



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

This appendix includes descriptions, examples, and potential data sources for each of the criteria that need to be addressed in Part II of the standard Capital Investment Proposal Application. The answers to the criteria section of the proposal should be supported by the templates in *Appendices F, G, H and I*, and all relevant data and documentation (such as, surveys, industry analysis, primary source documentation, etc.) that the proposal team will research and assemble.

This appendix contains examples for each criterion. These examples indicate the suggested data type and information that are useful in evaluating proposals. They are by no means the only acceptable responses. They merely serve as content suggestions. The ratings noted are only used during the validity assessment.

1. Customer Service

Serving our nation's veterans is a fundamental part of the VA function. The Department exists to give meaning, purpose, and reality to America's commitment to her veterans. Customer service is a vital part of this function. The goal of VA is to be the very best in the marketplace, because it is what our veterans deserve. Superior customer service is valued on five criteria: Quality, Waiting Time, Increase in New Customers, Increased Benefits, and Increased Access to Existing Customers. Together, these create a comprehensive value of the way our country's veterans are serviced by our great nation.

1.1 Quality

Quality refers to the measure of the improvement in the performance of customer service that the initiative provides to the customer. This criterion is a measure of the enhancement of service above and beyond the current baseline.

For this criterion, a "good" answer:

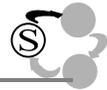
- Identifies the baseline that is used for comparison;
- Addresses **how** the initiative enhances customer service quality;
- Details **how much** of an impact the initiative will have upon customer service quality.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on quality of service, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

Adding an additional parking structure will increase productivity, which in turn will increase quality of service to our customers. Patients have complained that the unavailability of parking spaces

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has prevented them from making their appointments. Further, doctors have also complained that they have had to cancel or delay appointments due to inadequate parking. The facility has the space and the need for a parking structure. This will tremendously improve upon the quality of service that the facility is able to provide by avoiding parking gridlock.

Good: Good responses are those that provide some kind of analysis to support the basic response. A good response would be:

Adding an additional parking structure will increase quality of customer service. An independent contractor conducts Customer Satisfaction Surveys on a quarterly basis among outpatients VISN-wide. (Customer satisfaction is an indicator of service quality). Tab 8-1 through Tab 8-3 show results of a recent survey of 837 outpatients at a VAMC facility and remote clinics. They attained a creditable overall mean score of 79.5%, but parking only rated a 42.8%. On quarterly patient satisfaction surveys, the two lowest scores have consistently been "convenience of parking" and "waiting time." This fall-off in quality is a result of the continual increase in workload while physical facilities remain fixed. Addition of this capital asset (improved patient parking) should vastly improve this quality measure.

Quality of service will be improved because patients can arrive for clinical appointments on time. The current waiting time situation is adversely impacted by the unavailability of parking spaces. Patients' appointment schedules, as well as those of healthcare providers, are subject to the mercy of parking availability. 25% of the complaint were lodged by physicians who had difficulty obtaining a parking space, had to cancel or delay appointments. The impact was reduced patient/caregiver contact time and consultant availability.

Possible Data Source:

- Most recent Department of Veterans Affairs Congressional Budget Submission, Performance Volume 6.
- Satisfaction Surveys-National Customer Feedback Center.

1.2 Waiting Time

Waiting time refers to a measure of the reduction in wait time per customer(s) serviced. This criterion is a measure of the reduction in wait time above and beyond the current baseline.

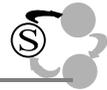
For this criterion, a "good" answer:

- Identifies the baseline that is used for comparison;
- Addresses **how** the initiative reduces wait time per customer;
- Details **how much** of an impact the initiative will have upon wait time.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on waiting time, with supporting rationale;
- Or-

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- might include, but is not limited to, the following:

The investment will introduce a computer-based hospital kiosk registration system that is anticipated to reduce waiting time tremendously. Customers will enter the hospital facility, and register themselves at one of five computer-operated kiosks.

It is estimated that one kiosk per 10 customer appointments per hour is a reasonable ratio. This system will reduce customer registration wait time for customers who will register through the kiosk system. This system reduces the number of person-to-person registrations and allows more time for the more complicated activities, which currently serve as a bottleneck to the system.

Good: Good responses are those that provide some kind of analysis to support the basic response. A good response would be:

The investment will introduce a computer-based hospital kiosk registration system that is anticipated to reduce waiting time by 62%. Customers will enter the hospital facility, and register themselves at one of five computer-operated kiosks.

Recent VA customer service surveys indicate that customers are very dissatisfied with their initial waiting time to register when entering a hospital. 38% of those surveyed indicated that they had experienced a wait to register, which exceeded 45 minutes. Of those surveyed, 81% thought the wait was unreasonable and 60% indicated that it may deter them from seeking VA services in the future.

Internally, staff has indicated that high customer wait times were directly resulting from complicated registrations, which involved increased paperwork and other activities. They believed that 3 complicated customer registrations per hour resulted in an overall increase of 15 minutes per customer.

It is estimated that one kiosk per 10 customer appointments per hour is a reasonable ratio. This system will reduce customer wait time for registration by 62%, which is based upon the assumption that most customers will register through the kiosk system. This system reduces the person-to-person registrations and allows more time for the more complicated activities, which currently serve as a bottleneck to the system.

Possible Data Source:

- Local Facility, Historical Data
- Clinic Schedules (day and hour, time between appointments)

1.3 Increase in New Customers Served

Increase in new customers served refers to the specific number of new customers serviced, above and beyond the current baseline, as a result of the implementation of the initiative.

For this criterion, a “good” answer:

- Identifies the baseline used for comparison;
- Identifies target performance;



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- Addresses **how** the initiative will increase the number of new customers;
- Details **how much** of an impact the initiative will have upon the number of new customers above and beyond the current baseline;
- Identifies the type, volume, and impact that is used for comparison.

