MCON/MCNR
Consistency Review Board
Guidelines &
DD 1391 Development

cost development
primary facilities
supporting facilities
project description
requirements
supplemental data

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Naval Facilities Engineering Systems Command

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MCON/MCNR Consistency Review Board Guidelines & DD 1391 Development

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Introduction

This document provides consistency and policy guidelines to those involved in the preparation of DD 1391s for Department of Navy Military Construction (MILCON) projects. These guidelines cover: DD 1391 formatting using the *new U.S. Army Corps of Engineers (USACE) PAX project generator*; presentation of data; consistency rules; and required information. *All the files and data in the former Electronic Project Generator (EPG) have been transferred to PAX.* These guidelines have been developed in part by the annual MILCON Consistency Review Board (CRB) and should be used to develop and review project costs and other pertinent data within the DD 1391s *as well as to prepare effective and consistent DD 1391s themselves.*

Commander Navy Installations Command (CNIC) and NAVFAC transitioned to new Project Readiness Index (PRI) terms beginning with the FY 2025 program. For Navy projects, Shore Mission Integration Group Project Readiness Index **(SMIG PRI)** will combine and replace PRI#0 and PRI#1; Budget Project Readiness Index **(Budget PRI)** will replace PRI#2.

*USMC projects will continue to use the PRI#1 and PRI#2 indices. However, beginning with the FY 2027 program, MCICOM will begin using SMIG PRI and Budget PRI for a few projects with the expectation that it fully transitions beginning with the FY 2028 program. Throughout this document **PRI#1** and **PRI#2** will follow SMIG PRI and Budget PRI in parenthesis to assist with the transition.*

The new naming convention impacts DD 1391 labelling in PAX as will the NAVFAC reorganization and changes to the MILCON project development flow processes. As such, a completed SMIG PRI GREEN DD 1391 will be the equal of the REGION/VALID DD 1391 in PAX and will be labelled as such in PAX.

It should be noted that SMIG PRI and PRI#1 are similar but not exactly the same. PRI#1 is at a more advance project development stage than SMIG PRI. Also, there are some differences in the number and type of factors included in each. Budget PRI and PRI#2 are identical.

For simplicity, the following terms for various DD 1391 levels will be used throughout these guidelines:

- *SMIG PRI (PRI#1) Certified: Region Valid Final*

- Budget PRI (PRI#2): Region/FEC Team DD 1391, Program Final DD 1391, Certified Final DD 1391 and Budget Final DD 1391

These guidelines are intended, specifically, for the development of Budget PRI (PRI#2) DD 1391s (but can and should be used for development of SMIG PRI (PRI#1) DD 1391s, as appropriate). As such, Budget PRI (PRI#2) DD 1391s should be based on the outputs required when **Budget PRI Authority (BPA)** is issued. NAVFAC will continue to issue **Preliminary Design Authority (PDA)** for USMC projects and **Final Design Authority (FDA)** for both Navy and USMC projects. BPA & PDA outputs shall include: a 15-35 percent project level of design maturity; a Class 3 Parametric Cost Estimate: FEC Planning, Design and Construction (PDC) Directorate Cost Certification; and a Budget-Ready Budget PRI (PRI#2) DD 1391. Under no circumstances shall the use of DoD **Guidance Unit Costs (GUC)** be acceptable for any DD 1391 costs beyond the SMIG PRI (PRI#1) DD 1391 level.

Throughout these guidelines, **attachments** in PAX are required for MILCON projects. There is a naming convention for these attachments as delineated in FC1-300-09N and shown below along with few examples.

Figure 13-1 PDA File Naming Convention

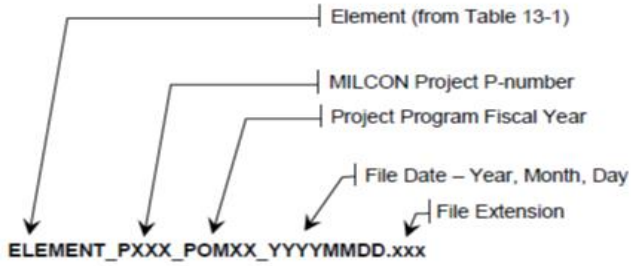

Table 13-1 Element Extensions and Examples

Element Description	Element	Example
Site Identification and Approval	SITE PLAN	SITE PLAN_P001_POM19_20150501
Economic Analysis	ECON ANALYSIS	ECON ANALYSIS_P001_POM19_20150501
Facility Planning Data	BFR	BFR_P001_POM19_20150501
	FPD	FPD_P001_POM19_20150501

Most of the references cited in these Guidelines can be found at the NAVFAC HQ MILCON Program Guidance site at the link below. Follow the directions to open the reference. Use this link when “See MILCON Program Guidance” is cited.

https://flankspeed.sharepoint-mil.us/sites/NAVFACHQMILCON/SitePages/Program-Guidance.aspx

Words in **bold** (except for section headings) are listed in the index. Sections in *italics* indicate new items or significant changes made since the last edition of these guidelines (*March 2023*).

These guidelines will be regularly updated. Inputs are welcome. Send comments and suggestions to John Thurber at john.thurber@navy.mil

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1 – Major Highlights in This Edition & General Guidelines

Major Highlights

(short summaries; see sections for details)

Introduction: *The new U.S. Army Corps of Engineers (USACE)* ***PAX*** *project generator has replaced the Electronic Project Generator (EPG) for preparation of DD 1391s. All the files and data in EPG have been transferred to PAX.*

Introduction: *Beginning with the FY 2027 program, MCICOM will begin using SMIG PRI and Budget PRI for a few projects with the expectation that it fully transitions beginning with the FY 2028 program.*

1.5.1 *The inclusion of an* ***economic price adjustment*** *(EPA) within a project's cost and on the DD 1391 is relatively new and is a legitimate MILCON cost.*

1.15.1 *OPNAV memorandum to CNIC (1 April 2024) states: "OPNAV N4I directs that all* ***costs directly attributable to a specific MILCON project*** *should be funded with MILCON dollars from that project.*

1.16 *Any substantive* ***scope changes*** *proposed during the BPA or PDA process leading up to Program Final DD 1391 must be submitted to CNIC or MCICOM.*

1.17 ***Project Labor Agreements*** *(PLA) are required per Executive Order for all federal construction projects costing $35M or more.*

1.18 *CNICNOTE 11000 (28 March 2024) states: "****Alternate construction methods*** *such as modular, offsite construction, code compliant fabric structures, or other more economical facilities like pre-fab steel buildings should be considered first.*

1.19 *The 2023 NDAA requires an* ***independent cost estimate (ICE)*** *for all MILCON projects costing more than $500M.*

3.3 *A* ***mega-project*** *is defined as MILCON or FSRM project that has . . .*

3.14.9 *Funding for Construction Security Surveillance, Cleared American Guards* ***(CAGs)*** *and Construction Security Technicians* ***(CSTs)*** *required for Controlled Areas should use appropriations available for O&M (such as O&M, RDT&E, or working capital fund resources). For MILCON projects, the project sponsor may choose to program project MILCON funds for these efforts.*

5.1 *It is not the intention of the Financial Management Regulations (FMR) to require the end product of the proposed* ***construction described in the Block 10*** *of the DD 1391 to match the exact descriptions in the As Enacted DD 1391.*

7.24 Aqueous Film-Forming Foam (AFFF) *fire-suppression systems will no longer be utilized*.

7.39.1 *Some projects may include* ***Battery Energy Storage Systems*** *(BESS) as we move more and more to the use "green energy." The classification guidelines are provided.*

7.45 *This section summarizes the DoD policy for facility* ***electrification****.*

8.5.1 *An emerging acquisition tool to be employed on a few projects is the use of* ***Award Fees*** *as a means of incentivizing contractors to meet or exceed certain goals established by the Navy*

New Standard Statements: *See Appendix D: Summary of All Standard Statements for Blocks 10 & 11; news statements are in italics.*

General Guidelines

1.1 Language was included in the FY 2013 National Defense Authorization Act which more clearly defines the scope of MILCON projects. The language added to 10 USC 2853 defines **scope of work** as the function, size or quantity of a facility, or item of complete and usable infrastructure, contained in the DD 1391. This is limited to the Primary Facilities and is not applicable to Supporting Facilities line-items or elements of a Primary Facility. As such, careful thought must be put into the scope quantity of each Primary Facility listed on the Block 9. After a project is enacted: 1) shifting of scope from one line item to another (even with a zero net gain) is no longer permitted; 2) the scope quantity listed for each distinct Primary Facility line-item may not be exceeded by more than 10 percent; any increase to any distinct Primary Facility line-item on the enacted DD 1391 requires a 10 USC 2853 **scope variation** notification to the MILCON and Readiness Sub-Committees of Congress; and 3) any reduction of the scope quantity of any distinct Primary Facility by more than 25 percent also requires a 10 USC 2853 scope variation notification.

1.1.1 It is strongly recommended that, if possible, the number of Primary Facilities listed on Block 9 be minimized. However, distinct, stand-alone, complete-and-usable Primary Facilities must be listed separately. For example, an aircraft hangar project may include a separate warehouse. In this case, the warehouse would be a separate Block 9 Primary Facility line-item. A small building housing the back-up generator for the hangar would not be a separate Primary Facility line-item as it, on its own, is not a complete and usable element of the project. Any kind of pavement in support of the Primary Facility would generally not be listed as a Primary Facility. For example, the access apron needed to connect an aircraft maintenance hangar to the rest of the airfield would not normally be a Primary Facility.

1.2 The MILCON **Checklist & Cost Evaluation Worksheet** is required for every project for which BPA or PDA has been issued and shall be included as an attachment in PAX at the time the Budget PRI (PRI#2) DD 1391 is submitted to NAVFAC HQ. The worksheet should be initially developed at the installation level by the lead planner and further developed by the project manager and cost engineer as the project's Budget PRI (PRI#2) DD 1391 is developed. The worksheet is a critical tool for developing the **DoD Construction Agent (DCA) Assessment.** Verify that the current version is being used and provided to the A/E. See MILCON Program Guidance.

1.2.1 The **Energy Resilience Conservation Investment Program (ERCIP)** Checklist Submission #2 has the same requirements as MILCON Budget PRI/ (PRI#2) unless otherwise noted. OSD requires a specific DD1391 template for ERCIP projects that differs from regular MILCON projects and includes information on energy resiliency and conservation and Measurement & Verification (M&V.)

1.3 A **Life Cycle Cost Analysis (LCCA)** is required for every project, for which BPA/PDA has been issued, to document the life cycle cost effectiveness of the investment of MILCON funds. Include LCCA as an attachment in PAX at the time the Budget PRI (PRI#2) DD 1391 is submitted to NAVFAC HQ. The BPA/PDA deliverable of less than 35 percent project level of design maturity may not be enough for full LCCA development. In these cases, it is acceptable to wait until 35 percent design to achieve an effective LCCA. For **ERCIP** projects, energy Return on Investment (eROI) serves as the required Life Cycle Cost Analysis.

1.4 All Budget PRI (PRI#2) DD 1391s shall be certified (highest quality level), validated (adequate quality level) or reviewed (lowest quality level) by a Tri-Service Certified **cost engineer** prior to submission of this deliverable to NAVFAC HQ. The cost engineer shall attest that the design development was sufficient to support the development of a **Class 3** (minium) **cost estimate** as defined by ACCE. Submission to OSD of a project at a **Class 4 or 5** level will put the project at substantial risk of being marked. The cost engineer shall also attest that sufficient documentation (including the MILCON Checklist & Cost Evaluation Worksheet) supporting the estimate is attached in PAX. This is to ensure that the cost has been properly reviewed and is well defined for budget submission to FMB, OSD-C or the Congress. The cost engineer is not responsible for certifying the project scope.

1.4.1 For projects added late to the budget request (i.e., did not follow the MTP3 project development schedule), all DD 1391s shall be at least reviewed by a cost engineer. This will then become the basis for NAVFAC's "best costs" prior to submission to FMB, OSD-C or the Congress.

1.5 Any Block 9 line-item that is a **cost premium** shall be indicated as such by having "(premium)" following the line- item name (e.g., SUPER FLAT FLOOR (premium))

1.5.1 *The inclusion of an* ***economic price adjustment*** *(EPA) within a project's cost and on the DD 1391 is relatively new and is a legitimate MILCON cost. In June 2022, DoD issued a memorandum to provide guidance on the use of EPAs in existing and prospective DoD contracts in response to contracting officers' (KOs) and contractors' concerns over inflation. Inflation is an issue that impacts all contractors, especially those performing fixed-price contracts. The Federal Acquisition Regulations and Defense Federal Acquistion Regulation Supplemental both include EPA clauses that KOs can include in fixed-price contracts and provide for upward and downward revisions of the stated contract prices upon the occurrence of specified contingencies. Inclusion of EPAs on DD 1391s shall be approved by NAVFAC HQ PDC with concurrence by the Resource Sponsors.*

1.5.2 *If it is concluded during project development that an EPA is required in the project cost estimate, it shall be shown on Block 9 of the DD 1391 as a line-item called "Economic Price Adjustment (premium)" and will follow the primary facility line-item(s).*

1.53 *An standard statement shall be added to the description of work section in the Block 10 as follows: "An economic price adjustment (premium) line-item has been included to address concerns with the impacts of inflation on the ultimate cost of completing this project."*

1.6 Incremented projects are becoming more common due to some projects' very high costs. These projects are only allowed to be included in the President's Budget submission to Congress by obtaining an OMB waiver. However, the Congressional MILCON and Readiness Sub-Committees favor incrementation of projects with costs greater the $90M and have recently incremented some of these high-cost projects after receiving the President's Budget submission. Recent policy states that projects that Congress increments shall have no more than three increments. Any DoD MILCON project with costs greater than $250M and for which OMB has granted a waiver and is included in the President's Budget may have more than three increments. For any follow-on increments of projects started in previous fiscal years (i.e., projects that are Increments 2, 3 or 4), the projects are locked into the authorized costs and scopes approved for the first increments. However, if there have been significant changes to the projects that resulted in cost increases or scope changes, provide updated DD 1391s and supporting packages detailing and justifying the cost and/or scope changes. Scope changes after submission of Increment 1 in any President's Budget should be limited to those required by mission/criteria changes and not simply customer-requested changes. If the changes are deemed significant enough, changes to the authorized amounts for the follow-on increments can be requested.
1.6.1 Congress requires **spending plans** (aka **work-in-place** or **WIP curves** or **outlay plans**) be included with all MILCON projects with costs $90M or greater in the DD 1391 budget book submissions. Spending plans shall be submitted by the FECs to NAVFAC HQ with each Budget PRI (PRI#2) DD 1391 submission to the Consistency Review Board. The spending plan will identify the projects monthly obligations from construction contract award to construction project completion. DB and DBB templates (see Appendix E) are available and using them for spending plan development is an alternative as long as they reflect the expected actual obligations plans. However, development of project-specific spending plans is highly encouraged, as OSD and Congress can make, and have made, funding decisions based on the provided outlay plans. *Take preparation of spending plans seriously as the congressional staff use them for incrementing the high cost projects and generally only provide appropriations to fund the projects' first increments through March of the budget year plus one (BY+1).*

1.7 For facilities housing **multiple functions,** do not break out individual spaces which are **"under one roof"** in the Primary Facilities section of Block 9. Use a **composite unit cost**.
1.7.1 For example, an aircraft hangar has three major areas, each with its own category code (OH hangar bay, 01 shops & 02 administrative spaces).

