

June 8, 2005

CAPITAL ASSET BOARD (CAB)

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides the policy and procedures of the existing Capital Asset Board (CAB) and realigns the CAB under the National Leadership Board's (NLB) Strategic Planning Committee (SPC).

2. BACKGROUND

a. During Fiscal Year (FY) 2003, VHA restructured its executive leadership council into the NLB with six standing committees reporting to it. Following the NLB restructuring, and in support of the Secretary of Veterans Affairs' recent Chief Financial Officer field-based reorganization, VHA has decided to align the CAB under the NLB's SPC, with a new subordinate workgroup to be established and comprised of the 21 Network Capital Asset Managers (CAMs). The Director, Capital Asset Management and Planning Service (CAMPS) within VHA's Office of Facilities Management (FM) continues to serve as Board Manager and provide staff support to the CAB.

b. Preceding VHA's FY 2003 restructuring and reorganizations, the Department of Veterans Affairs (VA) established the Office of Asset Enterprise Management (OAEM) (004B). Establishment of OAEM was predicated on the belief that capital asset acquisition, management, and disposal throughout VA was fragmented and uncoordinated.

c. VHA created CAMPS in FY 2001 to address OAEM's policy to "have a focal point or centralized capital asset management function" to complement OAEM within each Administration. According to VA policy, this focal point (CAMPS working with the CAB) "ensures conformity to Department policies and guidelines; institutes procedures for investments both above and below approved thresholds; coordinates submission of a long-term capital asset plan; contributes to and participates in maintenance of the VA's portfolio of existing assets; and maintains operational responsibility for asset management activities."

d. Directives and program guidance are developed by FM for specific types of capital assets, the management and tracking thereof, and are to be approved by the CAB, the SPC and the NLB prior to issuance.

e. Definitions

(1) **Capital Assets.** Capital assets are defined by the Office of Management and Budget (OMB) as land, structures, equipment, information technology, and intellectual property that are used by the Federal Government and have an estimated useful life of 2 years or more.

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(2) **CAB Advisory Group (CABAG).** The CABAG is a technical expert subgroup of the CAB and is the primary advisory body to the CAB.

(3) **CAMs Workgroups.** The CAMs Workgroups, subordinate to the CAB, are established with the 21 Network CAMs serving as primary members of the five workgroups.

3. POLICY: It is VHA policy that the CAB oversees the implementation of VHA's capital asset program.

4. ACTION

a. **SPC.** SPC is responsible for forwarding appropriate capital asset recommendations to the NLB for consideration and recommendation to the Under Secretary for Health, by:

(1) Overseeing the strategic planning process including the environmental scan and annual submission of VHA strategic planning information to the NLB for approval.

(2) Coordinating the strategic plan activities of other NLB Committees.

(3) Ensuring that VHA goals, objectives, strategies, performance goals, and capital asset plans are linked with the requirements in GPRA and other Congressional and/or external reporting requirements and are linked to VA's goals and objectives.

b. **CAB**

(1) CAB, realigned as a standing advisory committee to SPC, is responsible for:

(a) Overseeing the development of a comprehensive, VHA-wide planning process that includes all types of capital assets.

(b) Conducting its planning, monitoring, and reviewing of VHA business, and developing its materials consistent with procedures and practices related to effective management of VHA's capital asset programs in support of VA's and VHA's goals, objectives and strategies.

(c) Issuing policy and guidance, based on recommendations from FM, regarding the management of VHA capital assets, including the establishment of monetary thresholds for capital asset investment and the appropriate disposal of excess capital assets that require CAB, SPC, NLB, and Under Secretary for Health approval.

(d) Monitoring the implementation of the VHA capital investment plan, including capital investment decisions in conjunction with VHA's Office of Strategic Initiatives (10ND).

(e) Overseeing the continuing development of guiding principles to prepare and refine capital asset initiatives that are in sync with VA and VHA strategic plans and program priorities to successfully address effective health care delivery and business goals.

(f) Reviewing or initiating fully-developed proposals or recommendations for capital asset initiatives or policy recommendations, and forwarding its recommendations to NLB.

(g) Assisting in the ongoing review of VHA capital asset development principles, including providing guidance, advice, or setting priorities when needed.

(h) Recommending the priority order of Major Construction projects and the content of the Minor Construction Operating Plan for approval prior to submission to the SPC and NLB before going to the Under Secretary for Health (10) and the Assistant Secretary for Management (004).

(i) Recommending funding mechanisms for the Major and Minor capital asset programs.