Note: Please define type, volume and impact as follows:

Type: The type of customers serviced is broken down into two categories, **internal** and **external**. Internal customers are VA employees. External customers include: veterans, veteran family members or dependents, service organization, unions, volunteers, Congress, other federal agencies, state and city governments and local communities.

Volume: The volume of customers serviced is broken down into seven categories. They are as follows:

- **One VA National**: Customers located across the total VA spectrum.
- **Multiple Administrations**: Any combination of two or more Administrations that jointly service the customer.
- **Administration**: VBA, VHA, NCA, and Staff Offices- Customers located across one entire Administration.
- **Administrative Areas**: VISN (VHA), SDN (VBA), Regional (NCA), or VACO (Staff Offices)- Customers are located across one administrative area.
- **Multiple Facility**: Customers are serviced by more than one facility
- **Facility Level**: Customers are serviced by one major facility.
- **Below Facility Level**: Customers are serviced by a sub-unit of a facility.

Impact: The impact upon customer service is defined as **high, medium, or low**. The level of impact upon the sub-criteria should be designated, with a supporting rationale.

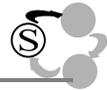
Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not increase customers, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

This investment will expand the current capacity from 120,000 patient stops per year to 375,000 stops per year. In this case, the project impacts external customers, at multiple facilities. We believe the impact to be high, due to the significant number of patient stops, and the type of patient assistance.

Good: Good responses are those that provide some kind of analysis to support the basic response. The analysis might support the idea that the proposal will succeed, but might additionally help establish that patient demand justifies the investment. A good response would be:



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This investment will expand the current capacity from 120,000 patient stops per year to 375,000 stops per year. Currently, patients must schedule appointments 4 to 8 weeks in advance. Many decline, saying they do not want to wait that long. Urgent cases often are referred to non-VA providers. In 1996, 123,000 urgent cases—involving cardiac and cancer patients—were referred to outside providers. By more than tripling the capacity of this facility, urgent cases can be scheduled as needed, and less urgent cases can be scheduled with less lead time, reducing the number of veterans required to go elsewhere for treatment.

In this case, the types of patient that will be served by the investment are external. We will be impacting multiple facilities because of the increased ability to take in patients internally, as well as from other near-by facilities. Therefore, we believe the impact of this expansion to be high, due to the number of patients affected, and their inability to receive similar assistance elsewhere.

Possible Data Sources:

- 3-year Trend Analysis
- Market Analysis of healthcare catchment area
- Fee Basis

1.4 Increased Benefits

Increased benefits refers to the increase in customer benefits, programs and services, previously not provided under current law to new or existing customers. This criterion is a measure of the increase in benefits above and beyond the current baseline.

For this criterion, a “good” answer:

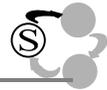
- Identifies the baseline used for comparison;
- Addresses **how** customer benefits are increased;
- Details **how much** of an impact the initiative will have upon increased customer benefits;
- Identifies the type, volume and impact of the customers affected.

Note: Please define type, volume and impact as follows:

*Type: The type of customers serviced is broken down into two categories, **internal** and **external**. Internal customers are VA employees. External customers include: veterans, veteran family members or dependents, service organization, unions, volunteers, Congress, other federal agencies, state and city governments and local communities.*

Volume: The volume of customers serviced is broken down into seven categories. They are as follows:

- **One VA National:** Customers located across the total VA spectrum.
- **Multiple Administrations:** Any combination of two or more Administrations that jointly service the customer.
- **Administration:** VBA, VHA, NCA, and Staff Offices- Customers located across one entire Administration.



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- **Administrative Areas:** VISN (VHA), SDN (VBA), Regional (NCA), or VACO (Staff Offices)- Customers are located across one administrative area.
- **Multiple Facility:** Customers are serviced by more than one facility
- **Facility Level:** Customers are serviced by one major facility.
- **Below Facility Level:** Customers are serviced by a sub-unit of a facility.

Impact: The impact upon customer service is defined as **high, medium, or low**. The level of impact upon the sub-criteria should be designated, with a supporting rationale.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not provide any new benefits or services, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

This investment establishes a VA care unit designed to identify and treat the "Gulf War Syndrome." At present, veterans receive scattered services from a variety of VA and non-VA facilities, and often are referred for psychiatric treatment by skeptical providers. This investment will service external customers at a Administrative Area level. The impact is expected to be at a high level.

Good: Good responses are those that provide some kind of analysis to support the basic response. The analysis might support the projected increase in customers, but might additionally help establish the need for the new service or benefit. A good response would be:

This investment establishes a VA care unit designed to identify and treat the "Gulf War Syndrome." At present, veterans receive scattered services from a variety of VA and non-VA facilities, and often are referred for psychiatric treatment by skeptical providers. Data shows a steady and growing number of veterans who are seeking treatment for Gulf War-related conditions. In this geographical area, the numbers seeking treatment increased by 15% in 1991, 17% in 1992, and 16% in 1993 through 1996.

The investment will impact external customers at a Administrative Area level, because, once established, it will be the only facility of its kind within an entire VISN. For this reason, we believe the impact to be at a high level.

Possible Data Source:

- New Legislation

1.5 Increase Access to Existing Customers

Increase in existing customer access refers to the increase in customer access to existing users of the system made available as a result of the initiative implementation.



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This criterion is a measure of the increase in existing customer access above and beyond the current baseline.

For this criterion, a “good” answer:

- Identifies the baseline used for comparison;
- Addresses **how** the initiative will increase in existing customer access;
- Details **how much** of an impact the initiative will have upon customer access;
- Identifies the type, volume, and impact of customers affected.