Do not list three line-items in Block 9, one for each category code. Use a single line-item titled “Aircraft Maintenance Hangar.”

1.7.2 For facilities that do not have DoD Guidance Unit Costs (GUC) but have multiple category codes “under one roof,” the unit cost used for the single line-item on Block 9 shall be a composite user-generated unit cost. Show the methodology for calculating the unit cost in the Block 9 analysis section.

1.7.3 There may be exceptions to the “under one roof” guidance above where the functions are so different that it does not make sense to use a composite unit cost. For example, the project may provide an air traffic control tower attached to a flight line fire and crash station. In this scenario, develop a cost for each scope element separately.

1.7.4 For facilities that have multiple category codes “under one roof,” use the largest (by “floor area”) functional area of the facility when assigning the project **category code**.

1.7.5 Every year CNIC and MCICOM ask the **Naval Audit Service (NAS)** to audit the scopes (e.g., floor area, size, capacity) of 15-20 MILCON projects planned for the Budget Year submission to FMB. The NAS is given the SMIG PRI (PRI#1) DD 1391 for each project to be reviewed which provides the baseline scope for the auditors. The focus of the project audit is to ensure that the Primary Facilities’ scopes are supported by the installation’s Basic Facilities Requirements, Facilities Planning Documents and other scope-defining documents and/or studies. As such, the “sub-scope” of each element to be housed “under one roof” shall be clearly defined and justified, by category code, on the SMIG PRI (PRI#1) DD 1391 under the **FACILIITIES PLANNING DATA** and NOTES sections of Block 11.

1.8 Per ASN (EI&E) directive, all MILCON projects shall fully address **facility-related control systems** (FRCS) **cybersecurity** requirements during planning, design and construction to include cybersecurity commissioning using criteria delineated in: 1) UFC 4-010-06 (Cybersecurity of Facility-Related Control Systems), 2) UFGS 25-05-11 (Cybersecurity of Facility-Related Control Systems), and 3) NIST 800-37 (Risk Management Framework for Information Systems and Organizations: A System Life Cycle Approach for Security and Privacy). DON FRCS cybersecurity commissioning for MILCON projects involves additional requirements including:

- Oversight of control system enclave connections
- Validation of front-end connection and functional testing
- Validation of contractor documentation and testing procedures
- Issuance of a Final Authority to Operate by DON
- Interoperability with DoD and DON cybersecurity enterprise architecture

The DD 1391 shall include line-items for **Cybersecurity Features** and **Cybersecurity Commissioning.** Cybersecurity Features shall include

hardware, software, documentation and testing provided by the construction contractor for cybersecurity of FRCS. Cybersecurity Commissioning shall include documentation and testing provided by the Government for cybersecurity of FRCS. See Sections 3.6 and 4.8 for more. Cybersecurity commissioning is different than other systems commissioning (e.g., HVAC) which are funded by pre-award design funds or post-award PCAS.

1.9 Cost and Schedule Risk Analysis (CSRA) is a tool for evaluating cost and schedule impacts and is required for all projects with costs over $20M starting with the FY 2024 MILCON program. It is also recommended that the CSRA, or, at a minimum, “risk register”, be initiated during the planning charrette along with all the key stakeholders for development of the SMIG PRI (PRI#1) DD 1391. At the issuance of BPA/PDA, the project manager (PM), in consultation with FEC Planning, Design and Construction (PDC) Cost Technical Discipline Coordinator, should ensure the CSRA is conducted along with the preliminary design charrette. The CSRA should also be made available to the design manager and the design team when **Final Design Authority (FDA)** for Navy and USMC projects is issued to manage the identified risks during the design process. As a best practice, the completed “risk register” and mitigation plan identified through the CSRA should be managed by the PM throughout the duration of the project.

1.10 To meet the Under Secretary of Defense (Acquistion & Sustainment) memo titled “New Military Construction Budget Estimate Requirements” (17 March 2020), all projects must submit a **DoD Construction Agent (DCA)** project **Assessment** and CSRA to determine the risk-neutral estimate. It states, "The military construction program depends upon adequate project budget estimates to enable timely delivery of full project scope that satisfies warfighter and installation requirements." Additional guidance may be found in the POM BPA/PDA guidance and the USD (A&S) memo. DCA Assessments must be no older than six months at the time of submission to the OSD-Comptroller.

1.10.1 It is highly desirable the the DCA Assessment indicates the the project is at a **Class 3 cost estimate** level as described in FC1-300-09N Appendix D “Design Estimate Classification and Value Engineering Study Requirements.” Class 3 is defined as having a maturity level of project definition deliverables of between 10 percent and 40 percent. However, as stated in Section 1.4, the level needs to be at least at 15-*35* percent *(with closer to or at 35 percent being desired)* to avoid risk of deferral during the budget reviews.

1.11 If the project includes a **Sensitive Compartmented Information Facility (SCIF)** or a **Special Access Program Facility (SAPF)** and is outside the U.S. or its territories and the project resource sponsor chooses to program project funds for these efforts, include the following statement as part of the SPECIAL COSTS statement in Block 10: “Special costs include site security, inspections, and surveillance of the controlled areas.” For additional guidance, see NAVFAC INSTRUCTION 4700.1 and 7045.1.

1.12 The terms “Anti-Terrorism/Force Protection” “AT/FP” and “AT/FP (Inside)” shall no longer be used. “**Antiterrorism**” (one word) or “**AT**” are the proper terms as defined by the Joint Staff’s DoD Dictionary.

1.13 The terms “Anti-Terrorism/Force Protection (Outside)” and “AT/FP (Outside)” shall no longer be used. “**Physical Security”** or “**PHYSEC**” are the proper terms as defined by the Joint Staff’s DoD Dictionary.

1.14 The use of **Various Locations (VARLOCS)**, instead of using a specific installation name (e.g., Naval Air Station Jacksonville) in the Block 3 of the DD 1391, can be applicable when there is an on-going programmatic NEPA Environmental Impact Statement for weapons systems (e.g., P-8A aircraft) or unit basing decisions and the Record of Decision has not been made for the specific site(s). There may be other situations whereby use of VARLOCS is acceptable. For example, a project planned for an overseas base most likely will require the host nation’s (HN) approval. Some HNs are sensitive (for political or other reasons) to having planning and funding documents working through the U.S. approval system with the location specifically identified prior to the HN final approval. In those cases, use of VARLOCS is preferable, though not necessarily classified in the strictest sense. In those cases, the Regions are expected to work with the applicable embassy offices to determine when use of the specific locations on the DD 1391s is acceptable.

1.15 DoD financial regulations allow the use of MILCON project funds to pay for installation overhead or support costs that would not have been incurred were it not for the project, if it is in the best interest of the MILCON project and program.

1.15.1 *OPNAV memorandum to CNIC (1 April 2024) states: “OPNAV N4I directs that all* ***costs directly attributable to a specific MILCON project*** *should be funded with MILCON dollars from that project. O&MN should be used as a last option. In either case, all costs should be captured in the DD 1391 for the project, either as a cost from other appropriations or or as a funded MILCON cost.” Examples include: 1) need to hire additional security personnel to man construction vehicle access gates; and 2) need to lease commercial space to provide swing spaces for personnel during construction of the MILCON project.*

1.15.2 *MCICOM will review the applicabily of the OPNAV policy outlined above on a case-by-case basis for USMC MILCON projects.*

1.16 *Any substantive* ***scope changes*** *proposed during the BPA or PDA process leading up to Program Final DD 1391 must be submitted to CNIC or MCICOM, via the NAVFAC HQ MILCON Program Manager, for consideration and approval prior to makings scope and design changes to the DD 1391. This includes any scope changes recommended by the* ***Naval Auidt Service****.*

Examples of “substantive scope changes” (increases, decreases, additions and eliminations) include:

1. *Elimination of one or more primary facilities (e.g., two engine test cells vice three test cells)*
2. *Addition of one or more primary facilities (e.g., adding a haz/mat building to a aircraft maintenance hangar project)*
3. *Increase or decrease of a primary facility floor area by 10 percent or greater (e.g., 10,000m2 vice 9,000m2)*
4. *Deletion of one or more structures from the demolition plan (e.g., retain old training building vice demolishing it)*
5. *Deletion of environmental mitigation features (e.g., delete the creation of wetlands)*
6. *Removal or reduction of surface or garage parking areas by more than 50 percent (e.g., reducing the three-story parking structure for parking for 550 POV to two-stories for 200 POV)*
7. *Changes to dredging project depth by plus or minus two feet (e.g., dredge to -40-feet vice -35-feet)*

1.17 Project Labor Agreements *(PLA) are required per Executive Order (8 February 2022) for all federal construction projects costing $35M or more in the U.S. (50 states and DC only) unless an exception applies; the goal is to provide structure and stability to large-scale construction projects and to avoid labor-related disruptions. The PLA is an agreement between the contractor and the unions, not with the government. Exceptions may be granted by ASN-RDA if:*

- *PLA would not be advantageous to the govenment*
- *Project is small, not complex or only involves one trade or craft*
- *Project requires specialized contractors which would limit the number competing*
- *Including PLA would substantially reduce the number of bidders so as to frustrate full & open competition*

Interim guidance for developing costs associated with PLAs identified three factors to consider at the project level. They are as follows:

- *Labor Rate Premium: Account for labor rate premium of union compared to open-shop workforce*
- *Subsistence Cost for Out-of-Town Labor: Account for out-of-area craft labor traveling to a job site*
- *Decreased Competition: Account for decreased amount of contractor interest due to the PLA requirement*

1.17.1 *Contractors are required to submit a copy of the PLAs with their bid proposals. Proposals without PLAs will not be considered. Cost impacts will vary based on project type, location and other factors.*

1.17.1 *Do not the show additional costs for PLA as separate line-items on the Block 9 or the BESS of the DD 1391. The cost impacts will be incorporated into the Cost Schedule Risk Analysis (CSRA). The cost increases will include the impact of union-only construction trades. The CSRA will also include the potential impact of the lack of competition.*

1.18 *CNICNOTE 11000 (28 March 2024) states: "**Alternate construction methods** such as modular, offsite construction, code compliant fabric structures, or other more economical facilities like pre-fab steel buildings should be considered first. Installation Commanding Officers must determine these methods cannot meet requirements and have that recommendation approved by the Regional Commander prior to proceeding with other options." This direction applies to all Navy MILCON projects but does not apply to USMC projects.*

1.19 *The 2023 NDAA requires an **independent cost estimate (ICE)** for all MILCON projects costing more than $500M. The DoD Office of Cost Assessment and Program Evaluation (CAPE) conducts or approves cost estimates and other cost analyses related to MILCON projects as well as the timelines and required documentation for the conduct or review of such analyses. Pursuant to 10 USC 3221, the Cost Assessment Office (CA) which is part of CAPE, conducts or approves ICEs and cost analyses in advance of any decision to enter into a MILCON project contract costing greater than $500 million. This figure relates to the total project value, regardless of the funding appropriation, and is not obviated by incremental funding which may not exceed the $500 million threshold in any given year. To support this requirement and ensure that this requirement does not delay the award of such contracts in the event of cost growth, CAPE will conduct an estimate of costs for MILCON projects likely to exceed a value of $400 million:*

(a) In advance of the release of the solicitation.

(b) At any other time considered appropriate by the DCAPE or upon the request of the USD(A&S) or the DoD construction agent (DCA).

CAPE may, at its discretion, delegate the authority for the conduct of the cost estimate to the DCA. CAPE will review delegated cost estimates. NAVFAC HQ MILCON requires that all MILCON projects $250M and above shall have an ICE. An ICE is developed in addition to the DOR's cost estimate. The ICE is prepared by a qualified, third-party cost estimator independent of the project stakeholders.

2 - Cost Estimating

2.1 DoD Unified Facilities Criteria (UFC) provides **cost development methodologies** that are widely used and accepted for developing costs for SMIG PRI (PRI#1) DD 1391s for MILCON projects. Follow UFC 3-701-01 (DoD Facilities Pricing Guide and DoD 3-730-01 (Programming Cost Estimates for Military Construction), when preparing MILCON project cost estimates for SMIG PRI (PRI#1) DD 1391s. There may be other cost development methodologies that are more appropriate or more accurate for certain projects. Always use the best available methodology. Cost estimates for Budget PRI (PRI#2) DD 1391s should always be based on BPA/PDA-efforts of at least 15-*35* percent project level of design maturity and Class 3 parametric cost estimates.

2.2 The DoD Unified Facilities Criteria (UFC 3-701-01) **Facilities Pricing Guide** (published annually around February) provides DoD **guidance unit costs (GUC)** and other information for Military Construction projects. DoD GUCs should only be used for SMIG PRI (PRI#1) DD 1391 costs. This UFC has been carefully and rigorously updated by the Tri-Service Working Group and reflects historical market, labor and material conditions and costs. It is specifically noted in UFC 3-701-01 that GUC does not include unusual market conditions (for example, material shortages and labor shortages due to recovery from acts of nature). Therefore, GUC is not a predictor of future market conditions. Note the format for the guidance costs on Table 2. These “As of Oct 20XX” unit costs must be escalated to mid-point of construction for execution in a future fiscal year (e.g., FY 2027). Common facilities types listed in the UFC Table 2 include: unaccompanied housing; administration facilities; fire stations; training buildings; storage facilities; and various types of personnel support and industrial facilities. Use this guidance for SMIG PRI (PRI#1) DD 1391s whenever no cost development tool or methodology that can produce a higher-quality estimate is available. Always use the best available cost development tool or methodology available. The below methods are listed in priority order (best method to least accurate method).

