

Date: June 4, 2021

From: Associate Executive Director, Office of Real Property (003C7)

Subj: Office of Construction and Facilities Management Real Property Policy Memorandum
2021-03 - CHIP-IN Policy (VIEWS 03775550)

To: All Administrations and Staff Offices

1. **Purpose.** The purpose of this policy is to enhance the ability of the Department of Veterans Affairs (VA) to assess, administer and deliver projects authorized by the *Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016* (CHIP-IN Act), to meet Veterans' needs in a timely and cost-effective manner. It is also to ensure enterprise-wide alignment for execution of the CHIP-IN program, and to authorize the use of donation partnerships, to improve project delivery in support of the CHIP-IN mission statement and objectives:

Mission Statement

Making meaningful contributions to Veteran care, services, and/or access by identifying donors and leveraging CHIP-IN Act authority to meet VA real property needs, while evaluating the program for effectiveness and ensuring fairness and transparency.

Objectives

- Establish a process to engage VA internal stakeholders, identify and define the internal process for prioritizing and managing projects under this facility, and facilitate projects under this authority.
- Engage potential donation partners to better understand how the private sector can contribute to meeting VA needs, under this authority or otherwise.
- Evaluate any benefits or challenges of utilizing the authority (ie, cost and time factors, community engagement, private-sector expertise, publicity).
- Determine whether this authority is a viable means of obtaining assets needed by VA.
- Draft recommendations for continuation of authority (including requested legislative changes), or in the alternative, rationale for not requesting extension of the authority.
- Incorporate lessons learned from CHIP-IN projects into VA policy, rules, and regulations where applicable.

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.** The CHIP IN Act, enacted in 2016, authorized a pilot program for five years and capped donations of real property and facility improvements to five projects. The Government Accountability Office (GAO)¹ reviewed this program for effectiveness. The final recommendations included the Steering Committee to define a mission statement and objectives, an evaluation tool for CHIP IN proposals, and clearly defined roles and responsibilities.
4. **Governance and Program Management.** The CHIP IN Act establishes an innovative pilot program to receive real property donations that advance Veterans' services. The pilot program is administered by a Steering Committee, supported by a Program Management Office (working group), and executed through Project Delivery Teams.
 - a. Steering Committee:
 - 1) The Steering Committee provides Governance as well as establishes the Mission, Program Objectives, Policy, Recommendations, and oversees Project Selection.
 - 2) Membership includes Executive Champions from stakeholder agencies.
 - 3) Stakeholder Agencies include but are not limited to:
 - a) VA Administrations (VHA, NCA, VBA)
 - b) Secretary's Center for Strategic Partnerships (SCSP)
 - c) Office of Asset Enterprise Management (OAEM)
 - d) Office of Construction and Facilities Management (OCFM)
 - e) Office of General Counsel (OGC)
 - b. Program Management Office (Working Group):
 - 1) The Project Management Office (PMO/Working Group) supports the Steering Committee, conducts Program Management activities, and reviews project execution for compliance and metrics.

¹/See GAO, VA Construction: Strengthened Pilot Design and a Dedicated Team Could Improve Real Property Donation Pilot Program, GAO-19-117 (Washington DC: Dec. 2018.)

- 2) Membership includes program managers from stakeholder agencies.
- 3) Stakeholder Agencies include those offices listed in 4.a.3), above.

c. Project Delivery Team:

- 1) Membership includes VA project managers and the Design and Construction executing Agent. For CHIP-IN, the donation partner acts as the executing Agent.
- 2) Project Delivery Team includes membership from VA and the donation partner.
 - a) OCFM acts as VA's Owner's Agent.
 - b) Design Agent is the donation partner.
 - c) Construction Agent is the donation partner.
 - d) Each administration is represented by their VACO capital program office as well as local VA Medical Center (VAMC) or local office project managers that coordinate project requirements and initial outfitting.

