NON-RECURRING MAINTENANCE PROGRAM

1. REASON FOR ISSUE: This Veterans Health Administration (VHA) directive establishes authority and policy for the Non-Recurring Maintenance (NRM) Program.

2. SUMMARY OF MAJOR CHANGES: The directive includes updated and expanded program definitions in paragraph 3, VHA staff roles and responsibilities in paragraph 5, and appendices.


4. RESPONSIBLE OFFICE: The Director, Office of Capital Asset Management (OCAM) (10NA5) is responsible for the contents of this directive. Questions may be addressed to 734-395-0596.


6. RECERTIFICATION: This VHA directive is scheduled for recertification on or before the last working day of May 2025. This VHA directive will continue to serve as national VHA policy until it is recertified or rescinded.

BY DIRECTION OF THE OFFICE OF THE UNDER SECRETARY FOR HEALTH:

/s/ Renee Oshinski
Deputy Under Secretary for Health for Operations and Management

NOTE: All references herein to VA and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.

NON-RECURRING MAINTENANCE PROGRAM

1. PURPOSE

This Veterans Health Administration (VHA) directive establishes policy for the Non-Recurring Maintenance (NRM) Program. **AUTHORITY:** Title 38 United States Code (U.S.C.) 8103, 8105(a).

2. BACKGROUND

   a. The NRM Program focuses on projects that renovate, improve, alter, and modify land, buildings, other structures, nonstructural improvements of land, and fixed equipment (when the equipment is acquired under contract and becomes permanently attached to or part of the building or structure). The goal of the NRM program is to maintain and modernize existing campus facilities, buildings, and building systems; replace existing building system components; provide adequate future functional building system capacity without constructing any new building square footage for functional program space; and provide for environmental remediation, abatement, and building demolition.

   b. The NRM Program’s primary objective is addressing Department of Veterans Affairs (VA) medical facilities most pressing infrastructure deficiencies, including those identified by Facility Condition Assessments (FCA). FCAs are performed every 3 years at each VA medical facility and highlight a building’s most pressing and mission critical repair and maintenance needs. VHA specifically supports research and development infrastructure projects by ensuring the Office of Research and Development is involved in the identification of gaps to support the Strategic Capital Investment Planning (SCIP) process. This inclusion ensures a research focus for mitigation within a 10-year window of identified research infrastructure deficiencies.

   c. Projects that exceed the NRM definition are classified as Major Construction Projects as required by 38 U.S.C. 8104 or Minor Construction projects as required by VHA Handbook 1002.02, Minor Construction Program, dated November 8, 2012.

   d. Funding for the NRM Program is included within the Medical Facilities (MF) component of the VA Medical Care appropriation, along with congressionally-mandated special purpose funding.

   e. Individual NRM projects must be fully functional and beneficial to VA with no dependency to another project. This does not preclude phased projects; however, each phase must stand alone and not be dependent on any other phased project that has not been fully funded or completed for its full function or benefit.

3. DEFINITIONS

   a. **Beneficial Occupancy.** Beneficial Occupancy (used interchangeably with substantial completion) is an outcome that occurs when VA inspects construction areas or a portion thereof and accepts the area for VA use. This action is an official
contractual action by the VA Contracting Officer and must be documented appropriately in the contract file. An example of appropriate documentation is the VA Contracting Officer’s correspondence to the contractor communicating acceptance.

b. **Buildings, Structures, and Objects.** Buildings, Structures, and Objects (BSO) refers to existing space identified and documented in the Capital Asset Inventory Database. The database contains the definitions of BSO items to be tracked in the Capital Asset Inventory (CAI) and reviewed during the FCA survey.

(1) Buildings refer to any edifice that contains an office, exam rooms, corridors, and other spaces that employees, visitors, and staff use during the business day.

(2) Structures are items that are necessary for the proper operations of the buildings such as site utilities and the associated enclosures. The term structure is used to distinguish from buildings with functional constructions made usually for purposes other than creating human shelter.