- Recent construction of same type of facility – Utilizes the final costs of recently completed similar facility at the same location.
- Quantity Take Off – Full engineering studies or design; work is divided into smallest possible work increments (e.g., number of bricks, length of water pipe, volume of backfill).
- Parametric – Based on assemblies or systems; grouping the work of several trades, disciplines and/or work items into a single unit for estimating purposes (e.g., foundations = excavation, forms, reinforcing, concrete, backfill); based on historical data.
- Square Meter/Foot Estimating – Need fairly good measures of planned floor areas (or volumes, lengths); use DoD Guidance Unit Cost or other estimating handbooks; unit costs are based on moderate to large data

sample of similar projects constructed in recent times; non-DoD GUC are acceptable.

- Project Comparison Estimating – Generalized historic comparisons of total costs of similar facilities (small data sample).

The American Association of Cost Engineers Cost Estimate Classification System table below is a helpful guide (refer to FC 1-300-09N).

		Primary Characteristic	*Secondary Characteristic*			
	ESTIMATE CLASS	MATURITY LEVEL OF PROJECT DEFINITION DELIVERABLES Expressed as % of complete definition	END USAGE Typical purpose of estimate	METHODOLOGY Typical estimating method	EXPECTED ACCURACY RANGE Typical variation in low and high ranges [a]	
Installation Level	Class 5	0% to 2%	Functional area, or concept screening	SF or m^2 factoring, parametric models, judgment, or analogy	L: -20% to -30% H: +30% to +50%	Unit Cost (GUC)
Final	Class 4	1% to 15%	or Schematic design or concept study	Parametric models, assembly driven models	L: -10% to -20% H: +20% to +30%	Parametric Or better
Budget or DB RFP	Class 3	10% to 40%	Design development, budget authorization, feasibility	Semi-detailed unit costs with assembly level line items	L: -5% to -15% H: +10% to +20%	Quantity Takeoff Or better
Control for DBB	Class 2	30% to 75%	Control or bid/tender, semi-detailed	Detailed unit cost with forced detailed take-off	L: -5% to -10% H: +5% to +15%	
Bid for DBB	Class 1	65% to 100%	Check estimate or pre bid/tender, change order	Detailed unit cost with detailed take-off	L: -3% to -5% H: +3% to +10%	

Note: [a] The state of construction complexity and availability of applicable reference cost data affect the range markedly. The +/- value represents typical percentage variation of actual cost from the cost estimate after application of contingency (typically at a 50% level of confidence) for given scope.

2.2.1 Never use the "Unit Costs for DoD Facility Cost Models" factors in Table 3 of the **Facilities Pricing Guide** for developing costs for MILCON projects. These do not apply to MILCON cost estimating.
2.2.2 Following the methodology provided by UFC 3-730-01, adjust DoD GUC by applying the appropriate size, area cost, unaccompanied housing and escalation factors where appropriate.
2.2.3 An **escalation calculator** link is provided as Appendix A.

2.3 When using **User Generated Unit Cost (UGUC)**, the **Area Cost Factor, Size Factor,** and **UH Room Size Factor** are set to 1.0 in PAX. This applies to all line-items in the cost estimate that are based on UGUC. The escalation factor shall be whatever value is necessary to bring the UGUC from the projected construction contract award date to the mid-point of construction.
2.3.1 A separate **seismic adjustment factor** shall no longer be applied when developing unit costs. Seismic costs are included in the applicable area cost factor.

2.4 It is important to use the correct **escalation methodology** and factors when escalating cost estimates from the projected construction contract award month and year to the mid-point of construction. During Budget PRI (PRI#2), escalation is handled directly in the Micro-computer-Aided Estimating System (MII) instead of PAX. This is in alignment with NAVFAC Cost Engineering policy and processes.

2.4.1 These CRB Guidelines have established a consistent methodology for developing **escalation factors** for MILCON projects during SMIG PRI (PRI#1). While PAX has an escalation calculator capability, the most reliable and consistent methodology is outlined below. The calculator at Appendix A provides assistance in determining the mid-point of construction and the proper escalation factor.

Below are several relatively simple steps that can be used to derive the escalation factor.

Step 1: Establish the baseline date (month and year) which is the date from which the GUC unit cost is based found on Table 2 of UFC 3-701-01

Step 2: Determine the mid-point of construction for the MILCON project. Follow the instructions on the NAVFAC Market Escalation Calculator (Appendix A).

2a) There shall be only one mid-point of construction for the project. Some projects have multiple Primary Facilities which may have different start and completion dates. For simplicity and consistency, the start date is the "construction contract award" date for the project and the "construction complete" date is the date when everything is completed (also known as the **Required Beneficial Occupancy Date** or RBOD).

2b) The mid-point of construction is the date half-way between the "construction contract award" date, as shown on Block 12A Line 4, and the "construction complete" date, as shown on Block 12A Line 6.

Step 3: Determine the escalation amount (percent increase from baseline date to mid-point of construction).

Step 4: Multiply the line-item cost estimates for the GUC baseline month and year by the escalation rate to get the line-items' cost estimates for the project at the mid-point of construction.

2.4.2 All line-items on the Block 9, including the Supporting Facilities line-items, that are not based on percentage or other arithmetic calculations (e.g., contingency, SIOH, sub-total), must be escalated from the base month and year to the mid-point of construction.

2.5 The **"Unit Cost Analysis"** section of Block 9 is required for all projects. It must describe clearly and in detail how the unit costs for the Primary Facilities were derived.

2.5.1 For SMIG PRI (PRI#1) DD 1391s only, if the Primary Facility cost development methodology is DoD Guidance Unit Cost (GUC), use the unit cost in Table 2 of the UFC 3-701-01 **Facilities Pricing Guide** along with the appropriate adjustment factors (e.g., size, UH, area cost, escalation).

2.5.2 When using GUC, explain how these costs were derived in narrative format and write out the equations used. It should be noted that, if input is made into PAX using standard GUC, the derivation of the adjusted GUC automatically shows up in the GUC Block with ACF and size adjustment factors shown and an "*" designating the GUC was used.

2.5.3 Provide the category code and unit cost analysis for each "stand alone Primary Facility. See Section 1.7 when dealing with multiple category codes "under one roof."

2.5.4 If the Primary Facility cost development methodology for SMIG PRI (PRI#1) DD 1391s is other than GUC (i.e., **User Generated Unit Cost** (UGUC)), provide an explanation of how the unit cost was derived, including specific sources, tools and adjustments (e.g., RSMeans, MII, Success and PACES).

2.5.5 UGUC should be used for SMIG PRI (PRI#1) DD 1391s when DoD GUC is not available, when a better cost methodology is not available, or when GUC is not completely applicable to the situation.

2.5.6 Cost estimates based on a previous project: When citing a previous project (or projects) as the basis for the Primary Facility unit cost ("historical cost data") for developing a new project cost, include the "historical" project's fiscal year, project number, project title, location, award date and completion date (if applicable).

2.5.7 Acceptable **unit cost analysis statements** are shown below:

- "For category code <Cat Code>, DoD GUC dated <Date> for FY<XX> was used and escalated to <Date>."

- "The ACF for this particular location does not include local factors. User Generated Unit Costs were used to incorporate these factors. For category code <Cat Code>, DoD Guidance Unit Cost dated <Date> for FY<XX> was used and escalated to <Date>. The equation used: (guidance cost) x (size factor) x (ACF) x (escalation factor) x (local factor) x (UH factor) = User Generated Unit Cost."

- "For category code <Cat Code>, a PACES estimate was used to create the unit cost. PACES version <xxx> dated <xxx> was used."

- "For category code <Cat Code>, bid results dated <date> from P-<xxx> at <location> approved in FY<XX> were used and escalated to <date>. P-<xxx> was awarded in <date> and completed in <date>."

- "An A/E cost estimate was developed by <name of firm> in <month, year>. The estimate was based on <provide details>."

– "The estimate was generated using TRACES MII Version <version number> <date> Cost Book software and used common assemblies, vendor quotes and Costbook cost items.

- "Contract costs have been converted to an effective pricing date of <date> (midpoint of construction). All escalation has been applied to the project costs within MII, therefore, no escalation will be applied in PAX.

- “The estimate for this project is considered a Class <number> estimate as defined by AACE 56R-08 Cost Estimate Classification System. This determination is based on the maturity of the design deliverables at this time and will continue to be developed.”

3 - Block 9 – Primary Facilities

3.1 Block 9 **line-item sequencing:** A consistent line-item sequencing methodology shall be used for Block 9.

Block 9 sequencing is shown below (line-items in capital letters may not be listed in the index):

PRIMARY FACILITIES:

1) **NEW CONSTRUCTION** items (include the **category code** for each line)
   a) Most important/principal item first (usually, but not necessarily, the most expensive)
   b) Less important items - sequenced based on cost
   c) Least important and lowest cost item last
2) **CONVERSION & ALTERATION i**tems (include the **category code** for each line). In general, this type of work would be funded using O&M appropriations but there are instance where it would be part of a MILCON project; use same a) through c) sequencing as above
3) **CYBERSECURITY FEATURES** - applicable to most projects
4) **INFORMATION SYSTEMS** - if applicable
5) **ANTITERRORISM** - if applicable
6) **BUILT-IN EQUIPMENT** - if applicable
7) **SPECIAL COSTS** – *will almost always have cybersecurity commissioning*
8) **OPERATIONS & MAINTENANCE SUPPORT INFORMATION (OMSI)**
9) **SUSTAINABILITY AND ENERGY REQUIREMENTS (Inside)** – if applicable
10) **LAND ACQUISITION** – if applicable

SUPPORTING FACILITIES:

1) **SPECIAL CONSTRUCTION FEATURES** - if applicable
2) **PAVEMENTS FACILITIES** - if applicable (e.g., pads or unusual pavements)
3) **SITE PREPARATION** - if applicable
4) **SPECIAL FOUNDATION FEATURES** - if applicable
5) **PAVING & SITE IMPROVEMENTS** - if applicable
6) **PHYSICAL SECURITY (PHYSEC)** - if applicable
7) **ELECTRICAL UTILITIES**
8) **MECHANICAL UTILITIES**
9) **ENVIRONMENTAL MITIGATION** - if applicable
10) **MUNITIONS AND EXPLOSIVES OF CONCERN (MEC)** – if applicable
11) **DEMOLITION** (buildings and structures only) - if applicable

Items Common to All Projects

3.2 Operation & Maintenance Support Information (OMSI) is also known as **technical operating manuals**. OMSI has been required for MILCON projects and in use for decades and traditionally has been a series of book-form manuals for the facility systems that will be provided by the project (e.g., elevators, HVAC systems, fire alarms, plumbing components). As things evolved into the digital age, electronic OMSI or **eOMSI** was developed. MILCON is the proper funding source for eOMSI and this shall be included in the project cost.

The two parts of the Unified Facilities Guide Specifications (USGS) for eOMSI are the eOMSI Manuals (Products & Drawings Information Manual and Facility Information Manual) and the eOMSI Facility Data Workbook. The two major parts of the USGS for OMSI are the O&M Database and Training. Both UFGS are directed to be used for every project since there are some cross references between the two. Since the eOMSI specifications call for the eOMSI Facility Data Workbook, the O&M Database requirement under the USGS OMSI is not required. This only leaves the training component of OMSI. However, since the eOMSI USGS has a requirement to, "Provide training on eOMSI Manuals and Facility Data Workbook in accordance with Section 01 78 23 OPERATION AND MAINTENANCE DATA", the training component is also covered under the eOMSI specification. Therefore, eOMSI includes most, if not all of the requirements of OMSI from the UFGS standpoint. In summary, there should only be one OMSI cost included for each project and it shall be the cost for eOMSI.

3.2.1 Traditionally, the OMSI cost is usually estimated as a percentage of the sum of other project cost line-items. The normal range is from 0.5 percent to 1.5 percent depending on the complexity of the facility. More precise cost estimating for this line-item is preferred, if available. Exceeding 1.5 percent is acceptable if the facility is very complex and shall require details in Block 10 as to why the cost will exceed the costs for more normal, less complex projects. This approach shall be used for calculating eOMSI costs. eOMSI costs are included in DoD Guidance Unit Costs. Therefore, eOMSI line-items will only be included when a User Generated Unit Cost, which does not include eOMSI, is used.

3.2.2 If an eOMSI line-item is required, the cost formula is: (PRIMARY FACILITY + BUILT-IN EQUIPMENT + CYBERSERSECURITY FEATURES + SUSTAINABILITY & ENERGY REQUIREMENTS + AT + PHYSEC + CERTAIN SUPPORTING FACILITIES) x eOMSI FACTOR (%) = eOMSI COST. PAX assists with this calculation.

3.2.3 Some elements of the Supporting Facilities may also require eOMSI. For example, transformers and generators listed in the BESS under Electrical Utilities will most likely need eOMSI. Calculate these costs within the formula above.

3.2.4 Continue to use the term **"OMSI"** for the line-item on Block 9

3.2.5 "Project Complexity" is a subjective term. Examples of "complex" projects which may require higher cost OMSI include: medical facilities, laboratories, industrial facilities, simulator training buildings, power plants, wastewater treatment facilities and aircraft hangars.

