

# NIH Policy Manual

## 26101-17 - Planning, Programming, Prioritizing, Budgeting and Delivering NIH-owned Facilities

**Issuing Office:** OD/OM/ORFDO **Phone:** [\(301\) 594-0999](tel:3015940999)

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### Transmittal Notice

1. **Explanation of Material Transmitted:** The National Institutes of Health (NIH) Building and Facilities (B&F) Program is the primary funding mechanism used to plan, program, prioritize, budget and deliver state-of-the-art facilities to conduct and respond to the complex, collaborative and the changing nature of biomedical and behavioral science to improve worldwide health.
2. **Filing Instructions:**
  - Remove: N/A
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3. **PLEASE NOTE:** For information on:
  - Content of this chapter, contact the issuing office listed above.
  - NIH Policy Manual, contact the Division of Management Support, OMA, on 301-496-4606 or <https://oma.od.nih.gov/DMS/Pages/Manual-Chapters.aspx>.

### A. Purpose

This policy outlines the procedures for prioritizing and delivering facility projects nominated to construct new NIH-owned buildings, and for alterations, repairs, or improvements to existing NIH-owned buildings, for consideration by Congress, either for annual Buildings and Facilities (B&F) appropriations, or for supplementary appropriations.

### B. Scope

This chapter applies to all NIH Institutes, Centers and Offices (ICOs) located on the following NIH campuses: Bethesda, Maryland; NIH Animal Center (NIHAC), Poolesville, Maryland; Frederick National Laboratory for Cancer Research, Frederick, Maryland; National Institute of Allergy and Infectious Diseases (NIAID) Rocky Mountain Laboratories (RML), Hamilton, Montana; and the National Institute of Environmental Health Sciences (NIEHS), Research Triangle Park (RTP), North Carolina. This policy is not applicable to the NIH Extramural Research Program (ERP) projects.

## C. Background

On December 20, 2019, the conference agreement for the [Fiscal Year 2020 Further Consolidated Appropriations Act \(P.L. 116-94\)](#) (“the Agreement”) provided appropriations for several federal departments and agencies which became law. It contained the following Explanatory Statement:

**BUILDINGS AND FACILITIES:** The bill includes \$225,000,000 from HHS' Nonrecurring Expenses Fund for buildings and facilities. The agreement directs NIH to provide a report with the fiscal year 2021 Congressional Justification describing the steps it has taken and will take to implement the recommendations in the 2019 NASEM report Managing the NIH Bethesda Campus' Capital Assets in a Highly Competitive Global Biomedical Research Environment. There is a particular interest in the actions NIH is taking to apply the recommendations to update the Buildings and Facilities prioritization model, develop an annual budget request for Backlog of Maintenance and Repair, and strengthen its internal governance process, including assigning and empowering a senior leader to manage capital planning.

In addition, the Agreement directed NIH to provide quarterly briefings of its B&F maintenance and construction plans, including specific milestones for advancing projects; status of the project; cost and priority. These updates will also highlight and explain any cost and schedule changes affecting projects.

In accordance with the Explanatory Statement, NIH provided quarterly briefings of its B&F plans to appropriation committee staff in April 2020 and August 2020. In both meetings, the Congressional staffers emphasized the criticality of NIH developing an integrated list of facilities projects to be scored in accordance with the prioritization model, as revised in accordance with the National Academies of Sciences, Engineering, and Medicine ([NASEM Consensus Report](#)). This integrated priority list includes projects NIH requests to be funded as part of the annual appropriations process, or as part of a request for supplementary appropriations.

Congress' intent is for NIH to maintain an agency-wide, integrated project priority list, with the NIH Facilities Working Group (FWG) playing a major role in overseeing the project prioritization process using the model revised in compliance with the NASEM recommendations.

If Institutes, Centers and Offices (ICOs) nominate facilities-related projects that are not scored by the NIH FWG, and outside the normal process, Congress may conclude NIH's facilities priorities are not well-coordinated, thus adversely impacting the NIH's credibility and reducing the likelihood of obtaining funding for the most critical facilities projects.

## **D. Policy**

All proposed projects involving the construction of new NIH-owned buildings or the alterations, repairs or improvements to existing NIH-owned buildings, will be submitted to the FWG via the Office of Research Facilities Development and Operations (ORFDO) for formal prioritization and scoring by the Research Facilities Advisory Committee (RFAC) for Mission Dependency and ORFDO for Facility Condition and Executability.