(3) Objects are things such as a flagpole, entry signage, gazebos, or monuments and do not have any square footage associated with them. The term "object" is used to distinguish from buildings and structures with constructions that are primarily artistic in nature or are relatively small in scale and simply constructed. Although it may be, by nature or design, movable, an object is associated with a specific setting or environment.

c. **Capital Asset Database.** The Capital Asset Database is the information system used to collect Minor and NRM project applications, prior to project award, and track monthly status data via the Project Tracking Reports (PTR).

d. **Capital Asset Inventory.** The Capital Asset Inventory (CAI) is VA’s authoritative data source for real property. It is a national database used to capture and report on capital assets and agreements. Chief Engineers and Veterans Integrated Service Network (VISN) Capital Asset Managers (CAMs) are responsible for the accuracy of their respective stations, buildings, agreements, land, space, and disposal information in this database. CAI information is located at: [https://vaww.cai.va.gov](https://vaww.cai.va.gov). **NOTE:** This is an internal VA Web site that is not available to the public.

e. **Clinical Specific Initiative.** Clinical Specific Initiative (CSI) projects are emergent projects that cannot be planned due to complex health care environments. CSI projects are not included in the SCIP process. CSI projects support improved patient access and patient safety within the following VHA high profile categories:

(1) Women’s Health;

(2) Mental Health;

(3) High-Cost/High Tech Medical Equipment Site Prep/Installations;
(4) Reduce the Footprint Reduction (includes building demolition or conversion of under-utilized space to clinical functions); and

(5) Donated Building Site Preparation (e.g., Fisher House) when constructed on VHA land. **NOTE:** For CSI projects, only high-cost/high-tech medical equipment site preparation and installation projects may involve the construction of new program functional building space. CSI projects have an upper limit of $10 million.

f. **Facility Master Plan.** A Facility Master Plan (FMP) is a strategic capital plan for each VHA facility based on VISN and VA medical facility’s strategic plans and must be maintained/updated to address changes in workload and treatment initiatives.

g. **Facility Square Footage.** The facility square footage is the total area of the VHA facility as designated in the CAI. When providing building areas show the appropriate units as follows: Gross Square Feet (GSF) is for the total area of a VHA facility or building shown in CAI for owned space. It is used for energy calculations and cost estimating.

h. **Impact Cost.** Impact cost items include relocation cost of moving into temporary space, parking, or utilities required in order to complete the primary purpose of a construction project, excluding any direct medical or clinical support or the reimbursement or use of local or temporary staff related to patient care and temporary equipment relocation. Effective up-front planning and phasing is crucial to identifying impact items and estimating their costs.

i. **Minor Construction Project.** A minor construction project is an independent project on land owned by the Federal Government, which expands the existing VA medical facility square footage, when total cost is less than the threshold amount set by 38 U.S.C. 8104. In no instance can the total cost of a minor construction project be greater than the statutory threshold. Minor construction projects are funded with appropriated dollars through the annual VA Construction appropriation, and only minor construction projects approved and funded from this appropriation can be accomplished. Minor construction projects include funding for the acquisition of land (land cannot be acquired prior to project approval, notwithstanding dollar value), transactions for Enhanced-Use Leases, parking structures, and demolition of Federal Government-owned buildings for the purpose of replacement.

j. **Oversubscription Projects.** Oversubscription projects are included as part of the annual NRM/CSI Operating Plan, which result in the total of the operating plan project values exceeding the anticipated funding for a given fiscal year.

k. **Recurring Maintenance and Repair.** Recurring maintenance and repairs are maintenance service contracts and routine repair of VA medical facilities and upkeep of land. The term excludes alterations, additions, modifications or improvements of facilities and land.
I. **Scope Change.** Scope change is any alteration, omission, or addition to the original scope of work in the project description (including programs and services) and data in the approved business case or project application.

m. **Shell Space.** Shell space is space constructed to meet future VHA needs; it is a space enclosed by a building shell and conditioned (i.e., HVAC) as necessary to preserve the condition of the components, but otherwise unfinished.

n. **Strategic Capital Investment Plan.** A Strategic Capital Investment Plan (SCIP) is a strategic plan to support VA’s annual capital budget request to the Office of Management and Budget (OMB) and Congress.