3.3 A graduated **contingency** amount should normally be used for each of the major milestones for DD 1391 development for all Navy and USMC projects. In certain cases, additional or less contingency may be used instead of the amounts below. In general, the contingency for SMIG PRI DD 1391s should always be 50 percent and 20 percent for PRI#1DD 1391s. The Navy projects should only exceed 50 percent for exceptional cases. For USMC projects, using more that 20 percent is appropriate if there is significant risk, complexity and/or unknowns associated with the project. For Budget PRI (PRI#2) DD 1391s, the contingency may exceed 10 percent if there is significant risk, complexity and/or unknowns associated with the project. Most Program Final DD 1391s and subsequent DD 1391s will always have five percent contingency displayed on the Block 9. The exception being for "mega projects" which will have ten percent. *A **mega-project** is defined as MILCON or FSRM project that has: 1) a FEC-certified cost estimate of $250M or greater; 2) a cost that includes a 10 percent contingency line-item on Block 9 of the DD 1391; 3) been broken down by DON into three or more increments (MILCON) or O&M funding phases (FSRM); and 4) will take three or more years to complete. All four of these factors must be met for a project to be defined as a "mega-project."*

In all cases shown below, except for the Program Final DD 1391s, a lower contingency may be used if the project cost is more fully developed than would normally be expected. When deviating from the nominal amounts below, provide an explanation for the need as the first statement in Block 10. The table below has different amounts for Navy and USMC DD 1391s. This reflects a difference in project cost management between the Navy and USMC. The normal amounts to be used are as follows:

- **SMIG PRI DD 1391 (Navy):** 50 percent
- **PRI#1 DD 1391 (USMC):** 20 percent
- **Budget PRI (Navy) or PRI#2 (USMC) Region/FEC DD 1391:** 10 percent
- **Program Final DD 1391** (and all subsequent budget DD 1391s): five percent for most projects; 10 percent for "mega projects"
- NOTE: In general, use five percent when a project has had prior year design efforts completed and is being "refreshed" in the current year

3.4 Supervision, Inspection & Overhead (SIOH) rates up through and including FY 2023 projects are: 5.7 percent for CONUS; 6.2 percent for OCONUS (includes HI); and 5.7 percent and 6.5 percent for CONUS and OCONUS, respectively, when the Army Corps of Engineers (COE) is the DoD

Construction Agent (DCA). Starting with the FY 2024 programs as directed by DASD (Con) (14 April 2022), the new rates to be used are as follows:
CONUS: 6.5% OCONUS: 7.3% Remote OCONUS: 9.0%

These new SIOH rates are for projects authorized within the FY 2024 or later NDAA and do not apply to projects authorized in prior years but awarded in FY 2024 or later.

Ongoing projects remain at the FY 2023 and prior rates. Remote OCONUS locations are expeditionary in nature and do not have normal Public Works Department or Resident Officer In Charge of Construction staffing; these locations require extensive NAVFAC employee travel and per diem costs to support the projects.

The DASD (Con)) memorandum established the new rates and provides additional definition of “remote location” as one that exhibits one or more of the following factors:

- Has no current U.S. diplomatic relations
- Has no established host nation implementing arrangements for construction, taxation, and country agreements
- DoD Construction Agent (DCA) is not able to obtain U.S. embassy sponsorship
- Has current civil unrest or extenuating security situations (e.g., requires additional force protection measures)
- Has limited accessibility
- Cost of construction is significantly lower than typical OCONUS locations
- Requires unaccompanied tours for DCA staff

Other important points from the memorandum include:

- USACE and NAVFAC are authorized to provide implementing guidance
- DASD (Con) will assess these rates a minimum of every three years; any requests for future adjustments, to include supporting analysis, must be provided by USACE and NAVFAC to both DASD (Con) and OUSD (Comptroller)
- Project Sponsors and DCAs may enter into an agreement to use a project specific SIOH rate based on the characteristics of the project
- The use of the remote or project specific SIOH rates will require a justification to be included in the budget submission to OSD

NAVFAC INSTRUCTION 7820.2 identified Remote Locations related to the new SIOH rates. Starting with the FY 2024 program, MILCON projects located at the following locations listed below shall use the Remote Location SIOH rate of nine percent. This list is non-exhaustive, and any location that meets any one of the above criteria may justify the remote location SIOH rate by completing the remote location justification template and submitting the justification as part of the MILCON. Contact the NAVFAC HQ MILCON Program Office for access to the template.

American Samoa; Australia (e.g. Darwin); Bahamas (e.g. Andros Island); Brunei; Commonwealth of the Northern Mariana Islands (e.g. Rota, Pagan, Saipan, Tinian); Cuba (e.g. Guantanamo Bay); Diego Garcia, British Indian Ocean Territory; Djibouti (e.g. Camp Lemonnier); Federated States of Micronesia (e.g. Yap, Chuuk, Ulithi); Iceland (e.g. Keflavik); Indonesia; Midway; Malaysia; Nauru; Papua New Guinea; Republic of Palau; Republic of the Philippines (e.g. Basa); Singapore; Thailand; Timor-Leste; Vietnam; United Arab Emirates; Wake Island

3.4.1 Check the NAVFACINST 7820.1L for the correct SIOH amounts for construction projects not funded by Military Construction appropriations.
3.4.2 Some military construction projects are funded using 10 USC 2353 authority to use **RDT&E appropriations** rather than MILCON appropriations. Certain specific criteria must be met to use 2353 authority. The appropriate SIOH rate for these projects is 8.0 percent.

3.5 Design cost for a **design-build** project is always four percent of the Primary Facilities and Supporting Facilities "Sub-Total". Do NOT include contingency and SIOH amounts when calculating this amount. If the acquisition method is design-bid-build, do not include this four percent line-item in Block 9.

3.6 Cybersecurity Features and **Cybersecurity Commissioning** cost are calculated using the tables on Appendix C.

Project Specific Items

3.7 The quantity for **conversion/alteration** DD 1391 line-items shall be only the amount of floor area of the facility affected by the conversion/alteration; for example, "Building 506 (renovation), m2, 5,000, unit cost, amount ."
3.7.1 If only a portion of a facility is being converted or altered, so indicate in the Block 10 statement; for example, "This project converts 5,000m2 the south end of Building 506, which has a total floor area of 10,000m2."

3.8 A **conversion/alteration** project, or portion of a larger project, that exceeds 30 percent of an existing building's **Replacement Cost (RC)** (derived from Plant Replacement Value) assigned to Seismic Design Category D, E, or F or exceeds 50 percent for buildings assigned to Seismic Design Cateory C requires a seismic safety evaluation and may require significant investment to achieve seismic standards. The **Antiterrorism (AT)** criteria apply when a building renovation, modernization, repair, revitalization and/or restoration cost exceeds 50 percent of the RC. This may require progressive collapse avoidance measures. Refer to UFC 4-010-01. Contact the NAVFAC Engineering and Criteria Program Office for assistance on AT alternatives and solutions. Conversion/alteration costs that exceed 70 percent of RC require strong economic life-cycle cost analysis on why conversion/alteration is preferred over new construction. For example, while it might be more economically advantageous to construct a new facility,

conversion/alteration of an existing facility may be required to satisfy **cultural resources** or historic designation requirements. DoD Instruction 4715.16 (Cultural Resources Management; enclosure 3; paragraph 5) describes the life-cycle cost analysis required when weighing conversion/alteration of a historic building against demolition of that building and new construction.

3.8.1 RC differs from **Plant Replacement Value (PRV)** in that RC includes facility and site-specific features such as sustainable design and construction features, special foundations (e.g., pile foundations), base appearance requirements and/or historic considerations, unique AT requirements, progressive collapse requirements or other special features whereas PVR does not include these items. The RC includes the demolition and disposal of the existing facility and hazardous material removal. The RC generally excludes site work and utilities outside the five-foot line except when current codes, UFC and other design criteria require utilities and site work outside the foot-foot line to be modified, replaced, modernized and/or upgraded as part of the MILCON project.

3.8.2 To estimate RC for SMIG PRI (PRI#1) DD 1391s, a good rule of thumb would be to add 20 percent of the Primary Facilities cost for the Supporting Facilities cost (unless there are some unusal aspects of the Supporting Facilities such as very long utilities runs) and then add the usual SMIG PRI (PRI#1) contingency of 50 percent (Navy) or 20 percent (USMC) and the applicable SIOH. Add four percent for design if the project is expected to be design-build.

3.8.2 Every member of the MTP3 team, beginning with the facility planner, should be aware of the conversion/alteration "**cost triggers"** and should compare project costs to RC at <u>each step</u> in the development of the project. As the cost of conversion/alteration increases, the preferred economic alternative may shift to new construction. The triggers are summarized below:

- >30% of RC: Seismic for Seismic Design Category D, E and F buildings
- >50% of RC: Seismic for Seismic Design Category C buildings.
- >50% of RC: AT
- <u>≥</u>50% of RC*: Sustainable Third Party Certification - Per UFC 1-200-02, comprehensive replacement in an existing building that is ≥10,000 GSF, with total cost >$3M and 50% or more RC*
- <u>≥</u>50% of RC: Repair versus Replacement: Per OPNAVINST 11010.20J, provide an explanation of why replacement of the facility is not in the best interest of the Government
- >$7.5M for RC: Conversion/alteration versus Replacement: Per National Defense Authorization Act, for O&M-funded conversion/alteration projects exceeding $7.5M, provide an explanation of why replacement of the facility is not in the best interest of the Government
- For justification of renovation of historic buildings/structures that will exceed 70%, see DoDI 4715.16

Note 1: The RC for some facilities are out of date and do not reflect the most current replacement costs; the RC should be updated as needed when determining cost triggers
Note 2: The RC for an existing facility only reflects the cost of replacing the "facility" with a new facility that is the same scope (e.g., a 10,000m2 existing building to be replaced with a 10,000m2 new building)

Note 3: If the MILCON project is a combination of new construction and conversion/alteration, only compare the prorated cost for the conversion/alteration portion to the RC of the that portion of the project

3.9 UFC 4-010-01 (DoD Minimum Antiterrorism Standards for Buildings) establishes the minimum engineering standards that incorporate antiterrorism based on mitigating measures not associated with an identified threat against DoD personnel and assests. The nominal amount for AT costs is one percent of Primary Facilities line-items. For projects with DoD Guidance Unit Costs (GUC), the one percent is included in the GUC. For project costs developed with User Generated Unit Costs, the one percent factor may or may not apply. Make certain that the one percent is not already included in the User Generated Unit Cost before inserting a stand-alone "one percent" line-item. Double counting should be avoided. **AT features** included in the one percent may include: mass notification systems, emergency shutoffs for ventilation systems, laminated glazing, and blast-resistant window and door frames. Do not list AT features as separate line-items.

Geographic Combatant Commanders may establish additional guidance and standards above the minimum requirement of UFC 4-010-01 within their areas of operations. Such guidance is typically included in Antiterrorism Operations Orders (OPORD). An additional **AT premium** cost line-item may need to be included under AT for building hardening or enhancements. Refer to UFC 4-010-01 and UFC 4-020-01 (DoD Security Engineering Facilities Planning Manual) and the appropriate GCC OPORD for applicable AT measures.

3.9.1 Aircraft hangars, warehouses and some other types of facilities have large areas of "low occupancy" spaces (e.g., OH hangar bay areas or storage floor areas) with some, usually much smaller, areas of "inhabited" spaces (e.g., 01 shops & 02 administrative spaces in a hangar or warehouse offices). Apply the appropriate AT factors accordingly (e.g., zero percent for warehouse floor and one percent for warehouse offices).

3.9.2 Many of the projects are design-build, so it is difficult in the early stages of project development to predict the final number of stories for any given facility. However, it is important to know whether the facility will be three stories or greater (multi-story) because, if that is the case, **progressive collapse** avoidance measures must then be incorporated for new construction. This determination should be made by no later than the completion of the SMIG PRI (PRI#1) DD 1391. If the facility is to be multi-story, change the AT percentage from one percent to 2.5 percent if using User Generated Unit Cost (UGUC), or from zero percent to 1.5 percent if using DoD GUC. Be sure to specify whether the facility is "multi-story" or "low-rise" in Block 10. NOTE: The number of stories is also an important determinant when calculating the size of the roof for the costing of **green roofs** requirements.

3.9.3 The DoD Facilities Pricing Guide (UFC-3-701-01) DoD Guidance Unit Costs are for Primary Facilities only and <u>do not</u> include **progressive collapse**

premiums, except for in-patient hospital/medical centers and primary care clinics.
3.9.4 High-bay maintenance hangars, shops and warehouses do not require the progressive collapse avoidance features, no matter the roof height.
3.9.5 For SMIG PRI (PRI#1) DD 1391s, the AT cost is determined as one percent for low-rise (one or two stories) or 2.5 percent for new construction of three stories or more when using UGUC. This percentage is based on Primary Facilities line-items. The formula is: (PRIMARY FACILITY + BUILT-IN EQUIPMENT + CYBERSECURITY FEATURES + SUSTAINABILITY & ENERGY REQUIREMENTS x AT factor (%) = AT cost. PAX assists with this calculation. Enter the appropriate percentage-based amount as a single line-item in Block 9.

3.10 The **SUSTAINABILITY & ENERGY REQUIREMENTS** category includes any costs associated addressing Federal and DoD Sustainability & Energy mandates included in the UFC 1-200-02 High Performance and Sustainable Building Requirements.
3.10.1 UFC 1-200-02 provides details for all the Sustainability & Energy Requirements needed to meet executive orders, regulations and laws, including: location and site development; energy performance; protection and conservation of water; indoor environmental quality; reduction of materials impacts on the environment; and integrated designs. These are also the main categories of certification metrics.
3.10.2 The SUSTAINABILITY & ENERGY REQUIREMENTS line-item will be used very rarely as the features needed to comply with with UFC 1-200-02 will be included in the unit cost of the facilities. This line-item would be used when some unusual feature, over and above those dictated by the UFC, are included in the project (e.g., fuel cells).
3.10.3 All projects must comply with the UFC 1-200-02, however, when certain requirements cannot be attained, provide justification for each non-complying item in accordance with the UFC.
3.10.4 Unified Facilities Criteria UFC-1-200-02 was developed to bring uniformity across the DoD Components and to provide the minimum unified requirements and coordinating guidance for planning, designing, constructing, renovating and maintaining high-performance and sustainable facilities.
3.10.5 10 CFR 433 “Energy Efficiency Standards for the Design and Construction of New Federal Commercial and Multi-Family High-Rise Residential Buildings” requires designs: 1) meet the requirements of ASHRAE 90.1-2019; and 2) if Life Cycle Cost effective, achieve energy consumption levels 30 percent below the ASHRAE Baseline Building 2019.

3.10.6 *Section 2810 of the 2023 NDAA requires that planning and design for MILCON projects inside the U.S. include consideration of the feasibility and cost effectiveness of installing integrated* ***solar roofing*** *as part of the project.*

3.11 Several years ago, the Assistant Secretary of the Navy (Environment, Installations and Energy) policy directed that all Navy (not Marine Corps) permanent party enlisted **Unaccompanied Housing (UH)** in the United States shall use market-style designs (i.e., two-bedroom apartments). Facility

Criteria FC 4-721-10N provides scoping and support facilities criteria. However, the trend in 2024 is toward the use of modular designs and construction of such things as CDC, barracks and other facilities.