5. Process. See Attached Workflow diagram.

6. Roles and Responsibilities.

- a. Each VA Administration (Veterans Benefits Administration, Veterans Health Administration, and National Cemetery Administration) shall propose and submit capital requirements through the Strategic Capital Investment Planning (SCIP) process. Each VA Administration is responsible to:
 - 1) Develop a 10-year plan which closes all SCIP-identified gaps including capital solutions by proposed budget year of planned execution.
 - 2) 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 SCIP business case submission provides the final scope, which is used to compare to the donation partner's proposal. A required attachment for the SCIP business case is the Cost Effectiveness Analysis (CEA); this CEA will provide an investment analysis of capital alternatives, including new construction, leasing, renovation, acquiring land, DoD, and contracting out, depending on the project type.
 - 3) When the CHIP-IN initiative is submitted to VA for acceptance, the administration is responsible to execute a new CEA, incorporating the proposed donation, to ascertain VA's most advantageous capital option. (It is

- not intended that this updated CEA would go through the SCIP process again but rather serve to inform the Secretary of the VA (SecVA) whether it is one of the more advantageous capital solutions.)
- 4) Upon SecVA's approval as a CHIP-IN project, the respective administration's leadership participate in project requirements definition, design reviews and review sessions.
 - 5) Provide prioritization and justification for User Requested Changes and assist in the evaluation of impacts to the program cost and schedule.
 - 6) Engage appropriately during construction as well as be an essential party during the commissioning and acceptance phases of CHIP-IN Program projects.
- b. Secretary's Center for Strategic Partnerships facilitates, fosters, and builds VA relationships with external stakeholder organizations and entities.
- c. The Office of Asset and Enterprise Management (OAEM) provides oversight in the capital asset arena; ensures consistent and cohesive approach to capital asset management; advises on acquisition, management and disposal of VA capital assets; and administers SCIP.
- d. The Office of Construction & Facilities Management (CFM) is responsible for collaborating with the donation partner in the execution of design and construction. During this process, CFM will:
- 1) Assist administrations in completing all planning, environmental, and engineering studies to develop requirements.
 - 2) Maintain lessons learned as detailed in Section 7 from project approval through activation for all CHIP-IN projects on the shared drive for ease of access by other CFM staff. Ensuring lessons learned are applied to future projects as appropriate.
 - 3) Conduct all CHIP-IN proposal due diligence.
 - 4) For Major Construction projects, manage the design, scope, cost schedule, and quality of the construction project with the respective administration.
 - 5) Ensure the design meets the requirements within the established budget, including applicable VA design standards, guide, manuals, alerts and specifications. Collaborates with the respective administration when deviations are sought.

- 6) Conduct design reviews that include the respective administration leadership as well as architectural/engineering design reviews and construction management and constructability reviews.
 - 7) Enter into a partnership with the donor group / entity for project execution.
 - 8) Ensure requirements and scope are adhered to and the design can be constructed within the established budget and construction schedule.
 - 9) Establish and manage the CHIP IN change management process for user requested changes or other deviations from approved project scope, including required approval authorities for proposed cost and scope changes.
- e. Office of General Counsel Real Property Law Group (RPLG) will review documents for legal sufficiency, including applications, formal agreements, notices, and reports as they are received.
- f. Project Delivery Team executes the project. Roles and responsibilities of the Donor and Government participants are development through a Project Management Plan by Subject Matter Experts (SMEs). Typical roles and responsibilities might include:
- 1) VA Owner Representative who acts as the accountable single point of contact between the Entity and the Government.
 - 2) Project Manager, the entity member responsible for managing scope, schedule and cost
 - 3) Design Manager, the entity member responsible for managing the design contract
 - 4) Construction Manager, the entity member responsible for managing construction performance of the contract
 - 5) Acquisitions Manager, the entity member responsible for acquiring contracts and services
7. **Lessons Learned.** Lessons learned will be collected and documented to help identify improvement opportunities for future projects that might result in efficiencies in cost and time. Lessons learned will be through the life of the CHIP-IN project, from project submission through activations. The following are key practices to be implemented with each CHIP-IN project and should be conducted by all members of the Integrated Project Teams (IPT):