o. **Total Project Cost.** The total project cost includes all associated requirements to complete the project’s scope. It must reflect the existing and predicted market condition and inflation to the midpoint of anticipated construction. Total project cost must include, at a minimum, the following:

   - (1) Design cost (including escalation).
   - (2) Construction costs (including escalation).
   - (3) Contingency costs.
   - (4) Impact costs.
   - (5) Site acquisition (if applicable).
   - (6) Construction management (e.g. United States Army Corps of Engineers, Architect/Engineering (A/E) firm or other contracted entity, if applicable).
   - (7) Hazardous material abatement (if necessary).
   - (8) Environmental impact mitigation (if necessary).
   - (9) Mitigation for impact on historic properties (if necessary).
   - (10) Utilities beyond a perimeter of 5 feet from the building’s footprint. **NOTE:** The building’s footprint is the area on a facility campus that is used by the building structure and is defined by the perimeter of the building plan. Parking lots, landscapes, and other nonbuilding facilities are not included in the building footprint.
   - (11) Site work.
   - (12) Parking (if part of the project scope).
   - (13) Physical security requirements.
   - (14) Energy conservation measures.
(15) Required infection prevention and control measures.

(16) IT cabling.

(17) Specialized equipment.

(18) Market conditions.

4. POLICY

It is VHA policy that the NRM Program is used to maintain safe and efficient operation of world-class VA medical facilities by maintaining and modernizing existing campus facilities, buildings, and building systems; replacing existing building system components; providing adequate future functional building system capacity without constructing any new building square footage for functional program space; and providing for environmental remediation and abatement, and building demolition.

5. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for ensuring overall VHA compliance with this directive.

b. **Assistant Under Secretary for Health for Operations.** The Assistant Under Secretary for Health for Operations is responsible for:

   (1) Communicating the contents of this directive to each of the VISNs.

   (2) Providing oversight of VISNs to assure compliance with this directive, relevant standards, and applicable regulations.

c. **Director of VHA Office of Capital Asset Management.** The Director of OCAM is responsible for the NRM Program. This includes:

   (1) Developing and providing program policy and guidance to the VISN Directors.

   (2) Ensuring program integrity through monthly, quarterly and annual reporting, reviews and formal audits.

   (3) Reviewing and approving strategic NRM VISN priorities submitted by VISN Directors.

   (4) Developing a methodology for and distributing NRM funds annually through the Veterans Equitable Resource Allocation (VERA) process.

   (5) Consolidating the NRM operating plan and providing quarterly plan updates to the Office of Capital Asset Management.

   (6) Managing projects on a national level by monitoring individual project progress.
(7) Responding to oversight group inquiries including from the Office of Inspector General, Government Accountability Office, and VA Office of Asset Enterprise Management.

(8) Ensuring projects are obligated within 2 years of obtaining SCIP approval (including any out of cycle projects).

(9) Reviewing projects not awarded within 2 years for cancellation.

(10) Reviewing urgent need projects approved out of cycle that have not been awarded in 12 months for cancellation.

(11) Ensuring VA medical facilities abide by NRM program definitions specified in the annual VA budget.

(12) Ensuring the NRM Program maintains or upgrades existing infrastructure.

(13) Correcting FCA deficiencies.

(14) Approving projects to demolish unneeded and underutilized buildings when replacement is not necessary. **NOTE:** These projects exceed the normal scope and funding limitations of recurring maintenance, but do not increase existing net usable square footage except for utility type GSF. Utility type space includes construction to support utility systems, boiler plants, chiller plants, water filtration and treatment plants, cogeneration plants, central energy plants, elevator towers, connecting corridors, and stairwells.

(15) Ensuring demolition using NRM funds is permitted only for a building that is determined to be beyond economical repair (stand-alone demolition) and a replacement is not necessary. All historical and other procedural requirements, as directed by VA Historic Preservation Office, must be followed.

(16) Ensuring a successful NRM project scope created by the VA medical facility Director and reviewed by the VISN Director is concise and includes:

(a) Affected programs and services;

(b) Amount of gross square feet renovated or demolished;

(c) New utility or High Cost/High Tech Medical Equipment site prep gross square feet constructed;

(d) Number of parking spaces;

(e) Any FCA or infrastructure deficiencies corrected; and

(f) Project location (including building number, floor, wing, or functional area).
(17) Requiring a successful NRM project be activated within 1000 calendar days of construction obligation. Any project that exceeds this timeframe must have justification and explanation submitted to the Director of OCAM for review and approval.