3.12 A number of fitness center projects include **swimming pools** in the scope of work. List the pool and the floor area of its supporting facilities (e.g., locker rooms, pump room, equipment storage) separately as a single line-items in the Primary Facilities section of Block 9. Specify the pool type, according to its intended usage, in this line-item (e.g., training pool, recreational pool, multi-use pool).

3.12.1 If built-in equipment is required, such as a chair-lift or holding tank, list it in the BUILT-IN EQUIPMENT section of the BESS and provide descriptions in Block 10.

3.13 For projects that have **land acquisition** or interests in land, there are most likely costs associated with **surveys, titles and appraisals**. If this is the case, include a line-item in the BESS under SPECIAL COSTS.

Example:

SURVEY/TITLE/APPRAISAL	**LS**	**-**	**-**	**$ 430**

3.14 Special construction costs or features associated with **Controlled Areas** (i.e., **Secure Room**, **SCIF** or **SAPF)** within the facility may include items such as **TEMPEST**, site security, special procurement, shipping and storage of construction materials, enhanced construction for sound attenuation and premium labor costs. These should be listed as separate line-items in the BESS as SPECIAL CONSTRUCTION FEATURES or SPECIAL COSTS, whichever is appropriate, and explained in Block 10 as described in Section 5.4.

3.14.1 Do not identify a SCIF or SAPF in anywhere in the DD 1391. These facilities shall be referred to as “Controlled Areas.”

SCIF: Sensitive Compartmented Information Facility

SAPF: Special Access Program Facility

Secure Room: Constructed for Secret or Top Secret Open Storage

3.14.2 Do not identify the location of a SCIF or SAPF in Block 9 or 10 or anywhere else in the DD 1391. These areas shall be refered to as “Controlled Areas.”

3.14.3 The project’s Construction Security Plan documents the special procurement, shipping and storage of construction materials, security fencing, site security, personnel requirements (premium labor costs) for the project. An example of premium labor cost would be from the IC TECH SPEC for ICD 705 for SCIFs and SAPFs that requires project outside the U.S. and its territories to use U.S. companies and U.S. citizens for general construction of the controlled areas and secret or top secret cleared workers for the finish work.

3.14.4 For projects that include classified networks such as Secret Internet Protocol Router Network (SIPRNet), Joint Worldwide Intelligence Communications System (JWICS), or National Security Agency Intranet (NSANet), include funding for TEMPEST under the SPECIAL CONSTRUCTION

FEATURES line-item in the BESS. Mitigation includes RED/BLACK LAN, Radio Frequency (RF) shielding and filters for power, data and signal lines entering the controlled areas.

3.14.5 TEMPEST is a short name referring to investigation, study and control of compromising emanations from telecommunications and automated information systems equipment. The aim is to minimize the likelihood that these emaniations will be intercepted. In general, TEMPEST countermeasures apply when there is equipment that will be processing classified information (classified networks).

Note: The standard size for telecommunications room is 10 feet x 8 feet (3m x 2.4m). This may be inadequate for telecommunications rooms containing equipment racks for multiple networks such as SIPRNet, JWICS, NSANet, Non-classified Internet Protocol Router Network (NIPRNet) voice and other services. Depending on the number of workstations served, this could generate a larger space requirement when considering the RED/BLACK separation requirements.

3.14.6 In accordance with IC Tech Spec – for ICD/ICS 705, the project's Construction Security Plan will include the personnel required, their duties and clearance requirements. The Construction Security Plan is prepared by the supported command's designated Site Security Manager (SSM). Work with the supported command and its SSM to determine the amount of the Controlled Area required. Construction inspections and surveillance are required to ensure there are no abnormalities that could affect and compromise the security of the controlled areas.

3.14.7 In accordance with updated policy, DON Head of the Intelligence Community Element (Navy HICE) requires the installation of an approved RF shielding product on all SCIF perimeter surfaces (walls, floors, ceilings, windows and doors) as a mandatory requirement of DON SCIF new construction projects regardless of location. This requirement also applies to existing collateral facilities under construction for conversion to a SCIP. These facilities include, but are not limited to, collateral open/closed storage spaces, SAP-Fs and SCIFs previously accredited under the ICD 703 superceded Director of Central Intelligence Directive (DCID) 60 SCIF Construction Standards.

3.14.8 *Base on the provisions in 3.14.7 above, SCIF and SAP-F controlled areas must have TEMPEST RF shielding. Ensure that the project does not double-count this requirement in the cost estimate.*

3.14.9 *Funding for Construction Security Surveillance, Cleared American Guards (CAGs) and Construction Security Technicians (CSTs) required for Controlled Areas should use appropriations available for O&M (such as O&M, RDT&E, or working capital fund resources). For MILCON projects where the project sponsor chooses to program project MILCON funds for these efforts, the requirements must be clearly identified in Special Costs section of the Budget Estimate Summary Sheet in Block 12 of the DD 1391, which allows for confirmation of inclusion without compromising security. The line-item shall be titled, "**Cleared Guards & Technicians** (Sponsor Approved)".*

4 - Block 9 – Supporting Facilities

4.1 Supporting Facilities line-item costs (i.e., outside the five-foot line) should not be based on percentages of Primary Facilities costs or types formulas for Budget PRI (PRI#2) DD 1391s. Costs for these line-items should be a result of the BPA/PDA efforts (i.e., 15-35% project level of design maturity/Class 3 parametric cost estimate).

4.2 Avoid line-items with **costs less than $10,000**. Consolidate these line-items into other appropriate line-items. This applies to line-items in the BESS as well within Block 9, except for privatized utility connection line-items, which must always be separate.

4.3 Costs for determining the requirement for and extent of **environmental mitigation, natural resources mitigation** or **cultural resources mitigation** are not MILCON funded. However, some **mitigation solutions** may be included within the MILCON project (e.g., creation of wetlands or retention and renovation of historic features within a MILCON construction site). Identify and include **real estate acquisition** needed for mitigation purposes, if applicable. The unit of measure for real estate or areas needed for environmental mitigation shall be hectares (ha) or square meters (m2). Contractor's archeologist, biologist and/or wildlife monitors shall be listed with associated months of effort expended during the contract (example, "Archeologist, 9 months, $2,000/month, $18,000").

4.4 The term "parking structure(s)" may be too prescriptive in some cases. A more flexible approach is to use the term **"parking facilities."** This term can then be applied to parking structures as well as to surface parking. Include parking facilities in the PAVING AND SITE IMPROVEMENTS section of the BESS. If it is anticipated that the parking facilities will be a garage or structure, cost accordingly.

4.4.1 This section is specific to vehicle parking (e.g., cars, trucks, motorcycles). Parking areas for other items, such as aircraft, trailers, or boats, should be labeled accordingly (e.g., "Aircraft Parking Apron" or "Boat Storage Lot"). In general, parking areas for non-vehicles would be listed under Primary Facilities if it is of significant cost ($5 million or greater) or Supporting Facilities under PAVING AND SITE IMPROVEMENTS in Block 9 if not (if less than $5 million).

4.4.2 The primary unit of measure for parking facilities is meters square (m2). However, also provide the secondary unit of measure which is vehicle parking spaces (SP). If the cost for parking facilities is $5 million or greater, it must be shown as a Primary Facility line-item in Block 9. An exception to this guideline would be if a project has a parking area that will serve more than one MILCON project (e.g., P-100 has a $6M parking area that is designed to support vehicles that will be utilizing facilities provided by P-111 and P-112). Provide the number of parking spaces to be provided in Block 10, prefaced by the

word “approximately” (e.g. “Parking facilities for approximately 160 vehicles will be provided.”). Use round numbers.

4.5 Utilities (Outside) (utilities not physically within the five-foot building envelope) should be listed in the Block 9 and the BESS under ELECTRICAL UTILITIES or MECHANICAL UTILITIES. All utilities within the five-foot building envelope are captured in the Primary Facilities unit costs.

4.6 Physical Security (PHYSEC) features are defined as any PHYSEC items outside the five-foot building envelope. PHYSEC features may include: earth berms, passive and active vehicle barriers (including security fences with cable reinforcement), guard facilities, vehicle inspection lanes, overhead canopies and overwatch positions. Enter the PHYSEC line-items and costs under the PHYSEC section of the BESS. These costs must be specific line-items, as opposed to the allowed percentages used for AT features.

4.6.1 Funding for additional **security forces** related to a MILCON project shall be paid by the installation, region, or the normal bill payer for these functions and not included in the MILCON project cost.

4.6.2 Security lighting and **boundary fences** are not PHYSEC features. They should be listed under PAVING AND SITE IMPROVEMENTS.

4.6.3 A boundary fence defines an installation’s boundary and is intended primarily for: notice of “Do Not Trespass”, prevention of inadvertent or amateur breeching, and limited prevention of animal entry. It will likely be topped with barbed-wire outriggers, will have warning signs, and may have limited camera coverage.

4.6.4 A **security fence** provides much more asset protection than a boundary fence and will be used around such high-value areas such as a shipyard Controlled Industrial Area, an air station’s flightline, weapons storage areas, a ship berthing waterfront, restricted areas, isolated high-value facilities (e.g., radar tower), brig or a Command, Control, Communications, Computers, Cyber, Intelligency, Surveillance and Reconnaissance (C5ISR) facility. A security fence will likely have cable reinforcement, extensive surveillance and lighting coverage, sensors, upgraded fencing material and barbed-wire, and cybersecurity features. For the Block 12 Checklist under “Physical Security”, only check YES for “fencing” if the fencing is a security fence.

4.7 A **Gross Receipts Tax** or **Gross Excise Tax** is a tax on the total gross revenues of a company, regardless of their source. A gross receipts tax is similar to a sales tax, but it is levied on the seller of goods or services and is usually passed on to the end-user. A number of states and Guam apply this tax to construction contractors who, in turn, include this amount within the contract bid proposal (i.e., a cost directly related to the construction project). Therefore, it is legitimate and important to include this cost in the government estimate for a MILCON project. This cost shall be shown as a line-item in the BESS under SPECIAL COSTS.

4.7.1 The gross receipts tax is calculated by multiplying the state-dictated percentage by the Block 9 sub-total amount (does not include contingency and SIOH but does include design cost for design-build projects).

4.8 Special Costs are for those items that are inherent in executing the construction project but do not result in physical features for the end-product (e.g., temporary lay-down area for staging construction material; escorts for construction and inspector personnel). Special costs also include the cybersecurity commissioning cost. The cybersecurity commissioning cost is to cover the Navy's (DON) cybersecurity requirements as well as DON's in-house costs to review contractor submittals and to implement steps necessary for obtaining Authority to Operate.

4.9 Special Construction Features are those items that are built into or are part of the facility (e.g., radon gas removal system in the foundation). The SPECIAL CONSTRUCTION FEATURES line-item will be listed under the Supporting Facilities.

4.9.1 Use of **Georgian architectural features** at Marine Corps Base Quantico is an example of SPECIAL CONSTRUCTION FEATURES, where construction may be taking place in a designated historic district which requires a matching architectural style that adds to the project cost.

4.10 The **Naval Ordnance Safety & Security Activity (NOSSA)** has important review and approval roles with regard to siting, design and construction of certain types of MILCON projects. See Appendix I for more details.

4.10.1 In general, projects that include mitigation costs for **Munitions and Explosives of Concern (MEC)** mitigation, with a cost of under $5 million, shall include a line-item in BESS under ENVIRONMENTAL MITIGATION called MEC Mitigation. The exception to this is for MEC mitigation in Guam. (See 4.10.2)

4.10.2 The DoD Inspector's General March 2020 report concluded that DoD personnel did not properly plan and manage the **MEC** program at the Joint Region Marianas (JRM). In order to give this element of Guam (only) MILCON projects more visibility, a separate line-item on the Block 9 shall be added for this cost, if applicable; see above for the positioning of this line-item under Supporting Facilities (see Section 3.1). An **Explosives Safety Submission (ESS)** is the document created by Joint Region Marianas that dictates the guidelines and procedures on how to approach MEC during construction. The cost for preparing ESS is a subset of MEC and shall be included as part of the MEC cost line-item (either folded into the MEC line-item or broken out as a separate line-item in the BESS.

5 Block 10 – Description of Proposed Construction

5.1 The DoD Financial Management Regulation, Chapter 6, states for DD1391 Block 10:

"In a clear and concise manner, provide a complete outline of all principal features of the work and its correlation with the various data entered in Block 9."

"Begin with an accurate description of the primary facility. For buildings, indicate the materials planned to be used for the frame, walls, roof and foundation, and identify the major functions for which space is being provided."

It is not the intention of the Financial Management Regulations (FMR) to require the end product of the proposed construction described in the Block 10 of the DD 1391 to match the exact descriptions in the As Enacted DD 1391. If, during design or construction, it is decided that the something more suitable, less costly or needed to meet emerging new criteria is required, then a deviation from the description in Block 10 is permissible. The Block 10 is intended to comply with the FMR which requires levels of construction details to give the reviewers and approvers a general idea of what is to be provided by the project. However, Block 10 was never intended to be firmly and always prescriptive.

5.1.1 A set of Block 10 statements, either project specific (PS) or standard (St) statements, shall be used in conjunction with every Block 9 line-item for DD 1391 submissions up to and including Certified Final. For budget book submissions to FMB, OSD-C and the Congress, NAVFAC HQ shall include a Block 10 statement only for certain line-items with values of $1million or greater. The exceptions are required statements for demolition, special costs, sustainability & energy requirements, life cycle cost, cybersecurity, long-term adverse environmental effects, and antiterrorism.

5.1.2 Use only statements that apply to the project. For example, if there is no demolition in the project, there is no need for a demolition line-item in Block 9 or a demolition statement in Block 10.

5.1.3 In cases where there are multiple primary facilities with the same types of construction, describe the facilities first and then describe the construction types for all of them as one statement. For example: "Constructs an aircraft maintenance hangar, an engine shop, and a warehouse. Each of these facilities will have steel framing, concrete panel walls, built-up roofs and pile foundations."