(j) Reporting to the SPC, and will, through this forum, continue to provide the Under Secretary for Health with fully developed issues, proposals, and recommendations about VHA's capital asset portfolio.

(k) Developing, with the advice, technical assistance, and recommendations from FM and the CAM workgroup, capital asset issues and/or requests for consideration and recommendation to the SPC.

(2) CAB Meetings

(a) Membership. The CAB's and CAB's Advisory Group membership is revised as described in Attachment A.

1. Chairperson. The Chairperson is a Network Director and is responsible for presenting recommendations to the SPC. The Co-Chair is the Chief Facilities Management Officer (18).

2. Board Manager. The Board Manager is the Director, Capital Asset Management and Planning Service (182C). He is responsible for staff support to the CAB, including preparing the CAB agenda, preparing minutes for the approval of the CAB, and responding to questions about the CAB. These duties include tracking and providing updates to the SPC, through the CAB's Chairperson or Co-Chairperson, of decisions on CAB recommendations that require follow-up. The Board Manager serves as the principal VHA capital asset point of contact to OAEM.

(b) Frequency of Meetings. CAB meetings must be held at least quarterly.

(c) Documentation. Minutes must be recorded for all meetings, and maintained by the Board Manager.

1. Approved copies of minutes must be distributed to all CAB members and, to the SPC, and as deemed necessary, to the NLB.

2. Decisions on CAB recommendations that require follow-up by the Board Manager must be tracked.

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c. **CABAG.** The CABAG advises the CAB on matters of coordination, policy, priority setting, portfolio management, and other high profile activities of the CAB which requires a technical and more detailed level of review prior to presentation to the CAB, SPC, and NLB. As a major technical advisory panel, it coordinates CAB-commissioned work from CAMs Workgroups and prepares white papers, briefings, and recommendations on capital asset matters for presentation to the CAB.

d. **CAMs Workgroups.** The CAMs Workgroups, functioning as a set of subject matter subcommittees to the CAB, is largely comprised of the 21 Network CAMs who provide technical and detailed expertise to the CAB as required. The CAMs Workgroups also assist in implementing VA's capital programs within VHA. The field-based co-chairpersons of each workgroup serve on the CABAG.

e. **OAEM.** OAEM develops a Departmental long-term capital asset plan and associated financial plan; proposes Departmental asset initiatives; and oversees implementation of Departmental capital asset management policies, principles, databases, standards, and guidelines.

5. REFERENCES

a. VHA Policy Board Minutes establishing the CAMPS Office and the original CAB, July 7, 2001.

b. Office of Asset and Enterprise Management decision document, 2001.

c. Office of Management and Budget Capital Programming Guide, 1997.

d. NLB Executive Decision Memorandum, 2004.

6. **RESPONSIBILITY:** The Chief Facilities Management Officer (18) is responsible for the contents of this Directive. Questions may be directed to 202-565-4092.

7. **RESCISSION:** VHA Directive 2002-003, is rescinded. This VHA Directive expires June 30, 2010.

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Under Secretary for Health

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ATTACHMENT A

CAPITAL ASSET BOARD (CAB) MEMBERSHIP

CAB membership consists of:

1. Veterans Integrated Services Network (VISN) Director, Chairperson
2. Chief Officer, Office of Facilities Management (18), Co-Chairperson
3. Chief Officer, Office of Patient Care Services (11)
4. Chief Officer, Office of Information (19)
5. Assistant Deputy Under Secretary for Health, Office of Policy and Planning (10A5)
6. Chief Officer, Office of Finance (17)
7. Director, Office of Strategic Initiatives (10ND);
8. Chief Medical Officer, VISN
9. Director, Department of Veterans Affairs (VA) Medical Facility
10. VA Medical Center Nurse Executive
11. Director, Office of Asset Enterprise Management (004B), or designee, who serves as an ex-officio non-voting member

CAB ADVISORY GROUP (CABAG) MEMBERSHIP

CABAG membership consists of:

1. Chief Officer, Office of Nursing (108)
2. Director, Capital Asset Management and Planning Service (182C)
3. Deputy of the VISN Support Service Center (VSSC)
4. Associate Medical Center Director
5. Director of Health Care Engineering (10NB)
6. Associate Chief Facilities Management Officer for Resource Management (182)
7. Associate Chief Facilities Management Officer for Service Delivery (183)
8. Field-based co-chairpersons of the Capital Asset Managers (CAMs) Workgroups