FCA) corrections from the District Engineers and updating the Capital Asset Inventory (CAI) Database accordingly;

(4) Participating in the review, revision and approval of the NCA SCIP 10-Year Action Plan for the upcoming fiscal year;

(5) Preparing the NCA annual budget request, which includes the submission of the NCA SCIP 10-Year Action Plan;

(6) Major construction and major land acquisitions:

(a) Collaborating with CFM and Chief, Cemetery Development and Improvement Service (CDIS), in the development and presentation of the major construction and major land acquisition operating plans to the CMB; and

(b) Collaborating with CFM in the development of FCA task orders, prospectuses and supporting documentation.

(7) Minor construction:

(a) Reviewing District minor construction project submissions for budget review and comparison with the NCA SCIP 10-Year Action Plan;

(b) Collaborating with DCS to create a minor construction operating plan, to include district mini-minor projects, using the CMB-approved and SCIP-funded project lists and coordinating the submission of the operating plan to the USMA;

(c) Recording fund reservations for SCIP-approved and funded projects as well as projects selected by the CMB to be funded with the Below Threshold/Land/Emergent allocation;

(d) Providing fund reservations, assurances and certifications for the minor construction program and coordinating, approving and submitting funding approvals for cost limit increases, land acquisition, below threshold and out-of-cycle/emergent project requests;

(e) Tracking and reporting funding and performance data for projects on the approved minor construction operating plan for regularly scheduled management reviews and ad hoc reporting; and

(f) Collaborating with DCS and VA Office of Real Property to withdraw excess funds upon project completion/land acquisition.

e. **Deputy Under Secretary for Management** is responsible for:

(1) Establishing overall policy and guidelines for program management oversight of the NCA Construction Program;

(2) Maintaining a process to plan and request financial resources for the oversight and administration of the NCA Construction Program; and

(3) Serving as Vice Chair for the CMB.

f. **Director, Design and Construction Service** is responsible for:

(1) Major construction and major land acquisitions:

(a) Collaborating on major construction and major land acquisition efforts with CFM Office of Real Property and CDIS;

(b) Maintaining the major construction program that identifies proposed NCA major construction projects for a running period of 10 years;

(c) Working with the CDIS to develop and revise major construction capital investment proposals; and

(d) Working with Budget Service to identify future year Advance Planning and Design Funds (APDF) needed to support the NCA SCIP 10-Year Action Plan.

(2) Minor construction:

(a) Issuing the annual call letter to District Executive Directors for submission of minor construction project applications;

(b) Maintaining the minor construction prioritization model;

(c) Consolidating construction project submissions for review by the CPWG;

(d) Reviewing District submissions to determine:

i. Completeness and feasibility of proposed projects (including review of cost estimates and coordination with available cemetery Master Plans); and

ii. Project functional category (e.g., gravesite expansion, infrastructure, historical preservation) and completion method (e.g., study, design, design-build, construction) for applications.

(e) Developing the annual Business Case Applications in SCIP for all projects above the \$2 million threshold and ensuring prior-year SCIP projects are rolled over and updated as appropriate;

(f) Participating in CMB review, revision and approval of the NCA SCIP 10-Year Action Plan for the upcoming fiscal year;

(g) Drafting minor construction operating plans in coordination with the Office of Finance and Planning for upcoming fiscal year based on OAEM and CMB guidance;

(h) Tracking and maintaining records of compliance with the National Environmental Policy Act and Sections 106 and 110 of the National Historic Preservation Act and providing a list of these projects to the NCA Senior Historian;

(i) Tracking implementation of projects in the approved minor construction operating plan;

(j) Working with the Office of Finance and Planning to withdraw excess funds for reuse when construction projects are completed;

(k) Participating and co-chairing the annual CPWG as a voting member; and

(l) Updating and maintaining the Gravesite Depletion Dashboard based on projected delivery of new gravesites from major and minor projects and inventories from the Districts.

g. Deputy Under Secretary for Field Programs and Cemetery Operations is responsible for participating in quarterly CMB meetings as a voting member.

h. Executive Director, Cemetery Operations, is responsible for participating in quarterly CMB meetings as an Ex-Officio member to maintain awareness of and provide input on construction programming.

i. Chief, Cemetery Development and Improvement Service is responsible for:

(1) Recommending major and minor land requirements and acquisitions;

(2) Participating in the annual CPWG as a voting member;

(3) Major construction:

(a) In collaboration with VA CFM, assisting with development of the initial draft of all major construction capital investment proposals (developed by the NCA Office of Management Planning Engineer);

(b) Working with Budget Service to identify future year land funds for acquisitions that will result in major construction gravesite expansion/development projects; and

(c) Collaborating with VA CFM in development and review of the major construction operating plan.