Note: Please define type, volume and impact as follows:

Type:

The type of customers serviced is broken down into two categories, **internal** and **external**. Internal customers are VA employees. External customers include: veterans, veteran family members or dependents, service organization, unions, volunteers, Congress, other federal agencies, state and city governments and local communities.

Volume:

The volume of customers serviced is broken down into seven categories. They are as follows:

- **One VA National:** Customers located across the total VA spectrum.
- **Multiple Administrations:** Any combination of two or more Administrations that jointly service the customer.
- **Administration:** VBA, VHA, NCA, and Staff Offices- Customers located across one entire Administration.
- **Administrative Areas:** VISN (VHA), SDN (VBA), Regional (NCA), or VACO (Staff Offices)- Customers are located across one administrative area.
- **Multiple Facility:** Customers are serviced by more than one facility
- **Facility Level:** Customers are serviced by one major facility.
- **Below Facility Level:** Customers are serviced by a sub-unit of a facility.

Impact:

The impact upon customer service is defined as **high, medium, or low**. The level of impact upon the sub-criteria should be designated, with a supporting rationale.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on customer access, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

This project will consolidate primary and managed care activities and services, which currently are spread over various floors in different buildings, thus improving access to existing customers.

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This project will impact external customers at the facility level. The investment impact will be medium.

Good: Good responses must provide some kind of analysis supporting the basic response. The following is an example of a good response:

This project will consolidate primary and managed care activities and services, which currently are spread over various floors in different buildings, thus improving access to existing customers. Similar improvements were made at this VAMC in 1990. A National Customer Feedback Center survey showed a decline in customer satisfaction prior to 1990 and steady gains following 1990. Between 1985 and 1989, customers reporting that the center was "Accessible" or "Very Accessible" fell from 43% to 25%. Between 1990 and 1996, customers reporting "Accessible" or "Very Accessible" increased from 30% to 62%. As a result, additional improvements are expected to further increase customer accessibility.

The project will impact external customers at this particular facility. As a result, the impact of the project is medium, due to the fact that it impacts only one facility, without making innovative changes that can be replicated by other facilities.

2. Return on Taxpayer Investment

The taxpayers of this country expect their hard-earned dollars be spent only after extensive and thoughtful consideration. To honor this commitment, VA only evaluates proposals, which have undergone thorough analysis. This analysis includes: Cost-Effectiveness Analysis, Alternatives Analysis, Cost Savings Analysis, and Non-quantifiable Benefits Analysis. Together, the use of these criteria demonstrates our management of scarce resources to obtain optimal value and performance to serve the veteran.

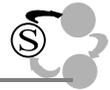
2.1 Cost Effectiveness Analysis

Cost-effectiveness analysis is the estimated cost assessment of both the initiative and the alternatives used to evaluate the options.

For this criterion, a "good" answer:

- Identifies baseline (status quo) used for comparison;
- Provides a completed cost-effectiveness analysis, with supporting data and calculations, (reviewers must be able to be replicate the calculations);
- Utilizes the **CEA template and attaches CEA summary sheet.**
- Provides justification for the selected option, especially if IPT does not select the most cost-effective alternative.

Unacceptable: Unacceptable responses include those that are left blank or do not complete the CEA template.



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Acceptable: Acceptable responses include a completed “cost effectiveness analysis” template supported by data **estimates** and calculations attachments.

Good: Good responses are those which provide **justifiable and conclusive figures with supporting data** and calculations attached. Good responses utilize the cost-effectiveness template. (See Chapter IV-D)

Possible Data Source:

- Cost Effectiveness Analysis Guide (Chapter IV-D)
- Existing Financial Reports.

2.2 Alternatives Analysis

Alternatives analysis is the comprehensive assessment of all the available proposal alternatives relative to the Investment Proposal Criteria.

For this criterion, a “good” answer:

- Provides a completed alternatives analysis, with all necessary supporting data and calculations;
- Utilizes and provides the **alternatives analysis template**, as well as the corresponding summary.
- Provides primary source documentation
- Each alternative will be compared to each sub criteria

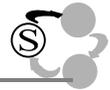
Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions, or do not use the template.

Acceptable: For each criterion listed in the alternatives analysis template, acceptable responses include:

- those that indicate that the proposal will not have any impact, with supporting rationale; and
- use the template which addresses only the major criteria;
- Or-
- might include, but is limited to major criteria, as in the following:

Criteria	Alternative 1	Alternative 2	Alternative 3	Alternative 4
High Performing Workforce	• Low	• Medium	• None	• Medium
Customer Service	• Addresses	• Does not address	• Addresses	• Does not address

Good: Good responses describe how the alternative will impact each criterion and sub-criterion in the alternatives analysis matrix and provide data to support conclusions. Good answers utilize the Alternatives Analysis template and each alternative will be compared to each sub-criterion. (See Chapter IV-E) The following is a partial example of a good response:



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Alternative 1, VBA “Build to Suit” Lease, is the best option for satisfying VA’s customer service objectives. VBA Phoenix receives a modern leased facility through VA leasing with all of the benefits of a GSA lease at 5 percent savings. Relocation into a new “build to suit” leased building offers the following advantages:

- Better environment for IT
- VA image is improved
- Customer access is improved
- Effective Organizational alignment
- Least costly alternative