Each project submitted for funding will be evaluated using NIH's formal prioritization model to increase the likelihood of funding the most meritorious project(s).

Projects that ICOs intend to fund under the authority of the appropriations general provision allowing limited amounts of IC funding to be used for alterations, repairs, and improvements (known as "Special Authority" funding) do not require submission to the FWG for prioritization.

This policy is not applicable to NIH Extramural Research Program (ERP) projects.

## **E. Responsibilities**

**1. ICOs Directors, Executive Officers (EOs) and/or Administrative Officers (AOs)** are responsible for:

- a. meeting annually with ORFDO Division of Facilities Planning (DFP) as part of the capital planning process to identify major and minor B&F program requirements to support the HHS, NIH and ICOs Strategic Plans or other mandates; and
- b. EOs collaborating with the NIH RFAC to prioritize and score projects proposed for B&F funding utilizing the Mission Dependency Criteria contained in NIH's Project Prioritization Model.

**2. The NIH Space Recommendation Board (SRB)** is responsible for reviewing and approving ICOs major and minor space utilization requests.

**3. The NIH FWG** is responsible for:

- a. advising NIH Steering Committee (SC), NIH ICOs and the NIH IC Director on matters pertaining to the planning, acquisition, development and use of land and/or facilities for the pursuit of the NIH mission; and
- b. managing the overall project prioritization process in coordination with ORFDO and the NIH RFAC.

**4. The NIH SC** is responsible for:

- a. governance purview for all corporate functions, resources or policies other than setting corporate scientific direction and priorities; and
- b. verifying compliance of proposed capital projects with the NIH Strategic Plan.

**5. The NIH RFAC is responsible for:**

- a. reviewing proposed capital projects, and improvements; and
- b. prioritizing and scoring projects proposed for B&F funding utilizing the Mission Dependency criteria contained in NIH's Project Prioritizing Model to support development of the Annual B&F appropriation request and/or the Five (5) Year Capital Plans.

**6. The ORFDO is responsible for:**

- a. supporting the NIH mission by providing, maintaining and operating safe, healthy and attractive facilities;
- b. establishing the NIH Project Prioritization Model (see Appendix 1) to support development of projects to be included in the Annual B&F and/or Five (5) Year Capital Plans;
- c. utilizing the NIH Project Prioritization Model (See Appendix 1) to score projects based on the applicable Facility Condition and Executability Criteria to support prioritization of projects to be included in the Annual B&F and/or Five (5) Year Capital Plans;
- d. coordinating ICOs space requests for major and minor B&F requirements with the NIH SRB;
- e. verifying project compliance with NIH Master Plans;
- f. designating Project Officers (PO) and Contracting Officer Representatives (COR) to manage the planning, design, and construction requirements for projects;
- g. collecting, organizing, and documenting information to allow for understanding the scope and relative importance of the project to be rated;
- h. developing the required HHS Facility Project Approval Agreement (FPAA) documents for HHS review and approval;
- i. submitting FPAA documentation to HHS Office of the Secretary/Assistant Secretary of Administration/Program Support Center (OS/ASA/PSC) for review and approval consistent with Volume I, Section 2.3: Funding Sources for Facilities Projects of the HHS Facilities Program Manual (FPM);
- j. obtaining approvals from outside organizations, as required;
- k. conducting technical reviews of the design and construction contract documents consistent with ORFDO's Permitting Process; and
- l. managing delivery of projects consistent with the FPAA milestones approved by HHS.