- a. Collect. Capture data and information through activities, such as interviews, discussions, forms, or direct observations for lessons learned occurring during the project's life.
 - b. Analyze. Analyze information collected to determine root causes and identify lessons that lead to pertinent recommendations.
 - c. Validate. Validate that the right lesson has been identified and determine the breadth of its applicability (e.g., site or project-specific, program-wide, or relative administration or staff office.)
 - d. Document. Document and save lessons in the project's file maintained by CFM's Project Manager. This will allow availability for use on existing and future projects.
 - e. Disseminate. Share lessons to pass on knowledge gained, such as through briefings, reports, e-mails, or training. CFM's Project Manager will disseminate approved lessons learned at least annually to relative stakeholders.
 - f. Apply. For existing and future projects, the IPTs will determine whether to commit resources to apply a lesson (i.e., prioritize) and carry out the lesson.
8. In collaboration with the Administrations and other stakeholder agencies, OCFM is responsible for the development of any further definition or process to support this policy, which remains in effect until rescinded.
9. Should you have any questions regarding this Policy Memorandum, please contact Brandi Stockstill, Director, Policy and Plans, Office of Real Property (ORP), (202) 329-6538.

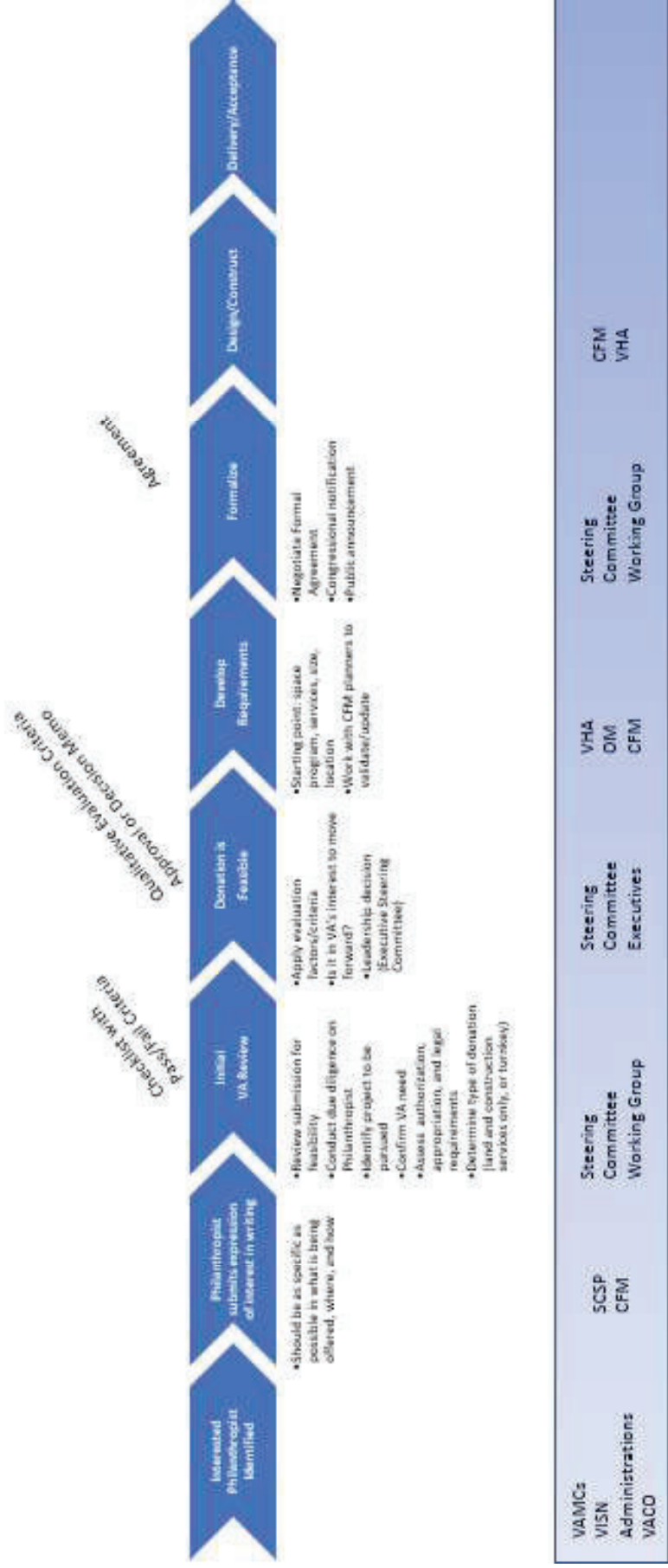
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Scott MacRae
Acting

Attachment

Workflow Attachment:

CHIP-IN Project Workflow



Responsible Organizations