	Alternative 1 VA Lease Procurement	Alternative 2 GSA Lease Procurement	Alternative 3 Supplemental Lease	Alternative 4 Forced Move Lease
Quality	<ul style="list-style-type: none"> ▪ Better training facilities ▪ BPR initiatives of Service and Loan Centers ▪ Improved resources 	<ul style="list-style-type: none"> ▪ Better training facilities ▪ BPR initiatives of Service and Loan Centers ▪ Improved resources 	<ul style="list-style-type: none"> ▪ Split operations ▪ Small site footprint ▪ Costly alternative with huge up front expense 	<ul style="list-style-type: none"> ▪ High disruptive ▪ Small site footprint ▪ Costly alternative with huge up front expense
Waiting Time	<ul style="list-style-type: none"> ▪ Waiting time will decrease due to efficiencies gained from a state-of-the-art facility 	<ul style="list-style-type: none"> ▪ Waiting time will decrease due to efficiencies gained from a state-of-the-art facility 	<ul style="list-style-type: none"> ▪ Waiting time will not improve as significantly due to small building footprint ▪ Split operations hinder timeliness 	<ul style="list-style-type: none"> ▪ Waiting time will not improve as significantly due to small building footprint that diminishes layout efficiencies
Increase in New Customers	<ul style="list-style-type: none"> ▪ Customers will be drawn to a ‘user friendly’ facility that is accessible 	<ul style="list-style-type: none"> ▪ Customers will be drawn to a ‘user friendly’ facility that is accessible 	<ul style="list-style-type: none"> ▪ Small building footprint is not conducive for a customer friendly setting ▪ Split operations frustrate customers 	<ul style="list-style-type: none"> ▪ Small building footprint is not conducive for a customer friendly setting
Increased Benefits	<ul style="list-style-type: none"> ▪ Improved facility leads to better service ▪ Better trained employees lead to more accurate claims 	<ul style="list-style-type: none"> ▪ Improved facility leads to better service ▪ Better trained employees lead to more accurate claims 	<ul style="list-style-type: none"> ▪ Small building footprint limits service gains due to inefficient layout and adjacencies ▪ Split operations is inefficient 	<ul style="list-style-type: none"> ▪ Small building footprint limits service gains due to inefficient layout and adjacencies
Increase Access to Existing Customers	<ul style="list-style-type: none"> ▪ Handicapped accessibility issues are resolved ▪ Highly visible facility ▪ Adequate customer parking 	<ul style="list-style-type: none"> ▪ Handicapped accessibility issues are resolved ▪ Highly visible facility ▪ Adequate customer parking 	<ul style="list-style-type: none"> ▪ Handicapped accessibility issues are resolved ▪ Small site footprint leads to increased security risk ▪ Split operations limits access 	<ul style="list-style-type: none"> ▪ Handicapped accessibility issues are resolved ▪ Small site footprint leads to increased security risk

Possible Data Source:

- Documentation from external agencies or corporations demonstrating an attempt was made to contract for services.
- Letters of support from other Administrations for implementation to include FTE and Funds.



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2.3 Cost Savings Analysis

Cost savings analysis is the *quantitative* assessment of the cost savings of all initiatives and the alternatives. This is a best attempt to quantify the net savings to the institution if the initiative were implemented.

For this criterion, a “good” answer:

- Includes the baseline data of existing costs;
- Provides a complete analysis of all potential cost savings derived from the implementation of the initiative.
- Includes data source attachment and justification for cost savings figures.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

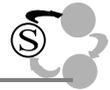
Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any cost savings, with supporting rationale;
- Or-
- include a complete cost savings analysis supported by data estimates and calculations attachments.

The project will result in cost savings of \$1 million. The savings is as a result of the reduction in materials cost, increase in staff efficiency and storage space cost savings, which result from the implementation of the new paperless office system.

Good: Good responses are those which provide justifiable and conclusive data with supporting primary source documentation and calculations attached.

We predict that the implementation of this new paperless office system will result in a cost savings of over \$1.7 million. This sum was derived from the following assumptions:



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Cost Savings	Value of Cost Savings	Justification
Reduction in Material Costs	Recurring cost savings: \$500,000 per year Baseline costs: \$2 million per year	The paperless office will provide data warehousing that will reduce paper and material purchases by 70%. <i>Any-agency</i> implemented a similar system receiving similar results during FY 1999.
Increase Staff Efficiency	Recurring cost savings: \$1 million per year Baseline costs: \$3 million per year	The project will create increased staff efficiency resulting from the reduction in copying, filing and other labor costs, reducing overtime. <i>Any-agency</i> saw the same proportionate level of reductions in a similar project.
Storage Space Cost Savings	Recurring cost savings: \$200,000 per year Baseline costs: \$200,000 of storage rental	Currently, there is little space available for new files. The administration would require new storage space during FY 2002, to proceed with the status quo.

Possible Data Sources:

- For VHA: www.klfmenu.med.va.gov (Cost Data)
- The cost savings analysis is a part of the cost-effectiveness template (Chapter IV-D). Use the CEA template to derive the information for this section.

2.4 Non-Quantifiable Benefits

Non-quantifiable benefits include those benefits or services, which are qualitative benefits resulting from the implementation of the initiative. These are benefits that do not have established values and can not be quantified. However, with additional research these may be quantified in future years.

For this criterion, a “good” answer:

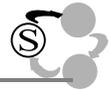
- Includes a description of the benefit;
- Details how much of an impact the initiative will have upon the non-customer benefits.

Note: In accordance with OMB Circular A-94, this component is included to capture benefits that are not presently quantified. (OMB Circular A-94, Section 6.a)

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on internal non-customer benefits, with supporting rationale;



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-Or-

- might include, but is not limited to, the following:

The project will result in a variety of non-quantifiable benefits. Benefits include: on-line application process, on-line enrollment/disenrollment, more timely response to transactions and faster processing of payments.