(18) Reviewing and approving any change in an NRM project scope that:

(a) Increases any quantifiable measure (e.g., square footage, parking) by 25 percent or more;

(b) Adds additional services; or

(c) Results in the total project cost increasing by 25 percent or more.

(19) Permitting NRM funds to provide new square footage only when constructing buildings or additions that are intended to house new High Cost/High Tech medical equipment (CSI), utility services, or are infrastructure buildings or additions.

(20) Ensuring NRM projects are fully functional, have their own set of construction documents, and beneficial to VA with no dependency to another project. Dependent projects include functions within one project that are reliant on another projected to be completed or A/E design elements from one project are included in another not yet constructed. This does not preclude phased projects however each phase must stand alone and not be dependent on any other phased project that has not been completed for its full function or benefit.

(21) Ensuring project cost estimates are comprehensive, well documented, accurate and credible, utilizing the best practices identified by VA. For any change in cost over $2 million (for projects with an original total project cost of less than $10 million or more) a justification must be submitted to the Director of OCAM for review and approval prior to obligation.

(22) Approving the OOC request, changing the SCIP initiative status to “Admin Approved” in the Budget Execution Module of the SCIP Automation Tool following the out of cycle process as outlined in Appendix A.

(23) Establishing a due date for the annual NRM operating plan and quarterly updates.

d. **Veterans Integrated Services Network Director.** The VISN Director, or designee, is responsible for:

(1) Managing the VISN NRM Program in a manner that prioritizes resources that address the most critical capital initiatives contributing to Veteran care, and achieves obligation of funds within program guidance, within planned fiscal years and results in funding and program integrity.
(2) Reviewing and approving strategic NRM VA medical facility priorities and developing strategic NRM VISN priorities. The VISN Director must submit these priorities yearly to the Director of OCAM for approval.

(3) Approving projects required for inclusion in the NRM operating plan.

(4) Ensuring projects are evaluated and documented appropriately in the SCIP Tool located at https://vaww.scip.aac.dva.va.gov/ and VHA Capital Assets databases located at https://secure.vssc.med.va.gov/capassets/. All NRM projects with total estimated/actual project costs greater than $1 million must be submitted into the SCIP Tool. NRM projects with total estimated/actual project costs greater than $25,000 must have a project application in the VHA Capital Asset database and an active Project Tracking Report (PTR), to be updated monthly. **NOTE:** These links are internal VA Web sites that are not available to the public.

(5) Managing projects on a VISN level by monitoring individual project progress including reviewing and approving increases in scope and cost within allowable thresholds. **NOTE:** Thresholds change regularly and are found in 38 U.S.C 8104 and the President’s Budget Submission – Volume 2 Medical Facilities.

(6) Ensuring NRMs comply with all applicable policy and guidance, including requirements to report on projects awarded before the enactment of the VA MISSION Act that exceed $10 million.

(7) Ensuring no additional square feet of additional new building space is added by NRM projects except for CSI related to new High Cost/High Tech medical equipment or utility type GSF.

(8) Determining which initiatives are recurring or non-recurring.

(9) Approving proposed NRM projects that improve property not owned by the Federal Government, such as in leased space, and provide individual project approval, in writing, to the VA medical facility Director. **NOTE:** NRM funds cannot be used for initial lease buildout.

(10) Ensuring all NRMs are fiscally accounted for properly in VA Financial Management System (FMS) in cost center 7542 or 8542 and any NRM over $25,000 are submitted in the VHA Capital Asset database. NRM projects with an estimated cost of less than $25,000 are not tracked individually in the Capital Asset database.

(11) Implementing, monitoring, and evaluating the NRM Program for program integrity, including:

(a) Distributing NRM funding allocation to VA medical facilities based on network priorities.

