

STRATEGIC CAPITAL INVESTMENT PLANNING PROCESS

1. **REASON FOR ISSUE:** This directive updates 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 in the execution of SCIP. The revisions contained are to bring the directive in line to match today's current processes. Major changes include:
 - a. Exception for business case justification requirements for the Office of Inspector General projects.
 - b. Inclusion of new Mid-Level Lease project type.
 - c. Updates to program thresholds.
3. **RESPONSIBLE OFFICE:** Office of Management (OM) (004), Office of Asset Enterprise Management (OAEM) (044).
4. **RELATED HANDBOOK:** VA Handbook 0011, Strategic Capital Investment Planning Process.
5. **RESCISSION:** VA Directive 0011, Strategic Capital Investment Planning Process, dated August 20, 2021.

CERTIFIED BY:

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

/s/
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Assistant Secretary for
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/s/
Edward J. Murray
Acting Assistant Secretary for
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STRATEGIC CAPITAL INVESTMENT PLANNING PROCESS

1. PURPOSE AND SCOPE.

- a. 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, VA SCIP Process](#)¹.
- b. The SCIP process is the basis for the Department's capital budget request with the strategic goal to improve the delivery of services and benefits to Veterans. The SCIP process includes all capital projects (See [VA Handbook 0011](#)², Paragraph 3, Section C, major construction, minor construction, non-recurring maintenance, and major, mid-level, and minor 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 performance gaps in its service delivery infrastructure. SCIP encourages investments that ensure delivery of services in a Veteran-centric, forward-looking, and results-driven manner.
- c. The objective of the SCIP process is to produce an annual, consolidated list of capital (infrastructure and lease) projects that significantly reduce or close performance gaps including access, workload and utilization, safety, space, energy, functional, and facility condition over a 10-year period. Through SCIP, VA will "right size" its facilities inventory and be better positioned to deliver the highest quality health care, benefits, and memorial services to the 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) will use this data to develop project-specific 10-year plans that meet or exceed gap closure targets.
- b. Administrations must complete and submit the business case justifications necessary for the prioritization of all first-funding year, above-threshold projects in specific capital programs to be considered for inclusion in the current budget submission (and in subsequent operating plans). Thresholds and capital program types are provided in the annual SCIP call memorandum(s).

¹ <https://vaww.va.gov/vapubs/index.cfm>

² <https://vaww.va.gov/vapubs/index.cfm>

- c. Policies and procedures set forth in this directive and accompanying handbook will be adhered to when submitting annual SCIP projects and business case justification requirements.
- d. Additional guidance and related assumptions will be issued annually in SCIP call memorandum(s) and requirements issued by the Office of Management and Budget (OMB).
- e. The SCIP process is a planning tool used in the budget formulation phase. There may be updates 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. Major construction and major lease project scopes and costs previously approved through SCIP must be reviewed through the Capital Program Requirements Management Process (CPRMP) to ensure they are not executed with changes in cost, space, or critical program scope above the thresholds established in CPRMP policy without prior approval from VA leadership. Capital planners and those executing VA's major programs are responsible for compliance with VA's most current change management policies, including the CPRMP.
- 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 prior to execution and may proceed immediately, followed by appropriate OOC approval for projects in the above-threshold category.
- i. The Office of Inspector General projects shall be submitted in SCIP to capture gap closure and cost information only and do not require completion of business case justification requirements in accordance with the Inspector General Empowerment Act of 2016 (P.L. 114-317).

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 VA Administrations and Staff Offices.

- (4) Seek VA Leadership approval of SCIP Board recommendations for decision criteria and weights used to prioritize and rank annual budget year, above-threshold SCIP project submissions.
- (5) Include prioritized SCIP lists for submission to OMB as part of the Department's fiscal year (FY) budget request.
- (6) Seek VA Leadership review and approval of SCIP Board recommendations for major construction and major lease projects submitted through the CPRMP process when changes require approval from the Secretary.

b. Under Secretaries, Assistant Secretaries, and Other 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 membership should include staff with expertise in planning, project management (architect, engineer, etc.), program management, security, information technology, financial, and other applicable technical expertise. The IPT helps formulate and complete the project submissions and review and certifies all information included prior to submission to the next level.
- (2) Ensure the required information is submitted in a timely fashion annually, to support the SCIP call memorandums described throughout VA Handbook 0011.
- (3) Ensure the established SCIP policy and guidance, and other capital investment planning and reporting requirements are adhered to 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 (SME) in support of the SCIP Panel and Board. SMEs shall assist the SCIP Panel and Board in validating that a Veterans Health Administration (VHA) Veterans Integrated Service Network, National Cemetery Administration (NCA) Memorial Service Network, Veterans Benefits Administration (VBA) Region, and Staff Offices' capital plan approach to closing gaps is both justifiable and executable. The role of the 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 and Leasing (Office of Acquisition, Logistics, and Construction (OALC)): Validate that projects 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 projects address OIT requirements.

- (c) Security (Human Resource Administration/Operations, Security, and Preparedness (HRA/OSP): Validate that projects address security requirements.
- (d) Energy (OAEM): Validate that projects address energy management goals and requirements.
- (e) VA/Department of Defense (DoD) Coordination (OAEM, VHA Capital Asset Management Service (CAMS), VHA VA/DoD Medical Sharing Office, and VHA Chief Strategy Office (CSO)): Validate that project submissions include sharing or collaboration opportunities.
- (f) Research (VHA): Validate that plans and projects included in annual SCIP process are consistent with VHA policy and meet needs for VHA research objectives.
- (g) Strategic Planning (VHA CSO): Validate that establishment of new or expanding VHA facilities meet VHA policy.
- (h) Other VHA Technical, Suitability, and Compliance Reviews (VHA CAMS): Review VHA projects only. Review to ensure CMAS 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 SCIP call memorandums for SCIP project submissions.
- (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 capital 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 (Microsoft TEAMS or future replacement application) for staff involved in capital planning processes.

- (9) Produce the Department's long-range capital plan and associated Congressional Budget Submission.
 - (10) Provide support necessary for administration of the CPRMP through the SCIP Panel and Board.
- d. **The SCIP Board** shall be comprised of eight Senior Executive Service 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 long-range 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 the CPRMP through review and approval of CPRMP submissions and provide recommendations for projects requiring approval from the Secretary.
- 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 projects above established threshold levels published through the annually issued call memorandum.
 - (2) The 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 also be assisted by SMEs on issues, including DoD collaboration and energy. Other SMEs may be added as the SCIP Board deems appropriate. Panel members review the project submissions 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 the CPRMP through review of submissions and providing recommendations to the SCIP Board.

4. AUTHORITIES AND REFERENCES.

- a. [OMB Circular A-11](#).³
- b. [OMB Capital Programming Guide](#).⁴
- c. [OMB Memorandum M-20-03](#) ⁵, Implementation of Agency-wide Real Property Capital Planning
- d. [VA Handbook 0011](#)⁶, Strategic Capital Investment Planning Process.
- e. VA-Wide Capital Program Requirements Management Process.
- f. [VA Directive 7816](#)⁷, Lease and Occupancy Agreement (OA) Management Procedures.

³ <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>

⁴ https://www.whitehouse.gov/wp-content/uploads/2021/01/capital_programming_guide.pdf

⁵ <https://www.whitehouse.gov/wp-content/uploads/2019/11/M-20-03.pdf>

⁶ <https://vaww.va.gov/vapubs/index.cfm>

⁷ <https://vaww.va.gov/vapubs/index.cfm>