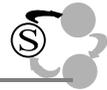
Good: Good responses must provide justification supporting the lack of available data and figures. The following is an example of a good response:

This project will result in a myriad of non-quantifiable benefits. These benefits include:

Benefit	Justification
High Performing Work Force: On-line application process	The results of VAROs of a similar system has resulted in a significantly more efficient workforce. However, because the system has recently been introduced, it has yet to compile productivity measures. The benefit from this initiative is currently derived from observational documentation.
High Performing Work Force: On-line enrollment/disenrollment	The ability for customers to utilize the on-line enrollment/disenrollment system will decrease the overall staff time dedicated to this customer service. Currently, all enrollment and disenrollment occur via telephone. Many agencies have introduced on-line systems that have decreased the demand for repetitious input by telephone operators. This system will give them more freedom to effectively allocate their time to items, which require necessary contact with operators.
Waiting time: More timely response to transactions and faster processing of payments.	The faster transactions are processed, the sooner payments will occur. Increasing processing by an estimated 5 days will significantly increase the reimbursement process. This is a new concept that has not been tried in government settings. Therefore, there are no comparable government figures.

3. HIGH PERFORMING WORKFORCE

The VA's core values include excellence in service, programs, and people. Part of this value is the VA's commitment to performing at the highest level of competence and creating a culture where everyone is accountable, respected and appreciated. To maintain this value, proposals are evaluated on their ability to contribute to a high

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performing workforce, which is comprised of: Recruitment and Retention, Training and Development, and Employee Morale. Together we can make VA the employer of choice.

3.1 Recruitment and Retention

Recruitment and retention refers to the initiative's ability to recruit and retain the best employees available. This criterion is a measure of the increase in recruitment and retention above and beyond the current baseline or a decrease in employee turnover ratio.

For this criterion, a "good" answer:

- Identifies the baseline used for comparison;
- Addresses **how** the initiative will increase recruitment and retention of the workforce;
- Details **how much** of an impact the initiative will have on the recruitment and retention of VA employees.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not affect recruitment or retention, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

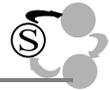
This investment will create a Virtual Private Network (VPN) system with laptop computers to allow remote system access for administrators and staff. This system will allow employees to work remotely from their homes, airplanes, etc. It will provide greater employee access, while increasing efficiency. This system will give employees increased access, flexibility, thereby assisting in employee retention and efficiency.

Staff has indicated that this system will also build employee's skills set, by teaching them to use technology that is in standard use with private business. Additionally, by increasing employee efficiency, employee satisfaction increases

Good: Good responses must go further in justifying statements about recruitment retention (decrease in turnover ratio or vacancy rates for unfilled positions), which often includes conducting surveys and providing analysis of the responses. The following is an example of a good response:

This proposal will create a Virtual Private Network (VPN) system with laptop computers to allow remote system access for administrators and staff. This system will allow employees to work remotely from their homes, airplanes, etc. It will provide greater employee access, while increasing efficiency. This has been shown to assist with employee retention.

Internal staff surveys indicate that work flexibility is a priority. 83% of those surveyed indicated that they want the ability to work from home during instances of child illness, inclement weather and

**APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)**

late at night. Other responses included the ability to work from hotel rooms and to access work-related e-mails and documents while on the road.

Staff has indicated that this system will build employee's skills set, by teaching them to use technology that is in standard use in private business. In preliminary studies, 65% of new college graduates indicated that they believed this type of system was standard among potential employers. Further, a VPN will allow the staff to become more efficient, which will increase employee and employer satisfaction.

Possible Data Source:

- Personnel Records: Turnover Rates, Vacancy Duration, Clinical and Skilled Professionals; Administrative and Clerical Support Functions.

3.2 Training and Development

Training and development refers to the ability of the initiative to enhance skills, provide knowledge management, and succession planning to contribute to the training and development goals of the agency. It also includes initiatives that expand the career development ladder for staff.

For this criterion, a "good" answer:

- Identifies the baseline used for comparison;
- Addresses **how** the initiative will increase training and development of the workforce;
- Details **how much** of an impact the initiative will have upon the training and development of VA employees.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal is not related to training and development, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

This investment expands current VARO facilities to provide a computer lab for training employees in using software.

Good: Good responses must provide a more comprehensive analysis. For example:

This VBA investment expands current facilities to provide a computer lab for training VARO employees in using COTS software. The facility provides space for classes of 20 and will permit ongoing basic, intermediate, and advanced training for the entire staff of 3,500 professional and support staff. Assuming five one-hour courses per day and 260 business days per year, the facility provides 26,000 person training hours per year. This will enable us to provide an average of 74



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

hours of training per employee during the year. This will ensure more consistency in documents as well as more timely migration to software upgrades.

Possible Data Source:

- Personnel Records

3.3 Employee Morale

Employee morale refers to the ability of the initiative to increase employee morale. This criterion is a measure of the increase in employee morale above and beyond the current baseline.

For this criterion, a “good” answer:

- Identifies the baseline used for comparison;
- Addresses **how** the initiative will increase employee morale among the workforce;
- Details **how much** of an impact the initiative will have upon VA employee morale.

Note: Include employee surveys, exit interviews, etc.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal is not designed to have a direct impact upon morale, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

The new parking facility in this VAMC will provide indoor heated parking for the 375 employees. This parking is physically attached to the Center and will not require walking outside to get from the Center to the parking garage. This is expected to improve employee morale, especially during the winter.

Good: Good responses are those that provide additional information demonstrating a link between morale and the asset:

In 1998, 25 employees were injured due to slipping on ice while walking between the outside parking lot and the VAMC building. The new parking facility will provide indoor heated parking for 800 cars; providing ample parking for the Center's 375 employees as well as for patients. In customer and employee satisfaction surveys conducted in 1998, dissatisfaction with parking was identified by 70% of the respondents. The new parking facility is physically attached to the Center and will not require walking outside to go between the Center and the parking garage. This is expected to improve employee morale as well as customer satisfaction, especially during the winter.