(4) Minor construction:

(a) Collaborating with Director, DCS, on the annual call letter to District Executive Directors for submission of projects;

(b) Providing guidance for the NCA rating/ranking of major and minor construction projects; and

(c) Working with Budget Service to identify future year land funds for acquisitions that will result in minor construction projects.

j. **District Executive Directors** are responsible for:

(1) Reviewing all submitted projects and ensuring project applications are clearly linked to NCA goals and objectives and the NCA Long Range Plan; and

(2) Participating in quarterly CMB meetings as Ex-Officio members.

k. **District Engineers** are responsible for:

(1) Collaborating with each Cemetery Director to update or develop project applications based on cemetery needs;

(2) Creating, reviewing, editing and consolidating cemetery project applications for submission during the annual call for minor construction projects;

(3) Forwarding completed project applications to the Director, DCS, for review and final submission to CPWG;

(4) Creating mini-minor construction operating plans for submission to Budget Service during the annual call for operating plans;

(5) Identifying and tracking Facility Condition Assessment deficiencies for annual updates and providing them to Budget Service for CAI processing; and

(6) Participating in the annual CPWG as voting members.

5. DEFINITIONS:

a. **Capital Investment Proposal (CIP)** – A multi-chaptered document required for each major construction project that details project scope, justification, building space plan, forecasted burial workload, major construction cost estimate, recurring costs and alternatives.

b. **Cemetery Project Application** – Contains project information and supporting materials required to initiate planning to include, but not limited to, scope, justification, pictures, FCA code and guidance deficiencies and estimated cost. They are required for every minor construction project.

c. **Construction Appropriation** – The construction appropriation typically has a five-year period of availability in which new obligations can be incurred before they expire, and an additional five years for disbursement of obligations properly incurred during the budget authority's period of availability, unless otherwise specified in law.

Unobligated balances of expired budget authority remain available for five additional years to cover legitimate obligation adjustments before they are cancelled. The construction appropriation may also include no-year funds, which do not expire.

d. **Construction Prioritization Working Group (CPWG)** – Panel of eight voting members that meets annually to review, validate cost and prioritize project applications linked to gravesite availability and utilization data and facility condition assessments. The process produces a list of objectively ranked projects that will be entered and competed through the SCIP process where funding is typically provided to those projects with the highest priority scores.

e. **Facility Condition Assessment** – The formal process by which the VA objectively evaluates and rates the condition of VA-owned buildings and structures. Under the system, deficiencies rated D or F are estimated for the cost of repairs or replacement. Ratings are defined by VA as:

A = New or like-new condition. Majority of useful lifespan remains/excellent.

B = Above average condition. Over half of useful lifespan remains/good or very good.

C = Average condition. Less than half of useful life span remains/average or fair.

C- = Workable condition. May be past assigned useful life, but still working. Keep an eye on it/below average.

D = Poor condition. Past assigned useful life/problematic or poor.

F = Critical condition. Needs immediate attention/failing.

f. **Major Construction** – Capital projects to construct, alter, extend, or improve a facility or service where the cost is expected to exceed \$30 million with an escalation factor authorized by SECVA (or where funds were previously provided by Congress under the Major Construction appropriation).

g. **Minor Construction**– Capital projects that construct, alter, extend, or improve any facility with costs equal to or less than \$30 million with an escalation factor authorized by SECVA. Minor construction funds can also be used for planning and assessments of needs, which may lead to spending on capital investments and other costs.

h. **Mini-Minor Construction** – A subset of Minor Construction where each project must be less than \$2 million. Mini-Minor funds are used for infrastructure improvement, and in limited cases, small expansion projects. The District Engineer is responsible for developing a Mini-Minor Operating Plan, tracking obligations and administratively controlling funds.

i. **Strategic Capital Investment Program (SCIP)** – VA program to identify a 10-year list of infrastructure construction projects and lease requirements for the entire Department, across all Administrations.

