

STRATEGIC CAPITAL INVESTMENT PLANNING PROCESS

- 1. REASON FOR ISSUE.** This directive establishes the framework for the Department of Veterans Affairs (VA) policy for the Strategic Capital Investment Planning (SCIP) process and applies to all VA capital infrastructure and related activities.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES.** This directive sets forth the purpose and scope of SCIP, and the roles and responsibilities of VA organizations.
- 3. RESPONSIBLE OFFICE.** The Office of Asset Enterprise Management (044), Office of the Assistant Secretary for Management.
- 4. RELATED HANDBOOK.** VA Handbook 0011, Strategic Capital Investment Planning (SCIP) Process.
- 5. RESCISSIONS.** None.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

/s/
Roger W. Baker
Assistant Secretary for
Information and Technology

/s/
W. Todd Grams
Executive in Charge, Office of Management
and Chief Financial Officer

Distribution: Electronic Only

VA STRATEGIC CAPITAL INVESTMENT PLANNING PROCESS

1. PURPOSE AND SCOPE

a. This directive establishes a formal framework for the Department of Veterans Affairs (VA) policy on the Strategic Capital Investment Planning (SCIP) process and to provide authority for the Office of Asset Enterprise Management (OAEM), within the Office of Management (OM), to oversee and manage all SCIP activities from a Department-wide perspective.

b. With the strategic goal to improve the delivery of services and benefits to Veterans, the SCIP process will be the basis for the Department's capital budget request. The SCIP process includes all capital projects (major construction, minor construction, non-recurring maintenance, and leases) with the exception of information technology non-construction projects. SCIP will take a long-term, data driven, Departmental approach, linking planning efforts of the Administrations and staff offices for both capital and non-capital solutions for gaps in services. SCIP will encourage investments that ensure delivery of services in a Veteran-centric, forward-looking, and results-driven manner. The objective of the SCIP process is to produce an annual consolidated list of capital (infrastructure and lease) projects that significantly reduce and/or close performance gaps in access, workload/utilization, safety, space, and facility condition over a 10-year period. Through SCIP, VA will "right size" its inventory and be better positioned to deliver the highest quality health care, benefits, and memorial services to our Nation's Veterans.

c. SCIP uses Administration and staff office data in its current gap status as well as where and to what extent gaps are projected to exist in the future. The Administrations and staff offices then develop a Strategic Capital Assessment and a project-specific 10-year action plan to close gaps.

d. Administrations and staff offices that have above-threshold projects in the budget year of action plans must submit business cases for prioritization for above-threshold projects in order to be included in the budget submission or subsequent operating plans. Thresholds will be provided in the annual SCIP call memorandum for 10-year action plans and business cases.

2. POLICY

a. Policies and procedures set forth in this directive and the accompanying handbook will be adhered to when submitting annual SCIP Strategic Capital Assessments and 10-year action plans.

b. Additional guidance and related assumptions will be issued annually in SCIP call memoranda for 10-year actions plans and business cases as well as requirements issued by the Office of Management and Budget (OMB).

c. The SCIP process is a planning tool used in the budget formulation phase. There may be changes made during the budget execution phase due to changing or emerging critical requirements. The SCIP process is synchronized with VA's and the Administration's budget formulation processes.

3. SCIP ORGANIZATIONAL RESPONSIBILITIES

a. **The Office of Asset Enterprise Management (OAEM)** will:

(1) Ensure that the Administrations and staff offices have appropriate representation and participation throughout the SCIP process.

(2) Develop and issue call memoranda for action plans and business case applications.

(3) Oversee evaluation of action plans and business cases with representatives from the SCIP Panel, subject matter expert teams (SMETs), and other VA staff, as appropriate.

(4) Assist the SCIP Board in the development of SCIP decision criteria and priority weights for approval by the Secretary, through the VA governance process.

(5) Ensure that the annual budget submission is based on the consolidated capital project list and 10-year plan.

(6) Evaluate SCIP across the Administrations and staff offices for process improvements, lessons learned and data integrity.

(7) Provide SCIP training across Administrations and staff offices.