Possible Data Source:

- Employee Surveys
- Exit interviews

**APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)****4. RISK**

Risk is an inherent part of any capital investment. However, project risk can be reduced or eliminated by identifying consequences that can negatively impact a project's success. In this case, risk can be analyzed in six components: Financial, Technical, Operational, Schedule, Legal & Contractual, and Organizational risks.

4.1 Risk Score

Risk score is a quantifiable attribute calculated by utilizing the risk template. The risk template values six types of risk previously stated. It assists the proposal developers to assign a value to each separate risk category.

For this criterion, a “good” answer:

- Utilizes the ***risk score template***.
- Provides the risk score summary sheet resulting from the risk analysis:

Unacceptable: Unacceptable responses are those that are left blank. Each risk category identified in the risk template must be addressed and scored. If specific risks in risk categories cannot be identified then provides a justification, with supporting rationale.

Acceptable: Acceptable responses are those that examine:

- All potential risks;
- Including individual risks under each risk category;
- The likelihood of the risk and its impact on the project.

Good: Good responses are those that examine:

- All potential risks, including individual risks under each risk category;
- Likelihood and impact scores;
- What the risks mean to the project.

Possible Data Source:

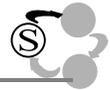
- Additional instructions and examples are in the Risk Analysis Guide (Chapter IV-F)

4.2 Quality of Risk Analysis

The quality of the risk analysis represents the Capital Investment Board's evaluation of the completeness of the risk analysis.

For this criterion, a “good” answer:

- Identifies and analyzes all of the six potential risk components associated with the initiatives, with supporting data and calculations;



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

- Utilizes the *risk score template*.

Unacceptable: Unacceptable responses are those that are left blank. Each risk category identified in the risk template must be addressed. If specific risks in risk categories cannot be identified, then provide a justification with supporting rationale.

Acceptable: Acceptable responses provide a completed risk template, including:

- Identification of specific risks within each risk category;
- Realistic scoring of the impact and likelihood for each risk.

Good: Good responses provide a complete risk template, including:

- Identification of specific risks within each of the six risk categories;
- Realistic scoring of the impact and likelihood for each risk;
- Justification of each identified risk and the impact on the project.

Possible Data Source:

- Risk Analysis Guide (Chapter IV-F)

4.3 Quality of Risk Control Plan

Quality of risk control plan refers to the quality of the initiative's risk mitigation plan. The risk mitigation plan is a plan to control the defined risks associated with the adoption of the initiative.

For this criterion, a “good” answer:

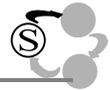
- Establishes a list of identified risks;
- Identifies risk control variance (e.g., 10% cost or schedule overruns) at which the corrective action plan is initiated;
- Identifies who is responsible for executing the control plan;
- Details plans to reduce and control the identified risks;
- Identifies internal resources available to mitigate risk.

Unacceptable: Unacceptable responses are those that are left blank. It is unacceptable to identify a risk without providing a risk control plan.

Acceptable: Acceptable responses are those that include a control plan to mitigate all identified risks. For example,

Risk	Risk Controls
Financial Controls	<ul style="list-style-type: none"> • Utilize Earned Value analysis during project lifecycle to control costs

Good: Good responses are those that include a control plan to mitigate risks and provide data to support the controls. For example,



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

Risk	Responsible Party	Risk Controls	Internal Mitigation Resources
Financial Controls	John Smith: (555) 555-1012	<ul style="list-style-type: none"> • Utilize Earned Value analysis during project life cycle to control costs. Perform a cost-benefit and economic analysis • Subject the project to a rigorous investment management program • Establish clear benefits to be realized • Use competitive bidding for each increment of project design • Implement an IT Investment Review Board 	<ul style="list-style-type: none"> • The project team is trained in Earned Value analysis, and can use this method to track and control project overage. • An investment management team has been established. Each member has expertise in investment management. • A Competitive bidding process currently exists. • An IT Investment Review Board has been brought together for other IT projects. The board is experienced and knowledgeable.

Possible Data Source:

- Risk Analysis Guide (Chapter IV-F)

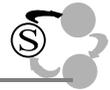
5. Special Emphasis (VHA Construction Only)

Special emphasis refers to the proposal's ability to support one or more of the FY 2002 Special Emphasis Programs.

- Spinal Cord Injury (SCI)
- Severely Chronically Mentally Ill (SMI)
- Traumatic Brain Injury (TBI)
- Blind Rehabilitation
- Post Traumatic Stress Disorder (PTSD)
- Prosthetics (Amputation)

For this criterion, requirements include:

- Information on the percentage of the cost of the proposal that is dedicated to the special interest program. (At least 70% of the project's investment value should be dedicated to this criterion, before it is considered under this category.)
- Data sources and calculations.



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

6. Seismic (VHA Construction Only)

The seismic criterion refers to the initiative's ability to mitigate an immediate and verifiable seismic threat to VA staff, patient, and the public.

For this criterion, requirements include:

- Information on what percentage of the proposal cost is dedicated to the seismic criterion. (At least 70% of the project's investment value should be dedicated to this criterion, before it is considered under this category.)
- Engineering study certification of the condition of the structure.
- Certification of the seismic zone in which the proposal is located.
- Acknowledgement of inclusion in the VA Seismic Study completed in response to the Presidential Directive on seismic safety.

7. Strategic Alignment

The VA Strategic Plan defines the mission and goals of the Department. It is this strategy which guides and provides the path to the VA's future. Alignment with these objectives creates a Department working in unison toward accomplishing the goal. The five categories identified by the VA include: Quality of Life, Ensure Smooth Transition, Honor and Memorialize, Public Health and Socioeconomic Well Being, and One VA.