5.1.4 For **controlled areas**, keep the description of features to a minimum. For example, "Special construction features of the controlled area will be prescribed by the Unified Facilties Criteria and/or other governing documents". Do not get to the level of detail like in the following: "Controlled areas will have electrostatic discharge floors, open ceilings, inoperable windows, shielding, class "A" vaults consisting of floor to ceiling poured in place concrete with inoperable windows." Refer to APPENDIX H for additional information on OPSEC and sensitive or critical information.

5.2 The Block 10 statements shall be arranged based on the same sequencing as Block 9 line-items (see Section 3.1).
5.2.1 Insert a space between each statement in Block 10.
5.2.2 There will be cases where Block 10 standard statements will not describe adequately the work to be done and need to be enhanced. In those cases, use a project-specific statement or include additional words with the standard statement. For example: "Special costs include PCAS and cybersecurity commissioning . . . Also, this item includes the costs for additional security in the controlled industrial area."

5.3 PRIMARY FACILITIES STATEMENTS:

PRIMARY FACILITIES (PS) & **FUNCTIONS PROVIDED** (PS): Provide separate statements if the project includes new construction and conversion/alteration (C/A) of existing facilities, one for new and one for C/A. For buildings, indicate the materials planned to be used for the frame, walls, roof and foundation. For other types of facilities, provide concise descriptions of the work to be done. Identify the major functions for which space is being provided. Pair the functions provided with the appropriate Primary Facility. This statement is required for every project. For example, "Provides low-rise armory to include weapons storage, maintenance, personnel support, classrooms and administrative spaces. Proposed construction is steel-framed, reinforced concrete masonry units with built-up roof and pile foundation." The word "proposed" is intentionally included to provide the Designer of Record with flexibility to utilize a more economical solution.

It is understood that for design-build projects, the exact types of construction and construction materials will not be known until a contractor's proposal has been selected. However, the FMR requires a certain level of detail, as indicated above. Therefore, provide the best description known at the time of DD 1391 preparation.

If the project is a "utilities infrastructure project" (e.g., smart grid), highlight that fact and describe the items included in the Primary Facility (e.g., "Upgrades the electrical and communications distribution system at the hospital complex to create a new micro-grid."). Note: **smart grid** equipment to be included within the facility would be classified as either built-in equipment or equipment from other appropriations when included on the DD 1391. Smart grid infrastructure (e.g., fiber optic cabling) shall be include within the cost of the primary facility.

OTHER FACILITIES (PS): Provide brief descriptions of work and functions supported for each additional Primary Facility provided.

CYBERSECURITY (St): One of the following statements is required for every project. "Facility-related control systems include cybersecurity features in accordance with current DoD criteria."; or, in the case where the project has

not cybersecurity features (e.g., pavements, dredging), “No cybersecurity features are required for this project.”

INFORMATION SYSTEMS (PS): For most projects, information systems will be included in the Primary Facility unit cost and no separate line-item is required. These systems include such things as: basic telephone, computer network, fiber optic, cable television, security and fire alarm systems and infrastructure. However, if there is something unusual about the information systems which would add a premium to the unit cost or would not be normally found in the facility, then a separate line-item and descriptive Block 10 statement is appropriate. An example of a premium would be facilities that require classified networks. The following statement is required for these projects, “The facility requires multiple networks with various classification levels.” There is no requirement to identify the type and classification of each network in Block 10.

ANTITERRORISM (AT) (St): The following statement is required for every project. This will be the only sentence in this statement that will be included on the budget or notification submission DD 1391s (e.g., FMB, OSD-C, Congress, Unfunded Priority Lists, Natural Disaster, reprogrammings, other notifications). “This project will provide Antiterrorism (AT) features and comply with applicable service and Geographic Combatant Commander policies and directive per Unified Facilities Criteria (UFC) for DoD Minimum Antiterrorism Standards for Buildings.”

The following additional statements are applicable, as appropriate, only for DD 1391s developed before BPA/PDA are issued.
- In cases where DoD GUC is used and no AT line-item is shown in Block 9, add the following to the standard statement above: “DoD Guidance Unit Costs were used for this project. As such, the costs for specific AT features are included in the unit costs.”
- In cases where User Generated Unit Cost (UGUC) is used and the AT cost is included in the UGUC, add the following to the standard statement above: “User Generated Unit Costs were used for this project and include the cost of features to meet the minimum DoD AT standards.”
- In cases where a “percentage” line-item is included in Block 9 Primary Facilities, add the following to the standard statement above: “The “AT line-item includes standard antiterrorism measures such as mass notification systems, emergency shutoffs for ventilation systems, and laminated glazing”.

BUILT-IN EQUIPMENT (PS): Provide a description. For example, “Built-in equipment includes weapons storage cages, server racks, and floor-mounted cleaning tables.” When **cranes** are part of the built-in equipment, include the crane capacity in parenthesis (e.g., “Built-in equipment includes a bridge crane (15-ton *(NOTE: include a hyphen; no “s” on “ton”))*) and . . .”).

SPECIAL COSTS (St & PS): Project specifics should be added, as appropriate, to the following standard statement, “Special costs include Post Construction

Contract Award Services (PCAS) and cybersecurity commissioning. The cybersecurity commissioning cost is to cover the Department of Navy's (DON) cybersecurity requirements as well as DON's in-house costs to review contractor submittals and to implement steps necessary for obtaining Authority to Operate."

The cost for the construction monitoring for projects outside the U.S., its territories or possessions must be accounted for in the BESS under SPECIAL COSTS when required by the project Construction Security Plan.

For projects that include controlled areas, include the statement, "Project includes site security, access control and inspections and surveillance of the controlled areas."

OMSI (PS): **"**Operations and Maintenance Support Information (OMSI) is included in this project." This statement is required only if DoD GUC was not used or if the unit cost does not include OMSI costs. Do not use the term "**eOMSI**" anywhere in Block 10 (or Block 9).

SUSTAINABILITY AND ENERGY REQUIREMENTS (St): The standard statement is: "Department of Defense and Department of the Navy principles for high performance and sustainable building requirements will be included in the design and construction of the project in accordance with federal laws and Executive Orders. Low Impact Development will be included in the design and construction of this project as appropriate." This statement is required for every project.

FACILITY ELECTRIFICATION *(St): The standard statement required for all projects is: "In accordance with USD A&S Memorandum (18 August 2023), Electrification of Standard Building Operations, this project maximizes the use of all-electric technologies to leverage the Department's growing investment in microgrid technology to support mission assurance."*

PRIVATIZED ELECTRICAL UTILITIES (PS): Provide a description. For example, "The project will connect to the privatized electrical utility system owned by [Name of System Owner] (SO). The project will require the SO to install an upgraded substation distribution feeder at the [identity of substation] electrical substation owned by the SO." All privatized utility connections require a Block 10 statement regardless of cost.

PRIVATIZED MECHANICAL UTILITIES (PS): Provide a description. For example, "This project will connect to the privatized water system owned by [Name of System Owner] (SO). The project will require a single service connection with cut off valves at the potable water distribution main." All privatized utility connections require a Block 10 statement regardless of cost.

5.4 SUPPORTING FACILITIES STATEMENTS:

SPECIAL CONSTRUCTION FEATURES (PS): Provide a description. For projects that include **controlled areas** and/or require **TEMPEST** security measures, do not get specific about the features. For **Secure Room, SCIF or SAPF** projects (i.e., projects with **controlled areas**) include the following statement modified for the specifics of project, do not get into too much detail. "Project includes a controlled area and includes the cost for site security, special procurement, shipping, and storage of construction materials, enhanced construction for sound attenuation, and premium labor costs. Other Special Construction Features include . . . "

For projects that include **TEMPEST,** provide the following statement. "Project includes mitigation for compromising emanations from telecommunications and automated information systems equipment."

PAVEMENT FACILITIES (PS): Describe unique pavement facilities. For example, "Pavement facilities include pads for back-up generators." An aircraft **wash rack** would fall into this category. Normal paving items (e.g., roads, parking lots and sidewalks) should be included in the PAVING AND SITE IMPROVEMENTS line-item and statement. If the cost is less than $1 million, a Block 10 statement is not required for a Budget Final DD 1391 only.

SITE PREPARATION (PS): Provide a description. For example, "Site preparation includes site clearing, excavation and preparation for construction." If the cost is less than $1 million, a Block 10 statement is not required for a Budget Final DD 1391 only.

SPECIAL FOUNDATION FEATURES (PS): Provide a description. For example, "Special foundation features include structural fill." If the cost is less than $1 million, a Block 10 statement is not required for a Budget Final DD 1391 only.

PAVING AND SITE IMPROVEMENTS (PS): Provide a description. For example, "Paving and site improvements include grading, parking facility, roadways, curbs, sidewalks, landscaping, boundary fencing and lighting, and signs." Also, include as a standard sentence if applicable, ""Storm water management facilities includes Low Impact Development items." If the cost is less than $1 million, a Block 10 statement is not required for a Budget Final DD 1391 only.

PHYSICAL SECURITY (PS): Physical Security (PHYSEC) items are defensive measures used to reduce the vulnerability of individuals and property to terrorist acts, to include rapid containment by local military and civilian forces. PHYSEC is that part of security concerned with physical measures to safeguard personnel; to prevent unauthorized access to equipment, installations, material and documents; and to safeguard them against espionage, sabotage, damage and theft. Provide a description. For example, "The project includes passive and active vehicle barriers, shooting positions,

security fencing, and overhead vehicle inspection canopies. If the cost is less than $1 million, a Block 10 statement is not required for a Budget Final DD 1391 only.

ELECTRICAL UTILITIES (PS): Provide a description. For example, "Electrical utilities include primary and secondary distribution systems, exterior lighting, transformers, and telecommunications infrastructure." If the cost is less than $1 million, a Block 10 statement is not required for a Budget Final DD 1391 only.

MECHANICAL UTILITIES (PS): Provide a description. For example, "Mechanical utilities include sanitary sewer lines, storm water lines and potable water supply lines." If the cost is less than $1 million, a Block 10 statement is not required for a Budget Final DD 1391 only.

ENVIRONMENTAL MITIGATION (PS): Provide a description. For example, "Environmental mitigation includes the creation of three hectares of wetlands." A statement is required for all DD 1391's even if the cost is under $1 million.

MUNITIONS AND EXPLOSIVES OF CONCERN (MEC) (PS): Use the following standard statement only for projects in Guam and only when applicable: "Unexploded ordnance and Munitions and Explosives of Concern (MEC) clearance is required for this project. Ground intrusion activities or excavation work will adhere to Joint Region Marianas Explosive Safety Submission." A statement is required even if the cost is under $1 million.

For locations other than Guam that have MEC costs of $5 million or greater, use the following standard statement, "This project includes the costs for surveys, removal and mitigation of Munitions and Exposives of Concern (MEC)."

DEMOLITION (PS): Provide description. For purposes of this statement, demolition of interior walls, removal of non-building materials at the site and asbestos and lead paint removal are <u>not</u> considered demolition. A statement is required for all DD 1391's even if the cost is under $1 million.
The following **demolition** information shall be included in Block 10: building or facility number, one- or two-word description of current use, and the floor area in square meters (m2) (or other metric as appropriate) of each building or facility to be demolished. In addition, a brief explanation is required describing why the facilities are to be demolished. For example, "Demolition includes the removal of Building 123, a 10,000 m2 hangar; Building 45, a 5,000 m2 administration facility; and Building 67, a 7,000 m2 warehouse. Buildings 123 and 24 will be demolished to clear the site for this project. Building 67 will be demolished upon completion of this project as the functions it now houses will be consolidated into the new building and it is no longer needed."

LIFE CYCLE COST (St): There will not be a companion line-item in Block 9 for life cycle costs as these costs are imbedded in other line-items. However, the following standard statement is required for all projects (except those that are solely for land acquisition). "Facilities will be designed to meet or exceed the useful service life specified in DoD Unified Facility Criteria. Facilities will incorporate features that provide the lowest practical life cycle cost solutions satisfying the facility requirements with the goal of maximizing energy efficiency."

100-YEAR FLOODPLAIN MITIGATION (PS):
OUSD (A&S) Directive-type Memorandum (DTM) 22-003, "Flood Hazard Area Management for DoD Installations (7 June 2022)" policy requires the DoD components to minimize construction and major facility conversion/alteration in 100-year floodplains. The National Defense Authorization Act of 2019 requires DoD to disclose whether a proposed project will be sited within a 100-year floodplain and, if the project will be sited within the floodplain, to provide the specific risk mitigation plan. The NDAA directs that this information be provided on the DD 1391. A statement is required for all DD 1391s.

There will not be a corresponding line-item in Block 9 for **floodplain** mitigation. Those features or elements will be included in the costs of other line-items. For example, PAVING AND SITE IMPROVEMENTS may include ground elevation to raise the ground floor of the building above the flooding levels.

Every effort should be made to avoid siting a project in a 100-year floodplain. If the project will not be sited within a 100-year floodplain, add the following as the next to last sentence in the CURRENT SITUATION section of the Block 11, "This project is not within a flood hazard area."

In some cases the optimal site for new construction is within a 100-year floodplain or conversion/alteration of an existing building within a 100-year floodplain is the preferred alternative. In those cases, a statement shall be provided in the Block 10 explaining why construction and/or conversion/alteration needs to take place within the 100-year floodplain. In addition, per DTM 22-003, a statement is required describing any mitigation features that will be included in the project scope. Use the following template as the "Flood Hazard Certification Statement":
"This project falls <within/partially within> a flood hazard area representing <summary description of the defining flood event or cause>. This is a <non-mission essential/mission essential> facility. The design flood elevation is approximately <XXX> feet above the existing elevation at its lowest point. The flood risk will be mitigated as described in the description of construction."

Some facilities cannot be elevated above the 100-year floodplain high water elevation for operational reasons. For example, a aircraft maintenance hangar planned for an airfield that is subject to flooding has to have its floor at

the same elevation as the airfield pavements adjacent to it so that the aircraft can be towed into the structure. In this case, there are several mitigation features that may be employed to prevent the hangar from being flooded such as: flood-resistant walls around the building; personnel access doors that seal tight to prevent infiltration; and deployable flood barriers (something more sophisticated than sandbags).