APPENDIX A – CONSTRUCTION PRIORITIZATION WORKING GROUP PROCEDURES

1. Schedule: Meets annually prior to the opening of the SCIP Automation Tool for administrative inputs.

2. Members:

- a. Chief, Budget Formulation (Co-Chair, Secretary)
- b. Planner/Engineer, Design and Construction Service (Co-Chair)
- c. Director, Cemetery Development and Improvement Service
- d. District Engineers (five total)

3. Purpose: The Construction Prioritization Working Group (CPWG) is responsible for producing a draft list of gravesite expansion and infrastructure projects in priority order to be presented and approved by the Construction Management Board for Under Secretary Memorial Affairs approval. The list of projects coincides with the programming cycle, which is typically two years out from the current year. Additionally, the CPWG is responsible for revalidating prior year project submissions and reviewing and prioritizing all current year Minor Construction Operating Plan projects from the Oversubscription section to ensure projects reflect current needs. These projects will be consolidated with the draft list of projects to be presented to the CMB to either fund in the coming year Operating Plan or to add to the Oversubscription section.

4. Responsibilities:

- a. Co-Chair/Secretary, Chief, Budget Formulation, prepares an inventory list of minor construction prioritized projects that have not been funded through the SCIP or Out of Cycle funding process.
- b. Co-Chair, Planner/Engineer, Design and Construction Service, pre-briefs the Director, Design and Construction Service, on the issues, procedures and actions of the CPWG prior to the CMB meeting.
- c. Chief, Cemetery Development and Improvement Service, objectively evaluates all project submissions and provides impartial analysis of critical elements in project submissions.
- d. District Engineer (5 total, 1 from each district) develops, submits, and presents project applications for their own district, and evaluates, provides feedback, and votes on project applications submitted by each of the 5 districts.

5. Process: The annual CPWG meeting will be held in-person in accordance with travel regulations and VA and NCA travel policies, and preferably hosted by a district office. The CPWG uses both the project application and the minor construction prioritization model to describe, justify, estimate, review, revalidate, rate and rank the minor construction project

applications. Additionally, the CPWG reviews projected gravesite depletion dates for the 10-year planning horizon and identifies major and minor construction projects to be submitted to the CMB for approval and subsequent submission to SCIP for scoring and prioritization for inclusion on the appropriate Operating Plan (budget year + one).

APPENDIX B – CONSTRUCTION MANAGEMENT BOARD

1. Schedule: Meets quarterly, synchronized with the Office of Finance and Planning's budget formulation processes and the Office of Management SCIP process, with additional meetings as needed.

2. Members:

- a. Principal Deputy Under Secretary for Memorial Affairs (Chair)
- b. Deputy Under Secretary for Management (Vice Chair)
- c. Deputy Under Secretary for Field Programs and Cemetery Operations
- d. Deputy Under Secretary for Finance and Planning
- e. Executive Director, Cemetery Operations, Ex-Officio Member
- f. Executive Directors from all five Districts, Ex-Officio Members

3. Purpose: The Construction Management Board (CMB) is responsible for prioritizing and recommending new major and minor construction projects; monitoring existing project performance; approving certain cost limit increases (CLIs) and project scope changes; prioritizing and allocating mini-minor allotments, below threshold projects and oversubscription projects; and approving release of unallocated funding for identified priorities.