7.1 Quality of Life and Restoration

Quality of life and restoration refers to the initiative's ability to restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families, as defined by the Department strategic goals (11/15/99).

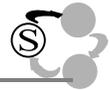
For this criterion, a "good" answer:

- Identifies the quality of life strategic goal and performance metrics from the VA Strategic Plan, then illustrates how the initiative improves the quality of life for the disabled veteran and their families.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on quality of life, with supporting rationale;
- Or-
- might include, but is not limited to, the following:



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

This project meets two of the four objectives within the VA strategic plan. Those are Objective 1.1 and Objective 1.2. The investment does this by improving speed of ratings and improving case management to allow Vocation Rehabilitation Counselors to spend more time with veterans.

Good: Good responses provide some kind of analysis supporting the response. The following is an example of a good response:

VA has been charged with restoring the capability of disabled veterans and improving their quality of life and that of their families. This project will meet two of the four objectives in the "Department of Veterans Affairs: FY 2000-2005 Strategic Plan."

Departmental Objective	Justification
1.1 Disabled veteran and special populations of veterans	This system improves the speed of ratings major educational claims activities to meet customer needs.
1.2 Quality of life and economic status	This system will improve case management and enable Vocational Rehabilitation Counselors to spend more quality time with veterans. It will serve as a resource for planning programs and profiling the veteran's skills and expertise.
1.3 Service disabled veterans	This project does not address this objective.
1.4 Survivors of service disabled veterans	This project does not address this objective.

Possible Data Source:

- Department of Veterans Affairs: FY 2000-2005 Strategic Plan (Draft 11/15/99)

7.2 Ensure Smooth Transition

Ensure smooth transition refers to the Department's goals of ensuring the smooth transition for veterans from active military service to civilian life, as defined by the Department strategic goals (11/15/99).

For this criterion, a "good" answer:

- Identifies the smooth transition goal and performance metrics, then illustrates how the initiative improves upon the smooth transition of veterans from active military service to civilian life.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on ensuring a smooth veteran transition, with supporting rationale;
- Or-
- might include, but is not limited to, the following:



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

This project will allow the VBA to meet Objective 2.3 and 2.4 by implementing a new system. This project will expedite the home loan process thereby increasing the veteran's satisfaction with the home loan process.

Good: Good responses must provide some kind of analysis supporting the response. The following is an example of a good response:

VA has been charged with ensuring the smooth transition of veterans from active military service to civilian life. This project will meet two of the four objectives in the "Department of Veterans Affairs: FY 2000-2005 Strategic Plan."

Departmental Objective	Justification
2.1 Ease of reentry	This project does not address this objective.
2.2 Educational opportunities	This project does not address this objective
2.3 Home loan	The new system will expedite the veteran home loan process, a concern of veterans. This system will lead to both veteran and lender satisfaction.
2.4 Life insurance	This system will allow for the continuous tracking of external life insurance policy rates and features, which in turn will ensure that VA rates and features are competitive.

Possible Data Source:

- Department of Veterans Affairs: FY 2000-2005 Strategic Plan (11/15/99)

7.3 Honor and Memorialize

Honor and memorialize refers to the Department's goal of honoring and serving veterans in life and memorializing them in death for their sacrifices on behalf of the nation, as defined by the Department strategic goals (11/15/99).

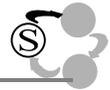
For this criterion, a "good" answer:

- Identifies the honor and memorialize goal and performance metrics, then illustrates how the initiative improves upon the goal of honoring and serving veterans in life and memorializing them in death for their sacrifices on behalf of the nation.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on honoring and memorializing the veteran's life, with supporting rationale;
- Or-
- might include, but is not limited to, the following:



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

This project will allow NCA to meet two of the five objectives. It will increase service to veterans and increase the number of headstones and markers that are undamaged and correctly inscribed.

Good: Good responses must provide some kind of analysis supporting the response. The following is an example of a good response:

VA has been charged with honoring and servicing veterans in life and memorializing them in death for their sacrifices on behalf of the nation. This project will meet two of the five objectives in the "Department of Veterans Affairs: FY 2000-2005 Strategic Plan."

This project will provide extended service to about 244,500 veterans who would not be served if the cemetery closed. The number of gravesites in this geographic area will be increased by 26,400 full casket, 17,000 remains, which will provide space for about 60,000 interments until 2020.

The national cemetery identifies not only veterans and eligible family members as "customers" but also considers the cemetery visitors as customers. The number of visitors is estimated, from experience, to be the number of interments multiplied by 33. Those affected by this investment are considered external facility customers. The following table identifies the numbers of interments, visitors, and veteran deaths projected.

Projected Workload	2001	2010	2015	2020
Annual Interments	3,050	3,570	3,396	3,254
Annual Visitors	100,650	117,810	112,068	107,382
Estimated Veteran Deaths	5,700	6,419	6,285	6,017

Departmental Objective	Justification
3.1 Overall health of enrolled veterans	This project does not address this objective.
3.2 Standard of living	This project does not address this objective.
3.3 Life insurance	This project does not address this objective.
3.4 Burial needs	This project will allow the NCA to increase survey respondents evaluation to excellent by improving the services to the veteran's family.
3.5 Symbolic expression of remembrance	This project's increased on-line function will simplify the process of on-line monument ordering, thereby increasing the number of on-line orders.

Possible Data Source:

- Department of Veterans Affairs: FY 2000-2005 Strategic Plan (11/15/99)

7.4 Public Health and Socioeconomic Well Being

Public health and socioeconomic well being refers to the Department's goals of contributing to the public health and socioeconomic well being and history of the nation, as defined by the Department strategic goals (11/15/99).