LONG-TERM ADVERSE ENVIRONMENTAL EFFECTS (PS): There will not be a companion line-item in Block 9. The FY 2020 National Defense Authorization Act Section 2805 "MODIFICATION TO DEPARTMENT OF DEFENSE FORM 1391 REGARDING CONSIDERATION OF POTENTIAL LONG-TERM ADVERSE ENVIRONMENTAL EFFECTS" states that consideration be given to impacts of severe weather, flooding, earthquakes, fire and other natural events on DoD facilities." In general, Unified Facilities Criteria (UFC) and Facilities Criteria (FC) specify the required design features and considerations that must be taken when designing and constructing a facility or converting or altering an existing facility. This should satisfy the provisions of Section 2805. To acknowledge that this consideration has been taken, include the following statement as the last paragraph on Block 11 CURRENT SITUATION (following the floodplain statement if there is one): "This project does not have scope elements above and beyond the UFC and Facilities Criteria regarding adverse long-term environmental effects." However, if the project has scope elements above and beyond those prescribed by UFCs and FCs, then describe these elements as the last paragraph in Block 10.

Randolph-Sheppard Act (RSA): Per ASN & OPNAV, all DD 1391s in support of **Unspecified Minor Construction (UMC)** or **Laboratory Revitalization Program (LRP)** projects shall include a RSA statement placed as the last paragraph on Block 10. See Appendix D for more details.

5.5 Do not provide specific floor areas or other metrics in the Block 10 statements (except for demolition metrics). Ensure Block 10 does not contradict other sections of the DD 1391.

5.6 If, in addition to a new construction line-item(s), there is a line-item for **conversion/alteration** in the Block 9 Primary Facilities section, there must be a separate statement describing this scope of work in Block 10 following the description of the new construction.

5.7 Remediation and **mitigation** line-items need to be explained in detail in Block 10. This includes environmental, cultural resources and natural resources remediation and mitigation costs.

5.8 For **elevators**, indicate the number and type of elevators to be included in the project in Block 10. The three types are: passenger, passenger/freight combination and freight. For buildings three stories or less, provide a single passenger/freight combination elevator in most cases -- no dedicated

passenger elevators. For higher buildings, separate passenger and freight elevators are permitted.

5.9 For **fitness centers**, describe all the functions to be included in the Block 10 statement. For example, “The fitness center will include a basketball/volleyball floor, wellness program classrooms, racquetball courts, weight rooms, locker rooms and administrative spaces.”

5.10 For **unaccompanied housing,** ensure the number of rooms/modules/apartments is clearly stated in the description of work statement and that the standard UH table is included at the bottom of Block 10. An example of the table for 204 2+0 rooms is provided below:

```
Intended Grade Mix:   160 E1-E3, 124 E4-E5
Total:  204 Persons
Maximum Utilization:  408 E1-E3
```

6 - Block 11 – Requirement

6.1 Refer to the "Budget Quality DD 1391 **Editing and Style Guidelines**" dated May 2024 for directions on preparing all text sections of the DD 1391.

6.2 The "PROJECT" section should be brief, descriptive, and usually not more than one sentence long. All Block 11 narratives for the REQUIREMENT, CURRENT SITUATION, IMPACT IF NOT PROVIDED, and ADDITIONAL sections should be hard-hitting, descriptive and concisely written. There is no limit on the amount of text provided in the DD 1391, but do not repeat information or statements.

6.3 Do not use metrics in Block 11 narratives (e.g., "requires a 10,000 m2 facility"). These quantities should be provided only in Block 9 and in the BESS.

6.4 For overseas projects, provide data on **host nation agreements** (e.g., status of forces agreement, lease terms, memorandum of agreement). For example, "The U.S. has a status of forces agreement with the government of Freedonia which will permit U.S. Navy construction at this installation. The agreement was signed in 2022 and is expected to be renewed in 2028 for another six-year term."

6.5 Ensure all relevant **Initial Operational Capability (IOC) dates, Mission Need Dates** or **delivery dates** are included in the REQUIREMENTS section of Block 11.

6.5.1 Mission Need Date (MND) is defined as the date on which the Supported Commander needs to begin full operational use of the facility provided by the MILCON project. The MND shall be included within the REQUIREMENTS section of the Block 11. OSD-C does not support the term "Mission Need Date" in the budget submission DD 1391s. For this reason, the term in all FMB, OSD and Congressional submissions will not be used. Instead, describe it in other terms (e.g., "The Ford-class carrier will arrive at the installation in mid-2028. Therefore, this project must complete and usable before then."). The MND should have some basis, such as arrival of ships, aircraft, personnel and/or equipment. At MND, the facility must be fully ready for use, including (where applicable) equipment outfitting, authority to operate, commissioning, and instructor and/or operator training and certification completion. The Supported Commander defines MND. Only the Supported Commander can authorize changing the MND. The MND provides an important reference point for NAVFAC when establishing **Required Beneficial Occupancy Dates (RBOD)**. The RBOD is calculated as the MND minus the time for outfitting and other non-construction activities needed to achieve MND.

6.5.2 The CRB has received feedback from end-users and Fleet units that the term "RBOD" may be confusing. Some see the word "Occupancy" in RBOD and do not understand that this is the project completion date which

then allows time for outfitting and other things as described above before the end-user takes occupancy. Ensure that customers understand this distinction.

6.5.3 Provide, as an attachment in PAX, a document that states the source of the MND. For example: "The Mission Need Date of December 2028 is based on the official stand-up of the first aircraft squadron at this installation. This date was provided by the Navy Region's Assistant Chief of Staff for Air Operations."

6.5.4 Not all MILCON projects will have a "hard" MND. For example, a project to replace an inadequate pier that is not driven by a new or significantly modified ship is a recapitalization project and is most likely needed "now." In those cases the RBOD will be the best NAVFAC estimate of project completion.

6.5.5 For DD 1391s up to and including the Certified Final, include a short statement at the end of the Block 11 REQUIREMENTS section that reads as follows: "The Mission Need Date for this project is <month, year>." For all budget submission DD 1391s, do not include this statement (per OSD). If the MND is an important justification element for the project, include this information within the normal text of the Block 11 REQUIREMENTS section. For example, "This new hangar is required to support the introduction of four new F-35C aircraft squadron at this air stations in January through June 2028."

6.6 A complete **economic analysis** (E/A) using the Econpack software is required for every MILCON project. Attach the E/A to the project's DD 1391 in PAX.

The Econpack installer, P-442 Economic Analysis Handbook, OMB Circulars and other ecomic analysis resources can be found at the following link:

https://flankspeed.sharepoint-mil.us.mcas-gov.us/sites/NAVFACHQPW5/SitePages/Economic-Analysis.aspx

For most projects, the status quo is a viable alternative as something is being performed currently even if the situation is inadequate. The status quo should be addressed as an alternative unless the project is to support something not currently being performed at the installation such as the introduction of a new explosive ordnance disposal unit.

Each alternative shall have a **net present value** (NPV) associated with it, and this amount should be included in the ECONOMIC ALTERNATIVES statements in Block 11. For example, "New Construction: This is alternative best satisfies the requirement and has the lowest net present value of $67.5million." The NPV information shall not be included on the Budget Final DD 1391s.

NOTE: It is a common practice to use the following statement for each alternative that is not considered "viable" – "This is not a viable alternative."

This statement is redundant and not necessary if the alternative statement already explains why the alternative in not "viable." Therefore, for consistency, do not use this statement. Use of the statement, "This

alternative is viable but not preferred.", is acceptable.

6.6.1 *In the Block 11 Section of the DD 1391* **ADDITIONAL: Economic Alternatives Considered:** *There are a series of six statements (A – F). For formatting purposes, do not include a space (carriage return) between each statement. For line E "Other Alternatives", if there are none, enter "N/A".*

6.7 There is a "**New Mission/Current Mission"** pick menu in PAX at the bottom of the Block 11 screen. This is a required field and one of the drop-down options shall be selected.

New mission MILCON projects support: new or additional programs or systems; the stand-up of new commands or units; and/or initiatives currently not located at the installation. Examples include projects that support: the homeporting for the new FFG 62-class ships at Naval Station Everett; forward deployment DDGs in Europe; the beddown of the P-8 aircraft in Europe; the procurement of firefighting and damage control trainers to support a new program at Great Lakes; and the standup of an Explosive Ordnance Disposal team at in Europe. A change in basing of an existing system or platform and a mission or capability not associated with a Major Defense Acquisition Program is not a new mission requirement.

Current mission MILCON projects upgrade, expand, revitalize, recapitalize or modernize existing facilities and infrastructure which support functions, missions, units, weapons systems and equipment currently assigned to the installation. The projects may provide new facilities that support expansion of activities already assigned. These projects also support improvements to quality of life, upgrades to the workplace, and improved productivity, or are required to meet environmental, health and safety standards.

6.8 A statement may be required that addresses FY 2020 National Defense Authorization Act Section 2802 - IMPROVED CONSULTATION WITH **TRIBAL GOVERNMENTS** WHEN PROPOSED MILITARY CONSTRUCTION PROJECTS POTENTIALLY IMPACT INDIAN TRIBES.
Paragraph f) states: if a proposed military construction project is likely to significantly impact tribal lands, known sacred sites, or tribal treaty rights, the Secretary concerned shall initiate consultation with the tribal government of each impacted Indian tribe—
(A) to determine the nature and extent of such impact; **(B)** to determine whether such impact can be avoided or mitigated in the design and implementation of the project; and
(C) if such impact cannot be avoided, to develop feasible measures consistent with applicable law to mitigate the impact and estimate the cost of the mitigation measures.

The significance of impacts to tribal lands, known sacred sites, or tribal treaty rights will be determined through the proposed MILCON NEPA and associated consultation processes. A statement in Block 11, verified by the

installation or region Cultural Resource Manager, is required that addresses tribal consultation status of a proposed MILCON.

When applicable, state in Block 11 under CURRENT SITUATION of the DD 1391, the current status of the consultation with tribal governments if the proposed MILCON potentially impacts Native American tribes. Provide one of the following boilerplate statements and any amplifying information that may be pertinent.

- Consultation with tribal governments will not be required.
- Consultation with the [INSERT TRIBE NAME AND LOCATION OF TRIBE] will be required.
- Consultation with the [INSERT TRIBE NAME AND LOCATION] is in progress and will be completed by [INSERT MONTH AND YEAR].
- Consultation with the [INSERT TRIBE NAME AND LOCATION] is complete.

6.9 If the project replaces or renovates an existing facility or facilities, indicate the **Facility Condition Index (FCI)** of each facility in Block 11: ADDITIONAL "ECONOMIC ALTERNATIVES CONSIDERED in the "Status Quo" section. For example: "A. STATUS QUO: The aircraft are currently maintained in inadequate Hangar 1 and Hangar 2 which are undersized and lack sufficient power. Both hangars will be demolished upon completion of this new hangar project. The Facility Condition Index (FCI) for Hangar 1 is 39 and the FCI for Hangar 2 is 42."

6.9.1 If the project includes airfield pavement replacement, provide the **Pavement Condition Index (PCI)** of the pavement to be replaced. For example: "A. STATUS QUO: The project will completely replace Taxiway C which has a Pavement Condition Index (PCI) rating of 58."

7 - Block 12 – Budget Estimate Summary Sheet (BESS)

7.1 There should be minimal use of the unit of measure **LUMP SUM** or **LS**. Most items can be described in other, more definitive units of measure and the FMB and OSD analysts expect that appropriate units of measure will be used. It should be noted, however, that all the Supporting Facilities line-items on Block 9 will have LS as the unit of measure. This is because the items in the BESS under such line-items as PAVING AND SITE IMPROVMENTS usually have dissimilar units of measure. The guidance to minimize the use of LUMP SUM should be applied to the Primary Facilities and line-items in the BESS.

7.2 Below are some common **equipment types, construction features** and other items and pertinent **funding information**. See OPNAVINST 11010.20J for more details. Consult NAVFAC PDC planning subject matter experts for guidance regarding **property classification.**

7.2.1 Conduits, trays, cables and other real property infrastructure for telecommunication systems and some security and fire alarm systems are MILCON funded. However, for some **electronic security systems**, the cabling is not provided with the MILCON-funded infrastructure because the cabling is dependent on the equipment provided. In these cases, the cabling would be funded from the same appropriation as that is used for the equipment.

7.2.2 Electronic security systems equipment is personal property (not MILCON funded). *Extract from OPNAVINST 11010.20J:*

MILCON project funds can pay for the supporting real property infrastructure for an electronic security system (ESS). In addition, MILCON design (planning and design) funds pay for MILCON related real property. However, personal property equipment should be funded with procurement funds from the sponsoring budget submitting office (BSO) for general fund activities.

7.2.3 Some projects include a **boat barrier system** as part of the Physical Security features. The boat barrier system itself as well as the fixed mooring or anchoring systems for the barriers are personal property items (not MILCON funded).

7.2.4 Built-in equipment (e.g., kitchenettes, galley equipment, built-in furniture, installed emergency generators) is real property (MILCON funded). Kitchen cabinets and sinks are included in the DoD Guidance Unit Cost for **UH**.

7.2.5 Mobile items are generally personal property (not MILCON funded).

7.2.6 Skid-mounted **transformers** for piers and wharfs, while movable, are considered real property (MILCON funded). The same is true for Yokohama **fenders** and other types of foam fenders that are intended to be permanently attached to the side of a pier or wharf and are needed to make the berths complete and usable.

7.2.7 Relocation costs to move people, equipment or things are not MILCON funded. This guideline is supported by 7.2.7.1 below.

7.2.7.1 Per DON FM&C Financial Management Policy Manual **Chapter 3: Financial Responsibility Part C Section IV 03230 Installation and Procurement of Personal Property Equipment For Real Property Facilities**: "The budget and funding

responsibility for the relocation of personal property equipment resides with the command that directs the relocation. In most cases, this is the command that has custody of the equipment. The cost of the relocation includes moving, packing, unpacking, assembly, attachment, and testing of equipment being relocated from and existing site or new site or structure being constructed under the military construction appropriations."

7.3 The following **special items,** which should be listed under SPECIAL COSTS, are MILCON funded: 1) *project-specific (i.e., the site has already been selected and approved)* archaeological site reviews; 2) studies of historic features in structures planned for conversion/alteration or demolition; 3) project-specific recordation (e.g., recordation required for cultural resources mitigation needed for a specific MILCON project); 4) permit costs (including any continued monitoring efforts required by such permits during construction and for a period of up to one year after beneficial occupancy); 5) *project-specific* radiological contamination inspections; and 6) other final inspections associated with cultural resource/historic preservation required for a complete and usable facility. MILCON design or construction funds shall not be used for **advanced planning** requirements such as site selection efforts or studies for the purpose of determining a suitable site. Any special costs associated with environmental actions or mitigations (e.g., monitoring wetlands after they are created) should be listed under the ENVIRONMENTAL line-item in the BESS.