4. Responsibilities:

a. Chair:

(1) The Chair will approve the agenda for meetings and make the final decision based on the guidance and input from CMB members. The Chair will strive to achieve consensus but will ultimately make the final recommendation to the Under Secretary for Memorial Affairs (USMA). If the Chair calls for a vote, it is informational only and non-binding; and

(2) The Chair will present the Board's decisions to the USMA for final approval through a memorandum prepared by the CMB Secretary.

b. Vice-Chair:

(1) The Vice-Chair will preside in the absence of the Chair and back-brief the Chair as necessary; and

(2) The Vice-Chair may also brief the USMA on CMB recommendations at the request or in the absence of the Chair.

c. Secretary:

(1) The Design and Construction Service will provide Secretary functions, such as working with the Chair to form a calendar and agendas, take minutes, track action items, provide pre-brief materials and manage information on a CMB portal; and

(2) The Secretary will provide briefing materials to members in advance of each meeting and follow-up with draft minutes within one week of the meeting.

d. Budget Advisor:

(1) The Budget Advisor will ensure that the Chair and Secretary are aware of budget timelines to ensure meetings are held to support the process;

(2) The Budget Advisor will provide updated status on available balances; and

(3) The Budget Advisor will ensure that proper budgetary documents are processed in a timely manner in response to Board decisions.

5. Process: The CMB will meet at least quarterly and at the call of the Chair. Based upon the discretion of the Chair, virtual meetings and decisions may be authorized for purposes of convenience and/or timeliness of decision making. At least once a year, the CMB will review all active major and minor construction projects expected to obligate funding within the fiscal year. Other quarterly meetings will review CLI requests, high-level project statuses, allocation of available funding and project exception reports when a project is out of scope or schedule requires executive oversight.

APPENDIX C – TIMELINE FOR MINOR CONSTRUCTION PROJECTS

April – May

- Office of Management, Design Construction Service, with input from the Office of Finance and Planning, issues the annual call letter to District Executive Directors for submission of minor construction project applications. The call letter provides guidance on national priorities and areas of specific emphasis, and updated unit costs to be used for key cemetery components/systems, inflation factors and the latest update of historical costs.

- In collaboration with the District Executive Directors, the District Engineers issue a project call letter to cemeteries for infrastructure projects.

- District Engineers identify new projects and update previous submissions; Cemetery Directors may submit draft project application sheets for projects not previously identified by the District Engineer and then coordinate those project submissions with the District Engineer.

- District Engineers review all project applications and determine the appropriate fiscal year for funding.

- District Engineers identify proposed projects for the next fiscal year's minor construction operating plan. The District Engineer, the project manager and an estimator from the Office of Management, refine the scope and validate cost estimates.

- District Engineers review and revalidate the NCA SCIP 10-Year Action Plan.

- The draft project applications and validation of the NCA SCIP 10-Year Action Plan are forwarded to the Office of Management by mid-May.

May – June

- Office of Finance and Planning provides the Office of Management with the projected gravesite usage rates for each burial option.

- Project managers review draft project applications with the District Engineers to ensure a comprehensive scope of work and cost estimate. Project applications are finalized and submitted by the end of June.

- Design and Construction Service develops SCIP Business Cases based on projects identified in the Action Plan for requested funding two years beyond the current FY operating plan.

July

- Office of Management provides draft NCA SCIP 10-Year Action Plan to the Construction Prioritization Working Group (CPWG).

- Projects submitted for funding in the operating plan for the next two fiscal years

are forwarded to the CPWG to assist District Engineers in determining non-funded projects that will roll over to future budget years and assist District project application submissions to the CPWG for fiscal year plus two.

August – September

- CPWG meets to finalize the statement of work and to revalidate, score and rank projects to develop a proposed NCA SCIP 10-Year Action Plan.

- Office of Management, in conjunction with the Office of Finance and Planning, reviews prioritized list of projects and finalizes the cost by project and estimates project funding by functional category and control point. This will become the proposed minor construction operating plan for the next fiscal year.

- Construction Management Board (CMB) meets to review, revise and approve NCA SCIP 10-Year Action Plan and review the minor construction operating plan for the upcoming fiscal year.

September/October

- Any necessary revision(s) to operating plan are decided by the CMB.

October

- NCA minor construction operating plan is transmitted to the Department of Veterans Affairs (VA) Office of Asset Enterprise Management.

November

- VA submits final major construction prospectuses, minor construction operating plan and the list of potential minor construction projects to Office of Asset Enterprise Management.

- DCS and Budget Formulation submit recommended projects from CPWG, once approved by the CMB, to SCIP to update the 10-year Action Plan.