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

For this criterion, a “good” answer:

- Identifies the public health and socioeconomic well being goal and performance metrics, then illustrates how the initiative improves upon the goal of contributing to the public health and socioeconomic well being and history of the nation.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

- those that indicate that the proposal will not have any impact on the public health and socioeconomic well being, with supporting rationale;
- Or-
- might include, but is not limited to, the following:

This project will allow the VHA to meet two of the five objectives. It will advance VA medical research and development to better serve the veteran population and contribute to the nation's knowledge of disease and disability. It will further ensure the appropriate supply of health care providers through partnerships with the medical education community.

Good: Good responses must provide some kind of analysis supporting the response. The following is an example of a good response:

VA has been charged with contributing to the public health, socioeconomic well being and history of the nation. This project will meet two of the five objectives in the “Department of Veterans Affairs: FY 2000-2005 Strategic Plan.”

Departmental Objectives	Justification
4.1 Research and Development	This project will increase the probability of receiving funds for research projects in Designated Research Areas by more than 50%.
4.2 Partnerships with the medical education community	This piece of equipment will allow the hospital to partner with <i>Affiliated University</i> to lead the medical community in cutting edge research. There is a 70% probability that this will attract 20% more healthcare providers to the veteran medical community.
4.3 National emergency response time	This project does not address this objective.
4.4 Veteran benefits and business assistance	This project does not address this objective.
4.5 Preservation of Nation’s history at National Cemeteries	This project does not address this objective.

Possible Data Source:

- Department of Veterans Affairs: FY 2000-2005 Strategic Plan (11/15/99)



APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)

7.5 One VA

One VA refers to the initiative's ability to address a crosscutting initiative proposed by one administration that supports at least one other administration in a combined effort to deliver seamless integration of benefits or services to the customer. One VA customer service is further defined as the ability to provide One VA world class service to veterans and their families through the effective management of people, technology, processes, and financial resources.

For this criterion, a "good" answer:

- Addresses how the initiative enhances the VA cross cutting opportunities;
- Identifies the impacted administrations;
- Details how much of an impact the initiative will have upon the administrations.

Unacceptable: Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

Acceptable: An acceptable response includes:

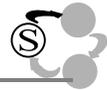
- those that indicate that the proposal will not have any impact on One VA, with supporting rationale;
- Or-
- the investment has the potential for One VA; and
- might include, but is not limited to, the following:

VHA intends to purchase Microsoft Office licenses to provide all of VHA with the same software office products. This purchase will further allow the remaining licenses to be made available to NCA and VBA. Both of these administrations have agreed to purchase these licenses at cost savings to the entire VA.

Good: Good responses must provide some kind of analysis supporting the response. Proposals demonstrate that projects are jointly funded or provide a Memorandum of Agreement between two or more Administrations, which indicate support with funds, or FTE to promote a One VA. The following is an example of a good response:

VHA's initiative to purchase Microsoft Office licenses will result in providing all of VHA with the same software office products as well as providing remaining licenses to NCA and VBA. As a result, this initiative allows all administrations to use the same versions of Microsoft office, which will:

- Reduce document conversion time. Currently, staff satisfaction surveys indicate that there is substantial difficulty with document conversion, due to the number of software applications being utilized by VA. 28% of respondents indicated having lost documents, while 48% have had to retype documents before distribution.
- And-
- Enhance information sharing between administrations by increasing communications by 28%. Over one-quarter of those employees surveyed, indicated that they have lost documents

**APPENDIX D-1 (CAPITAL INVESTMENT PROPOSAL CRITERIA CONTINUED)**

during conversion. Further, 15% of those who have expressed confusion with conversion have indicated that at one time or another, they have not communicate at all.

- Letters and documentation of support from NCA and VBA are included in Appendix A-1.

Another example for this criterion is:

This project is being proposed by VBA and is supported by VHA as a One VA effort to deliver seamless integration of benefits and health services to Indiana veterans and their families from a single location. VHA's VISN 11 has proposed to Department Headquarters that the non-construction cost of this project be offset with \$2.5 million from the VA-Indiana Enhanced Use Lease Trust 1996-1, Cold Spring Road Campus that is designated for the benefit of Indiana veterans. The Trust fund will be used for separate and distinct services such as furniture, and approved through the VA Trust Board.

The Department's goals of Ease of Access, Customer Satisfaction, Prompt Delivery of Services and Benefits will be accomplished in the State of Indiana with this project. (Appendix C, DVA Strategic Plan for FY98-03, Part III, Benefits Programs, pages 51-57). A collocated facility will provide better service, more effective operations, and increased cooperation across organizational lines. Easy access and free customer parking, at one convenient location, will improve services and veteran satisfaction.

To further solidify the One VA concept, there are other sharing opportunities that will improve employee satisfaction and contribute to cost reductions. The VAMC has existing programs and services that will be made available to VARO staff. These include a conveniently located Medical Media Service, Resource Library, ongoing Career Development courses, VA Canteen Service, and a full service Credit Union. There are also opportunities to integrate various operating functions such as the mailroom, publications, reproduction, supply service, and loading dock.

The VARO is interested in expanding their Comprehensive Work Therapy program, currently consisting of two veteran patients. This will be easily accomplished at the proposed location. The VARO will also be able to take advantage of the VAMC's extensive Volunteer Program, freeing up full-time employees to focus more time on workload priorities.

Possible Data Source:

- Department of Veterans Affairs: FY 2000-2005 Strategic Plan (11/15/99)
- Letters from other Agencies that state that they can't provide the program or services.
- Letter from other VA Administrations stating that they support the initiative or that they are willing to commit FTE/\$ to the initiative.