**7. The HHS OS/ASA/PSC is responsible for approving or disapproving FPAA's for capital actions.**

## **F. Procedures**

**1. ICOs:**

- a. meets annually with ORFDO, OD and DFP to discuss programmatic requirements that warrant consideration for a major and minor capital acquisitions to comply with HHS, NIH or other mandates; and
  - b. submits an online [Space Request](#), signed by the ICO's Director or designee, to ORFDO DFP for review, evaluation and submission to the NIH SRB.
2. The NIH SRB reviews ICOs' space requests, renders a decision on their merits, and forwards recommendations to the ICO's Director, or designee, for concurrence.
3. The ICOs submits an online [Construction Request](#) to ORFDO for the Division of Design and Construction Management (DDCM) to assign a PO, and the Office of Acquisitions (OA) to assign a COR, based on the SRB's approval.
4. The ORFDO PO/COR develops the cost estimate for the project in collaboration with the ICOs and Subject Matter Experts (SME), as necessary.
5. Pre-project Project Planning Documents (PPPD) are:
  - a. developed by the ORFDO PO/COR consistent with the requirements of Volume I of the HHS FPM; and
  - b. in coordination with ORFDO's DFP, Division of Environmental Protection (DEP), Division of Facilities Stewardship (DFS), Division of Technical Resources (DTR), the Office of Research Services (ORS) Division of Physical Security Management (DPSM), the NIH Division of the Fire Marshal (DFM), and others as necessary.
6. Projects proposed for B&F funding are prioritized, scored, and ranked utilizing NIH's Project Prioritization Model, Appendix 1 as follows:
  - a. NIH RFAC and ICOs EOs for Mission Dependency (i.e. Mission Criticality, Mission Direct, Immediate Cost of failure and Mission Indirect, Ongoing Cost of Failure) with a maximum score of 450;
  - b. ORFDO for Facility Condition (i.e., Physical Facility Condition, Policy Facility Condition and Executability) with a maximum score of 350;
  - c. ORF for Executability (i.e., Shovel Ready and Enabled) for a maximum score of 200;
  - d. the maximum possible score for a project is 1000; and
  - e. the higher the prioritization score, the higher the ranking and likelihood that the project will be included in the Annual B&F appropriation request and/or the Five (5) Year Capital Plans.
7. Documents describing the project, cost, and project prioritization scoring results are submitted by ORFDO Office of the Director (OD) to the NIH FWG for review and endorsement to proceed with obtaining HHS' approval.
8. The NIH FWG reviews the documentation and supports, or denies support to continue, planning and programming actions to include a project in the Annual B&F appropriation request and/or the Five (5) Year Capital Plans.
9. NIH FWG's decision is forwarded by ORFDO OD to the NIH SC for review and concurrence.

10. The ORFDO OA designates the COR for the project.
11. The guidance approved by the NIH SC is used by ORFDO OD and the COR to prepare and submit a FPAA to HHS OS/ASA/PSC for review and approval.
12. The ORFDO OD submits the FPAA to HHS OS/ASA/PSC for review and approval.
13. The FPAA, approved by the OS/ASA/PSC, forms the basis for the COR to develop the scope of work to design and construct the project.
14. The ORFDO OA awards the design contract to support construction.
15. Design and construction contract documents are reviewed consistent with [ORFDO's Permit Review Process](#) (limited access).
16. The ORFDO OA awards the construction contract when funds become available to support delivery of the project, unless otherwise approved.
17. The ORFDO COR manages the project consistent with [ORFDO's Project Management Desk Guide](#) (limited access) and the approved FPAA execution guidelines.
18. The ORFDO Director in coordination with ORFDO's Chief Engineer, and the DDCM and OA Directors, monitor project compliance with the established performance criteria.

## G. References

1. [United States Government Accountability Office \(GAO\), Principles of Appropriation Law](#)
2. [OMB Capital Planning, Programming and Budgeting Guidelines](#)
3. [2019 NASEM Report Managing the NIH Bethesda Campus Capital Assets for Success in a Highly Competitive Global Biomedical Research Environment](#)
4. [Health and Human Services Facilities Program Manual \(FPM\)](#)
5. [Health and Human Services Program Manual, Volume I, Section 2-3 HHS Facility Project Approval Agreements \(FPAA\)](#)
6. [The Economy Act \(31 U.S.C. 1535\)](#)
7. [Federal Acquisition Regulations \(FAR\) subpart 17.5](#)
8. [NIH-Wide Strategic Plan](#)
9. [NIH Delegation of Authority, Real Property, Number 06 – Engineering and Facility Management Services](#)
10. [NIH Delegation of Authority, Real Property, Number 06A – Construction Management](#)
11. [NIH Design Requirements Manual](#)
12. [NIH Manual Chapter 1370 – Fire Protection and Life Safety Building Permit Process](#)
13. [NIH Manual Chapter 1743 – Managing Federal Records](#)
14. [NIH Campus Master Plans](#)
15. [ORFDO's Permit Review Process](#) (limited access)
16. [ORFDO's Project Management Desk Guide](#) (limited access)
17. [ORFDO's Space Requests](#)
18. [ORFDO Construction Request](#)

