

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. The revisions contained are to bring the directive in line to match today's current processes. Major changes include:
 - a. Inclusion of linkages of the SCIP process to Capital Program Requirements Management Process (CPRMP).
 - b. Removal of SCIP Board review of action plans.
 - c. Inclusion of details of SCIP business case development and review processes.
 - d. Inclusion of Out of Cycle (OOC) process details for entry of urgent need requirements not previously approved through SCIP.
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 Process.
5. **RESCISSIONS:** VA Directive 4086, Investment Matrix, dated August 7, 2003 and VA Directive 0011, Strategic Capital Investment Planning Process, dated August 8, 2011.

CERTIFIED BY:

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

/s/
Dat P. Tran
Acting Assistant Secretary for
Enterprise Integration

/s/
Jon J. Rychalski
Assistant Secretary for Management
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STRATEGIC CAPITAL INVESTMENT PLANNING PROCESS

1. **PURPOSE and SCOPE.** This directive provides the framework for the Department of Veterans Affairs (VA) policy on the Strategic Capital Investment Planning (SCIP) process and provides authority for the Office of Asset Enterprise Management (OAEM) to oversee and manage all SCIP activities from a Department-wide perspective. For detailed information, refer to VA Handbook 0011, Strategic Capital Investment Planning Process.

- a. With the strategic goal to improve the delivery of services and benefits to Veterans, the SCIP process is the basis for the Department's capital budget request. The SCIP process includes all capital projects (See VA Handbook 011, Paragraph 3, Section C, major construction, minor construction, non-recurring maintenance, and leases) with an exception for information technology non-construction projects. SCIP takes 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 encourages investments that ensure delivery of services in a Veteran-centric, forward-looking, and results-driven manner.
- b. The objective of the SCIP process is to produce an annual, consolidated list of capital (infrastructure and lease) projects and to significantly reduce or close performance gaps in access, workload and 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.

2. POLICY.

- a. Based on planning data provided by Administrations and Staff Offices (as applicable), SCIP provides each Administration with data on 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 (as applicable) then develop project-specific 10-year action plans to close gaps.
- b. To be considered for inclusion in the current budget submission (and in subsequent operating plans), business cases must be developed and submitted for prioritization for all first year, above threshold projects in specific asset categories. Thresholds and asset category types are provided in the annual SCIP Call Memorandum for Long-Range Action Plans and Business Cases.
- c. Policies and procedures set forth in this directive and accompanying handbook will be adhered to when submitting annual SCIP action plans and business cases.
- d. Additional guidance and related assumptions are issued annually in SCIP Call Memorandums for Actions Plans and Business Cases, and for requirements issued by the Office of Management and Budget (OMB).

- e. The SCIP process is a planning tool used in the budget formulation phase. Updates may be made during the budget execution phase due to changing requirements or emergent critical needs. The SCIP process is synchronized with the Department's annual budget formulation processes.
- f. SCIP approved project scopes and costs must be reviewed through the Capital Program Requirement Management Process (CPRMP) to ensure projects approved through SCIP are not executed with changes in cost, space, or critical program scope without prior approval from VA leadership. Specific guidance for adherence to CPRMP was issued in VIEWS #ARC-446883.
- g. Emergent need projects are approved through the SCIP Out of Cycle (OOC) process. The OOC process and deadlines are provided each year as part of the operating plan approval process. The SCIP OOC process guidance is provided in VA Handbook 0011.
- h. Emergency projects necessary for the protection of life or property do not require SCIP approval and may proceed immediately.

3. RESPONSIBILITIES.

- a. **The Assistant Secretary for Management and Chief Financial Officer** shall:
 - (1) Advise the Secretary on SCIP matters and provide broad guidance to the Executive Director, OAEM, regarding implementation of capital planning requirements through SCIP.
 - (2) Review and approve revisions to the SCIP Directive and Handbook.
 - (3) Issue SCIP-based call memorandums establishing program schedules and requirements to Administrations and Staff Offices.
 - (4) Seek VA Leadership approval of SCIP Board recommendations for decision criteria and weights used to prioritize and rank annually submitted SCIP business cases.
 - (5) Include prioritized SCIP lists for submission to OMB as part of the Department's fiscal year budget request. Seek VA Leadership review and approval of SCIP Board recommendations for projects submitted through the CPRMP process that contain greater than 10% changes in cost or scope.

b. Under Secretaries, Assistant Secretaries, Other and Key Officials shall:

- (1) Establish multi-disciplined Integrated Project Teams (IPT) at locations where capital projects are being planned, as appropriate based on management assessment of project complexity. The IPT shall include at least one member who has planning, project (architect, engineer, etc.), program, security, information technology, financial and other technical expertise. The IPT helps formulate the action plans and business case submissions and reviews and certifies all information included in the action plans and business cases prior to submission to the next level.
- (2) Ensure offices/regions/networks submit the required information in a timely fashion annually, to support the SCIP call memorandums described throughout VA Handbook 011.
- (3) Ensure offices/regions/networks adhere to established SCIP policy and guidance, and other capital investment planning and reporting requirements as outlined in this directive and its accompanying handbook.
- (4) Provide staffing resources and ensure compliance to the CPRMP.
- (5) Identify staff to lead and serve as Subject Matter Experts (SMEs) in support of the SCIP Panel and Board. SMEs shall assist the SCIP Panel and Board in validating that a Veterans Integrated Service Network, National Cemetery Administration (NCA) Memorial Service Network, Veterans Benefits Administration (VBA) Region, or Staff Office's action plan approach to closing gaps is both justifiable and executable. The role of SMEs is expected to evolve over time based on changing capital portfolio demands and policies and hence are subject to change. The current requirements for SMEs include:
 - (a) Construction/Leasing (Office of Acquisition, Logistics, and Construction (OALC)): Validate that action plans and projects contained within address building and safety standards, plans are executable and that budget year project costs are accurate.
 - (b) IT (Office of Information and Technology (OIT)): Validate that action plans address OIT requirements.
 - (c) Security (Human Resource Administration/Operations, Security, and Preparedness (HRA/OSP)): Validate that action plans address security requirements.
 - (d) Energy (OAEM): Validate that action plans address energy management goals and requirements.
 - (e) VA/Department of Defense (DoD) Coordination (Veterans Health Administration (VHA) Capital Asset Management Service (CAMS) and

VHA Chief Strategy Office (CSO)): Validate that action plans include sharing or collaboration opportunities.

- (f) VHA Women Veterans Health Matters: Review plans and projects to ensure that all Women Veterans privacy and dignity requirements are met.
- (g) Research (VHA): Validate that plans and projects included in the annual SCIP process are consistent with VHA policy and meets the needs for VHA research objectives.
- (h) Strategic Planning (VHA CSO): Validate establishment of new or expanding VHA facilities meet VHA policy.
- (i) Other VHA Technical, Suitability, and Compliance Reviews (VHA CAMS): Review VHA projects only. Review to ensure CAMS validation includes but are not limited to: 1) conformance to VHA policies; 2) project cost estimates; 3) appropriateness of project phasing and dependencies; and 4) appropriateness of project priorities.

c. Office of Management (OM), Executive Director, OAEM shall:

- (1) Develop, maintain, and update this directive as necessary.
- (2) Request that the Administrations and Staff Offices provide appropriate representation and participation throughout the SCIP process.
- (3) Develop and issue call memorandums for the Action Plan and Business Case applications.
- (4) Oversee SME requirements as appropriate.
- (5) Assist SCIP Board in the development of SCIP Decision Criteria and Priority Weights for approval by the Secretary, through the SCIP governance process.
- (6) Ensure that the annual budget submission is based on the consolidated capital project list and the Long-Range action plan.
- (7) Evaluate SCIP annually across Administrations and Staff Offices for process improvements, lessons learned, and data integrity.
- (8) Develop, schedule, and provide annual live SCIP training to the Administrations and Staff Offices via VA's current web-based meeting application (e.g., Microsoft TEAMS or future replacement application) for staff involved in capital planning processes.
- (9) Produce the Department's Long-Range action plan and associated Congressional Budget Submission.

- (10) Provide necessary support for administration of the CPRMP through the SCIP Panel and Board.
- d. **The SCIP Board** shall be comprised of eight SES-level representatives including one individual from the following organizations: OM, Office of Enterprise Integration (OEI), VHA, VBA, NCA, OIT, HRA/OSP, and OALC. The Board provides feedback and guidance on SCIP action plans and projects prior to final submission.
 - (1) Board members shall review and approve or disapprove SCIP Panel recommendations regarding any significant process changes, plan approvals, decision criteria changes, weights, and projects lists.
 - (2) The SCIP Board shall provide recommendations for approval of SCIP decision criteria, develop main criteria priority weights, and approve the final prioritized project listing for budget submission preparation.
 - (3) The SCIP Board shall ensure compliance to CPRMP through review and approval of CPRMP submissions and provide recommendations for projects requiring SECVA approval.
 - e. **The SCIP Panel** shall be comprised of eight representatives including one individual from the following organizations: OM, OEI, VHA, VBA, NCA, OIT, HRA/OSP and OALC.
 - (1) The SCIP Panel scores all business cases at established threshold levels published through the annually issued call memorandum.
 - (2) SCIP Panel shall provide recommendations to the SCIP Board for approval of any significant process changes, plan approvals, decision criteria changes, weights and projects lists.
 - (3) The SCIP Panel may be assisted by SMEs on issues related to DoD collaboration, energy, and research. Other SMEs 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 or recommendations, and utilize SMEs to provide additional analysis.
 - (4) The SCIP Panel shall ensure compliance to CPRMP through review of submissions and providing recommendations to the SCIP Board.

4. AUTHORITIES and REFERENCES.

- a. OMB Circular A-11. [OMB Circular A-11](#)
- b. OMB Capital Programming Guide. [OMB Capital Programming Guide](#)

- c. OMB Memorandum M-20-03, Implementation of Agency-wide Real Property Capital Planning. [OMB Memorandum M-20-03](#)
- d. VA Handbook 0011, Strategic Capital Investment Planning Process. [SCIPProcess](#)
- e. VA-Wide Capital Program Requirements Process (CPRMP) of February 19, 2014 (VIEWS #ARC-446883)