

Date **SEP - 2 2015**

From Deputy Secretary (001)

Subj VA Major Construction Policy – Roles and Responsibilities

To Under Secretaries, Assistant Secretaries, Other Key Officials

1. **Purpose.** The purpose of this policy is to enhance the ability of the Department of Veterans Affairs (VA) to deliver safe, functional facilities that meet Veterans' needs in a timely and cost effective manner. It is also to ensure enterprise-wide alignment for execution of the Major Construction Program, and to authorize the use of strategic partnerships, including the United States Army Corps of Engineers (USACE), to improve Major Construction Program performance.

2. **Policy.** This memorandum establishes Department policy and roles and responsibilities for the identification of facility needs, the development of project requirements, and the execution of the design and construction to meet those requirements and needs.

3. **Background.** VA commissioned USACE to evaluate certain aspects of VA's Major Construction Program. USACE evaluated the Las Vegas Medical Center, the New Orleans Replacement Medical Center, the Orlando Medical Center, and the Denver Replacement Medical Center. USACE identified a fundamental need for VA to undergo a "transformative change in organizational process" to effectively control cost and schedule growth in the Major Construction Program. VA's internal evaluations have also identified that organizational processes (i.e., how VA identifies needs, manages the requirements, develops an executable design, and controls the construction process) lacked sufficient discipline and clearly defined roles and responsibilities.

4. Roles and Responsibilities.

- a) Each VA Administration (Veterans Benefits Administration, Veterans Health Administration, and National Cemetery Administration) shall propose and submit, through the Strategic Capital Investment Plan (SCIP), Major Construction Program needs.

Each VA Administration is responsible for and authorized to:

- Develop a 10-year plan which closes all SCIP-identified gaps including capital solutions by proposed budget year of planned execution.
- Develop requirements for a capital project for the planned budget year, and ensure all preliminary studies and engineering analyses are completed to establish a viable set of requirements. The development of the budget submission package will lock in requirements.
- Participate in Major Construction Program project design reviews and review sessions.
- Provide prioritization and justification for User Request Changes, and assist in the evaluation of impacts to the program cost and schedule.
- Engage appropriately during construction as well as be an essential party during the commissioning and acceptance phases of Major Construction Program projects.

b) The **Office of Construction & Facilities Management (CFM)** is responsible for and authorized to:

- Assist Administrations in completing all planning, environmental, and engineering studies to develop requirements.
- Manage the design, scope, cost, schedule, and quality of the construction project.
- Submit a package to support the project budget request, prepared at the 35 percent design milestone and including applicable environmental and engineering studies and an appropriately validated project estimate. The conclusion of the budget submission package locks in requirements and establishes the budget for the capital project.
- Ensure the design meets the requirements within the established budget, including applicable VA design standards, guides, manuals, alerts, and specifications.
- Conduct design reviews that include the respective Administration(s) as well as architectural/engineering peer reviews and construction management constructability reviews.
- Execute the design and construction or enter into a partnership with an outside Federal entity such as USACE to manage the design and/or construction execution.
- Ensure requirements and scope are adhered to and the design can be constructed within the established budget and construction schedule.
- Direct the change process throughout design and construction. CFM is the decision authority for all user requested design or construction changes to the project. In the event of consequential or irreconcilable disagreements between parties, CFM in collaboration with the Administrations will elevate these to the Deputy Secretary for final decision.

5. In collaboration with the Administrations, CFM is responsible for the development of any further definition or process to support this policy, which remains in effect until rescinded.

6. Should you have any questions regarding this Policy Memorandum, please contact Stella S. Fiotes, Executive Director, CFM.



Sloan D. Gibson