## **Appendix 1 – NIH Project Prioritization Model**

| RESPONSIBLE GROUP | CRITERIA           | MAXIMUM POINTS FOR CRITERIA | SUB-CRITERIA                                                                                                                                                                                                                    | MAXIMUM POINTS FOR SUB-CRITERIA |                                                            |
|-------------------|--------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------------------|
| RFAC + EO's       | Mission Dependency | 450                         | 1. <b>Mission Criticality</b><br>What is the criticality of the program function, e.g. clinical, laboratory, animal, office, utility, to the NIH Mission? What is the criticality of specific program to the NIH Mission?       | 250                             | Facilities that mission resour distribution fa             |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Facilities that e.g. research                              |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Facilities that facilities, e.g.                           |
|                   |                    |                             | 2. <b>Mission Direct, Immediate Cost of Failure</b><br>What is the direct, immediate cost of a failure if the facility should become unusable: lost ongoing research, lost equipment, lost life/health, lost public trust?      | 100                             | Loss of long-t discarded; los occupant, sta                |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Loss of short-discarded; los goods.                        |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | No or minima                                               |
| ORF               | Facility Condition | 350                         | 3. <b>Mission Indirect, Ongoing Cost of Failure</b><br>What is the indirect, ongoing cost of loss of use if the facility should become unusable? How difficult or costly is it to relocate the services or repair the facility? | 100                             | Not mitigatab not available, extended time significant coi |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Partially mitig provide partial in typical time            |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Fully mitigata locations; and                              |
|                   |                    |                             | 4. <b>Physical Facility Condition</b><br>What is the current physical condition of systems/equipment as installed in the facility?                                                                                              | 200                             | Very poor. Sy performance, high abnormal abnormal utili    |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Poor. System performance, unplanned sh efforts; and/or     |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Marginal. Sys performance, sporadic unpl maintenance       |
|                   |                    |                             | 5. <b>Policy Facility Condition</b><br>Does the design of the existing facility meet current codes, standards, regulatory requirements, and NIH Design Requirements Manual for proposed program?                                | 75                              | Acceptable. F performance, shutdowns, re typical utilities |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Good.                                                      |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Poor. The des mitigations, w not support re and/or has m   |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Marginal. The mitigations, o performance, efficiency defi  |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Acceptable. T and efficienc environmental safety risks.    |
|                   |                    |                             |                                                                                                                                                                                                                                 |                                 | Good. The de                                               |

## Appendix 2 – Definitions

### Definitions<sup>[1]</sup>

1. **Contracting Officer's Representative (COR):** A federal employee designated, in writing, by a contracting officer to act as the contracting officer's representative in monitoring and administering specified aspects of contractor performance *after* award of a contract or order. The COR has no authority to alter any term or condition in the contract or order.
2. **Enabled:** The state of enabling projects and tasks to proceed with construction execution.
3. **Enabling Project:** A project that makes a building site ready for construction.
4. **Executability:** Shovel ready and enabling projects.
5. **Facility Condition:** The physical facility condition, policy facility condition, and the program/function facility condition.
6. **Facility Project Approval Agreement (FPAA – HHS Form 300):** A written agreement between designated HHS Operating Division (OPDIV) officials (i.e., Project Manager, Project Director and OPDIV Board Member) and the Department, evidencing the OPDIV's commitment to execute a particular project. The FPAA documents the project's scope and description, basis of need, funding source(s) and total cost from all sources. The FPAA identifies project schedule milestones, including completion of design, construction, activation and operational phases.
7. **Mission Criticality:** The criticality of the specific program or function, e.g. clinical, laboratory, animal, office, utility, to the NIH Mission.
8. **Mission Dependency:** A function of mission criticality, mission direct, immediate cost of failure, and mission indirect, ongoing cost of failure.
9. **Mission Direct, Immediate Cost of Failure:** The direct, immediate cost of a failure if the facility should become unusable: lost ongoing research, lost equipment, lost life/health, lost public trust.
10. **Mission Indirect, Ongoing Cost of Failure:** The indirect, ongoing cost of loss of use if the facility should become unusable and the difficulty or cost impact to relocate the services or repair the facility.
11. **Physical Facility Condition:** The current physical condition of systems/equipment installed in the facility
12. **Policy Facility Condition:** The design of the existing facility meet current codes, standards, regulatory requirements, and NIH Design Requirements Manual for proposed program.
13. **Project Officer:** The individual designated by the ORFDO Division of Design and Construction Management to handle specific project planning and other designated functions. The Project Officer under certain contracts could be designated the Contracting Officer Representative based on the scope, complexity and nature of the contract action.
14. **Program/Function Facility Condition:** The design of the existing facility supports the proposed programmatic functions, operations and maintenance, sustainability requirements efficiently and effectively.

15. **Shovel Ready:** The state of enabling projects and tasks to proceed with construction execution.

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[1] Definitions are specific to NIH requirements.