(8) Produce the Department's 10-Year Action Plan and associated Congressional Budget Submission.

b. **The SCIP Panel** scores all Major, Minor, Leases and Non-Recurring Maintenance business cases at established threshold levels. The panel is comprised of nine representatives from across VA. Members include one individual from each of the following organizations – Office of Management (Co-Chair), Office of Policy and Planning (Co-Chair), Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, Office of Information and Technology, Office of Human Resources and Administration, Office of Security and Preparedness, and Office of Acquisition, Logistics, and Construction. The panel may also be assisted by SMETs on issues including Department of Defense collaboration, energy, and research. VA and Department of Defense collaboration will include planning and budget cycle syncing as necessary. Other SMETs may be added as the SCIP Board deems appropriate. Panel members review the action plans from a VA corporate level perspective, provide support to the SCIP Board, brief the SCIP Board concerning issues and recommendations, and use SMETs to provide additional analysis.

The Office of Policy and Planning is responsible for assisting OAEM in SCIP planning activities and for ensuring that the SCIP process is consistent with the Programming, Planning, Budgeting, and Execution (PPBE) process.

c. **The SCIP Board** provides feedback/guidance to the Administrations and staff offices on their action plans prior to final submission. The board is comprised of nine SES-level representatives from across VA, who are not members on the SCIP panel. Members include one individual from each of the following organizations – Office of Management (Co Chair), Office of Policy and Planning (Co-Chair), Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, Office of Information and Technology, Office of Human Resources and Administration, Office of Security and Preparedness, and Office of Acquisition, Logistics, and Construction. Board members are to review the action plans from a VA corporate level perspective, recommend action plan approval through the VA governance process, recommend projects from approved action plans to move forward with business case submissions, and present findings and recommendations on a final list of projects through the VA governance process.

d. **Each facility, network, and region** is to establish an integrated project team (IPT) that includes representatives from appropriate VA offices. The IPT should include members who have expertise in planning, project (architect, engineer, etc.), program, security, information technology, financial and other technical areas. This team is to help formulate the action plans and business case submissions, as well as review and certify all information included in these documents prior to submission to the next level.

e. **The Senior Resources Group, Strategic Management Council, and VA Executive Board** approve SCIP decision criteria, develop criteria priority weights, and approve the final prioritized project listing for budget submission preparation.

f. **Under Secretaries, Assistant Secretaries, and Other Key Officials** are responsible for ensuring that all appropriate offices/regions/networks submit the required information in a timely fashion for the annual SCIP process. This includes provision of updated and/or revised gap data to OAEM by November 15 of each year. Specific requirements are found in the annual SCIP Action Plan call memorandum.

Key officials are also responsible for ensuring their appropriate offices/regions/networks adhere to established SCIP policy and guidance and other capital investment planning and reporting requirements. Additionally, they are to identify dedicated staff to lead and serve on the SMETs in support of the SCIP Panel and Board. SMETs will assist the SCIP Panel and Board in validating that a VISN, MSN, Region or staff office's action plan approach to closing gaps is both justifiable and executable. After Administration and staff office leadership have certified the action plan executability, the panel and board members are responsible for further review and certification that action plans are valid and executable and ensuring that plans are not "front loaded" (adding most projects in the first year of the plan).

SMETs will be responsible for approving projects that are submitted for budget year business cases for the following areas:

- (1) Demographics: Validate that planning, data, projections, and assumptions are appropriate given market demographics.
- (2) Construction/Leasing (OALC): Validate that action plans address building and safety standards as well as the extent that plans are executable.
- (3) IT (OIT): Validate that action plans address OIT requirements.
- (4) Security (Security and Law Enforcement): Validate that action plans address security requirements.
- (5) Energy (OAEM): Validate that action plans address green goals and requirements.
- (6) Workforce (HRA): Validate that action plans are aligned with workforce planning requirements. HRA will coordinate with the appropriate Administration and staff office workforce planning office to ensure continuity throughout the process.
- (7) VA/DoD Coordination Office: Validate that action plans include sharing and/or collaboration opportunities. The VA/DoD Coordination Office will work with the appropriate Administration and staff offices to ensure continuity throughout the process.

4. REFERENCES

- a. Office of Management and Budget (OMB) Circular A-11.
- b. OMB Capital Programming Guide.
- c. VA Capital Investment Methodology Guide.