(b) Submitting to the Director of OCAM the annual NRM operating plan and quarterly updates by the due date.
(c) Ensuring compliance with approved operating plans by network VA medical facilities and justifying operating plan variances. Compliance is reviewed quarterly through the reconciliation calls between OCAM and VISN staff.

(12) Ensuring project scope is concise and includes:

(a) Affected services;
(b) Amount of gross square feet renovated or demolished;
(c) New utility or High Cost/High Tech medical equipment site prep GSF constructed;
(d) Number of parking spaces;
(e) Any FCA or infrastructure deficiencies corrected; and
(f) Project location (including building number, floor, wing or functional area).

(13) Ensuring the project is activated within 1000 calendar days of construction obligation and if this timeframe is exceeded, justification and explanation is submitted to the Director of OCAM for review and approval.

(14) Accurately maintaining VA capital-related information systems.

(15) Submitting project gaps and information into the Out-of-Cycle (OOC) form found in the SCIP Automation Tool in accordance with Appendix A.

e. **VA Medical Facility Director.** The VA medical facility Director, or designee, is responsible for:

(1) Managing all VA medical facility capital assets while considering immediate VA medical facility operational needs, local contracting environment and current or projected fiscal circumstances.

(2) Ensuring the NRM Program is not used to create new building GSF except for CSI related to new High Cost/High Tech medical equipment or utility type GSF.

(3) Ensuring projects are compliant with applicable VA and VHA design guidance and policy, including specific operational requirements for utility systems.

(4) Reviewing projects recommended by VA medical facility managers for inclusion in the submission that is forwarded to the VISN Director, along with identifying and adding other program compliant projects based on VA medical facility priorities.

(5) Conducting an annual risk assessment of infrastructure (utility and VA medical facility systems and components) in sufficient detail as to define predictable and preventable infrastructure problems that could result in untoward events (i.e. interruption of operations, injury or suicide). Assessment includes consolidation and analysis of
data from all VA medical facility condition reports, annual workplace evaluations, accrediting body recommendations, the Facility Condition Assessment, and other reviews. See https://vaww.cai.va.gov/default.aspx. **NOTE:** This is an internal VA Web site that is not available to the public.

(6) Ensuring NRM funds are not used to:

(a) Purchase real property;

(b) Supplement construction funds for projects in the Major or Minor Construction Programs;

(c) Remodel, alter, amend, construct, extend, improve, modify, or change a major or minor construction project within a year of the date of Beneficial Occupancy; or

(d) Improve property determined to be surplus to VHA use in anticipation of an enhanced use project.

(7) Ensuring NRM projects that propose to improve property not owned by the Federal Government, such as in leased space, have individual project approval, in writing, by the VISN Director.

(8) Ensuring NRM funds or VA medical facility-controlled funds allocated for NRM work (station-funded projects) are not obligated without appropriate SCIP approval, operating plan approval, and documentation of: funding appropriation (VA medical facilities), specific budget, scope of work, and proper authorization of the designated fund control official.

(9) Ensuring NRM project changes, including cost and scope that exceed the original approved project, receive VISN Director approval.

(10) Ensuring NRM expenditures are documented in the VA Financial Management system with clear, auditable records.

(11) Ensuring NRM projects are submitted for funding consideration using the VHA Capital Asset database.

(12) Ensuring all approved NRM projects with estimated costs greater than $25,000 are reviewed, and project status documented in the VHA Capital Asset database, monthly within OCAM-established timelines.

(13) Creating a project scope submitted into SCIP, and mirrored in the Capital Asset database project application, that is concise and includes:

(a) Affected services;

(b) Amount of gross square feet renovated or demolished;
(c) New utility or High Cost/High Tech medical equipment site prep GSF constructed;

(d) Number of parking spaces;

(e) Any FCA and or infrastructure deficiencies corrected; and

(f) Project location (including building number, floor, wing or functional area).

(14) Ensuring the project is activated within 1000 calendar days of construction obligation and if this timeframe is exceeded that justification and explanation is submitted to the VISN Director for review and approval.

(15) Ensuring project expenditures are appropriately capitalized within 90 calendar days of when an asset, or portion thereof, is placed into service.

(16) Ensuring annual training on this directive is accomplished, and documented, by all station facilities management and engineering staff, in order to fully understanding the requirement of the NRM Program (i.e. terms of fiscal, definitions, implementation, program requirements, reporting, and usage of funds).

6. TRAINING

All station facilities management and engineering staff must accomplish and document annual training requirements to meet the standards prescribed by VA. Virtual training provided by OCAM is conducted regularly and is strongly recommended for all station facilities management and engineering staff to ensure knowledge of the latest VA and VHA policy, changes, and requirements, including the requirements of the NRM Program (i.e. terms of fiscal, definitions, implementation, program requirements, reporting, and usage of funds). Training information can be located at: http://raft.vssc.med.va.gov/Pages/Office_OCAMES.aspx. NOTE: This is an internal VA Web site that is not available to the public.

7. RECORDS MANAGEMENT

All records regardless of format (e.g., paper, electronic, electronic systems) created in this directive shall be managed per the National Archives and Records Administration (NARA) approved records schedules found in VA Records Control Schedule 10-1. Questions regarding any aspect of records management should be addressed to the appropriate Records Manager or Records Liaison.

8. REFERENCES


g. VHA Handbook 1002.02, Minor Construction Program, dated November 8, 2012.


i. Capital Asset Management Guidebook; VHA Center for Engineering and Occupational Safety and Health (CEOSH); http://vaww.ceosh.med.va.gov/01HP/02HP_Guidebooks/03_Collections/04HP_CAM/CAM.pdf. **NOTE:** This is an internal VA Web site that is not available to the public.


APPENDIX A

SCIP OUT-OF-CYCLE PROJECT SUBMISSION AND CAPITAL ASSET APPLICATION PROCESS

1. STRATEGIC CAPITAL INVESTMENT PLANNING

a. All Non-Recurring Maintenance (NRM) projects that are above established thresholds are required to be submitted in a Strategic Capital Investment Planning (SCIP) Action Plan during the normal planning cycle identified in annual SCIP Action Plan Call. NRM projects not submitted during the cycle need to complete a following Out-of-Cycle (OOC) submission process:

   (1) Veterans Integrated Services Networks (VISN) Director or designee will submit project gaps and information into the Out-of-Cycle (OOC) form found in the SCIP Automation Tool.

   (2) Director of Veterans Health Affairs (VHA) Office of Capital Asset Management (OCAM) approves the OOC request, changing the SCIP initiative status to “Admin Approved” in the Budget Execution Module of the SCIP Automation Tool.

   (3) VHA includes the approved projects in their NRM Operating Plan or revised quarterly NRM Operating Plan to the Department of Veterans Affairs (VA) Office of Management.

   (4) VA Office of Management approves NRM Operating Plan or revised quarterly NRM Operating Plan.

   (5) Office of Asset Enterprise Management enters VA approval on the Budget Execution Module “Add Projects” list, using the new status of Operating Plan Approved.

b. All OOC NRM Projects must be identified by the VA medical facility and VISN as an “urgent need”. Urgent Need is defined as:

   (1) The project cannot wait for the next SCIP cycle due to a critical situation (e.g., potential life safety, protection of property issue, or a unique financial or market opportunity) that requires the project to be completed in the immediate fiscal year.

   (2) The VA Secretary has committed to, or directed that, the specific project be completed in the immediate fiscal year.

2. CAPITAL ASSETS APPLICATION PROCESS

a. NRM projects with estimated costs greater than $25,000 (regardless of the source of funding) and planned for a design or construction award during the fiscal year must have a completed project application entered in the Capital Assets database. Projects below this threshold do not require a separate application but should be included in the End-of-Year Operating Plan report as a lump-sum total. The VISN NRM Operating Plan
is developed from entries identified as “VISN Funding Approved” in the Capital Asset database.

b. Funded projects are managed by the VA medical facility Director or designee. Local staff must enter project information, including estimated costs and milestones, into the project application. Changes in estimated costs and milestones, along with project status updates, must be provided monthly in the Capital Asset database project execution module, currently referred to as the Project Tracking Report (PTR).

c. Once a project is complete, it must be closed in the PTR, financially completed with Fiscal, and all remaining funds must be returned to the VISN or VA medical facility account.