7.4 Lay-away or mothballing costs for old facilities that will be retained vice demolished are not MILCON funded.

7.5 For the **SUSTAINABILITY AND ENERGY REQUIREMENTS** line-item, there will only be one line-item on Block 9, in the Primary Facilities section, and only if the unit costs of the Primary Facilities do not cover the entire cost to achieve all the mandates prescribed by UFC 1-200-02 High Performance and Sustainable Building Requirements. This line-item will, when used, normally be a "premium" cost. The components that make up the total cost for the Block 9 line-item shall be listed in the BESS under SUSTAINABILITY AND ENERGY REQUIREMENTS. If the total of these items is less than $100,000, then place the items under MECHANICAL UTILITIES or ELECTRICAL UTILITIES, whichever is more appropriate.

7.6 BESS line-item entries include **Low Impact Development** (LID) features, found outside the five-foot building envelope. Tracking of sustainability and energy-type items is necessary. Therefore, indicate these items by including (LID or SUS-ENERGY) next to the line-item. Example:

SITE IMPROVEMENTS
BIORETENTION SWALES (LID)

7.7 Photovoltaic (PV) systems should be listed under ELECTRICAL UTILITIES with the (SUS-ENERGY) indicator.

7.8 Include the **PEDESTRIAN AND BICYCLING FEATURES** line-item under the PAVING AND SITE IMPROVEMENTS section of the BESS include items such as bike trails, walking trails, bike racks, picnic tables and smoking pavilions. In most cases, the unit of measure shall be square meters (m2).

7.9 Attach the completed NAVFAC **High Performance and Sustainable Building (HPSB) Checklist** for each building in the project's Budget PRI (PRI#2) DD 1391 submission in PAX. The HPSB Checklist is printable from the eProjects record. Obtain it from the project manager. The link to the blank template is provided below:

https://www.wbdg.org/ffc/dod/tri-services-sustainability-program/tracking-reporting

7.10 Attach the completed **Sustainability Third Party Certifier's Rating System** checklist (i.e., USGBC LEED, USGBC Guiding Principles Assessment, GBI Green Globes, GBI Guiding Principles Compliance, or other) for each applicable building in the project's Budget PRI (PRI#2) DD 1391 submissions in PAX. Attach the **Life Cycle Cost Analysis** with each project's Budget PRI (PRI#2) DD 1391 submission in PAX.

7.11 Low Impact Development (LID) is required to be implemented in accordance with the Energy Independence and Security Act of 2007 and Navy and DoD LID policy. LID is a form of storm water management required to minimize the amounts of storm water and sediment runoff that gets into to waterways and other bodies of water. Holding water until it evaporates or infiltrates into the ground close to its source is a way of reducing stormwater runoff.

7.11.1 LID criteria and design standards apply when: 1) The project includes construction or expansion of one or more facilities as part of its primary scope (i.e., Primary Facilities vice Supporting Facilities); and 2) the "footprint" is greater than 5,000 gross square feet (464.5 m2). "Footprint" consists of all new impervious surfaces associated with the facility(ies), including both the building roof area and pavement areas of associated Supporting Facilities (such as parking lots and sidewalks). Some LID features will be associated with the building (e.g., vegetated roof, rainwater harvesting cistern). These features should be included as part of the Primary Facility under SUSTAINABILITY AND ENERGY REQUIREMENTS. LID is not intended to include stormwater management required for Clean Water Act compliance. Place costs for this item under the PAVING AND SITE IMPROVEMENTS line-item in the BESS. However, some of these items contribute to LID mitigation, therefore, indicate as such). For example:

PAVING AND SITE IMPROVEMENTS
STORM WATER RETENTION POND (LID)

7.11.2 ASN (EI&E) LID development policy for the Navy and Marine Corps and the Energy Independence and Security Act of 2007 provided statutory direction that sets the goals of no net increase in stormwater volume, sediment and nutrient loading. The Navy policy also requires annual reporting and established a waiver process.

7.11.3 Use UFC-3-210-10 "Low Impact Development" and FC 1-300-09N "Navy and Marine Corps Design Procedures" to comply with Navy and DoD policy.

7.11.4 When adequate project information is available, complete the **LID Data Card** based on site specific information and preliminary design concepts. Attach the LID Data Card for each project's REGION/FEC DD 1391s in PAX. The NAVFAC LID Data Card can be found at the following link:

https://www.wbdg.org/ffc/dod/tri-services-sustainability-program/tracking-reporting

7.11.5 Previous editions of this section of the CRB Guidelines contained a table for use for developing LID costs for preliminary DD 1391s when other, better project design and cost information was not available. However, NAVFAC cost experts have determined that there are too many variables that must be factored into LID cost development for a single generalized table to be used effectively even for very preliminary cost estimates. The following must be considered for LID cost estimates:

- Soil condition varies site to site and this will affect the rate of stormwater percolation (e.g., limestone soil is more permeable then other types).
- Site size may limit the ability to use swales or retention ponds thus require other methods of stormwater containment (e.g., use of cisterns or vegetated roofs).
- Post-construction site conditions, compared to pre-construction conditions, may radically change the soil's ability for stormwater percolation (e.g., going from heavily wooded areas to developed areas).
- Project type may require stormwater treatment prior to percolation or retention (e.g., fuel stations, vehicle wash racks, wellhead protection zones).
- Surrounding land use may be a determinate of the type of stormwater retention measures the can be utilized (e.g., retention ponds are not allowed around some airfield as they may attract birds).

7.11.6 An explanation shall be provided in the "Notes" section of Block 11 if there is no LID line-item included in the BESS. Some examples include: "LID is not applicable because the footprint of the new facility footprint provided by this project is less than 5,000SF."; or "There are no LID line-items included in this project because there will be no net increase in impervious areas due to demolition of an equal amount or more of impervious areas."

7.12 The acceptable method for entering costs using the **percentage costing estimating method** in the Block 9 and BESS (costs that are a percentage of baseline line-items) is by entering the percentage in decimals as the number of units and then entering the cost of the baseline-items as the unit cost. The unit of measure is each (EA). PAX assists with calculating percentage costs for AT, OMSI, PADS and PCAS, as well as for design for D-B, SIOH and contingency.

7.13 Post-Construction Contract Award Services (**PCAS**) and **Post Award Design Services (PADS)** are MILCON funded items. PCAS costs are for design products and services that occur after construction contract award. PCAS applies to most design-bid-build (DBB) and design-build (DB) MILCON projects. PADS is only required on design-build projects and provides for in-house design quality assurance and oversight of the contractor's designer's products. Ensure adequate PCAS and PADS funding is delineated for commissioning on most projects and sustainable Third Party Certification funding on applicable projects. Use a separate line-items under SPECIAL COSTS for PCAS and PADS services directly contracted by the Government. For commissioning add a separate line-item for "Independent Commissioning."

- Since the A/E is providing commissioning services and not being paid under the awarded construction contract, the A/E (or their subcontractor) is considered an "independent commissioning" provider. The cost for post-award A/E commissioning services needs to be separated from other A/E post-award services, and applied as line item for "Independent Commissioning."

7.13.1 The following provides some of (but not limited to) the items that may be covered under PCAS funding:

- Designs for contract changes and post-award interior designs
- Reviews of field modification proposals and sketches (e.g., shop drawings)
- Development and reviews of **value engineering** proposals
    - The NAVFAC DC Acquisition Strategy Plan for FY 2023 Plan requires a formal value engineering process for all DBB MCON projects over $30M. The Value-Engineering Program is managed at each Echelon III/Echelon IV commands by the Cost TDC/TDM/TDL. The value engineering process should be done in conjunction with the 35 percent design review meetings.
- Design support for design-bid-build contracts after contract award (see below for PADS costs for design reviews and approval of the design from the design-build contractor)
- Facility systems commissioning (except cybersecurity) and measurement/verification
- Verification of design intent and optimization of system performance to ensure expected energy savings and required performance are achieved, including acceptance testing for high-risk, critical systems (e.g., HVAC, fire protection/life safety, electrical, vertical transportation, roofs, and

underwater structures) and any required special systems certification (e.g., weight-handling equipment, shielding, acoustic barrier)

7.13.2 Post Award Design Services (PADS) are Government design reviews of the design developed by the Design-Build (DB) Designer-of-Record. PADS are applicable to DB projects only.

7.13.3 The nominal amount for PCAS for DBB projects is 2.0-3.0 percent of the Primary Facilities and Supporting Facilities line-items. For DB projects, the combined nominal amount for PCAS and PADS is typically between 2.0-3.0 percent. Include a separate line-item for PCAS and PADS under SPECIAL COSTS. These amounts may vary depending on the project. If the amount used is greater than three percent, an explanation supporting the higher amount is required within the SPECIAL COSTS statement in Block 10. The formula is: (PRIMARY FACILITY + BUILT-IN EQUIPMENT + CYBERSECURITY FEATURES + SUSTAINABILITY AND ENERGY REQUIREMENTS + AT + all SUPPORTING FACILITIES) x X% = PCAS or PADS line-item amount. PAX can help calculate this.

7.13.4 The amount used for PCAS/PADS depends on whether the project is designed "in-house" or by an A/E. The cost of the project is also a factor with higher cost projects generally requiring a lower percentage. For A/E projects, there is usually an in-house component to PCAS as well.

7.13.5 There is no need for a separate "Enhanced PCAS" line-item in the BESS. As explained above, just provide explanation of why the PCAS cost is more than the nominal 2.0-3.0 percent.

7.13.6 These nominal amounts have been recently inceased by one percent to reflect changes directed by NAVFAC Vector Gram 23-02 (and is included in the 2023 Project Management Plan) which directs the 3-Tier Project Governance structure and will require additional project management involvement and reporting during project construction.

7.14 Geospatial surveys and mapping are required for all MCICOM projects and for some other projects funded by other Resource Sponsors. Geospatial surveys and mapping can be considered a PCAS expense. However, this service can be expensive and, as such, should be treated as a separate line-item under SPECIAL COSTS. The Block 10 statement shall say, "Special costs include PCAS, cybersecurity commissioning (including the long section that follows; see Section 4.8),. . . ., geospatial surveys and mapping, . . . "

7.15 An **information systems** line-item in Block 9 shall be used only for premium costs when DoD GUC is used for the Primary Facilities. Common information systems items included in the GUC are wiring and infrastructure for LAN, telephone, public address and fire alarm systems. The unit of measure for these facilities shall be square meters (m2).

7.16 *Solar roof systems, day-lighting and other* ***sustainable technologies*** *shall be used when technically and economically feasible.*

7.16.1 A life-cycle cost analysis shall be conducted for any selected renewable roof top technology.

7.16.2 Use the term **"renewable energy systems"** rather than **"photovoltaic"** or some other prescriptive term in Block 10. Specifics may be used in the BESS under the SUSTAINABILITY AND ENERGY REQUIREMENTS line-item.
7.16.3 The unit of measure for these systems will generally be square meters (m2) of roof area. The scope of these systems would be the roof area minus any areas that will not have "green roof features" (e.g., mechanical system spaces, skylights, access doors, pitched areas not facing the sun).

7.17 Elevator costs shall be included under BUILT-IN EQUIPMENT. The unit of measure for elevators is EACH (EA) with the number of stops shown in parenthesis. For example, PASSENGER ELEVATOR (4 stops) 4 EA. The penthouse mechanical space is not a stop. There should never be a "one stop" elevator. The number of stops should be shown in the BESS but not within Block 10.

7.18 Raised flooring is considered built-in equipment rather than part of information systems. Raised flooring costs are included in DoD GUC for category code 610-20 "Data Processing Center."

7.19 MILCON will pay for **temporary facilities,** such as trailers, either constructed or purchased, to be used as work-around spaces for persons or functions being displaced temporarily during the MILCON project work. MILCON will not pay for any leased temporary facility.**** However, the contractor may lease facilities and pass that cost on to the government as part of their bid amount. The costs for the temporary facilities should be displayed as a separate item under SPECIAL COSTS and a description and explanation of why the temporary facilities are required as part of the project should be included in Block 10. If not included on the "As Enacted DD 1391," temporary facilities cannot be paid for by MILCON.
*** This source for this statement if the NAVFAC Instruction 7045.1 Proper Use of Military Construction Funds (December 2020). Nowhere within this instruction does is state that MILCON funds may be used for leasing. However, OPNAV memorandum to CNIC (1 April 2024) states: "OPNAV N4I directs that all **costs directly attributable to a specific MILCON project** should be funded with MILCON dollars from that project. O&MN should be used as a last option.*
7.19.1 Temporary utilities and **temporary site improvements** that support the temporary facilities may also be MILCON funded and included in the MILCON project DD 1391. These items should be included in the SPECIAL COSTS line-item on Block 9 and the BESS.

7.20 Mobilization and demobilization costs should not be presented as separate line-items unless there is something very unusual about these elements. These premiums, where appropriate, are to be included under SPECIAL COSTS. An example would be when a contractor must stop work for extended periods of time for environmental reasons requiring mobilizing and demobilizing more than once.

7.21 Transportation adjustment costs: Include these costs under the SPECIAL COSTS when there are significant impacts on the roadway usage of the installation due to project construction (e.g., the costs associated with moving lanes, creating additional roadways or the need for temporary bridging). Provide a detailed description of the requirement in Block 10.

7.22 Built-in **cranes** (i.e., bridge, jib, wall-mounted, monorail, gantry) shall be included in the cost of a MILCON project. Crane rails and support facilities for the bridge cranes shall also be included in the cost of the MILCON project. The cranes and the crane support infrastructure shall be listed under BUILT-IN EQUIPMENT.

7.22.1 There may be three line-items in the DD 1391 that relate directly to bridge cranes. One line-item would be for the crane and infrastructure (e.g., crane, crane rails, crane power supply) listed under BUILT-IN EQUIPMENT and others, if applicable, would be for any structural premiums required to support the crane system (e.g., over-sized columns, reinforced sections of flooring). This line item shall be listed under SPECIAL CONSTRUCTION FEATURES. For cranes regardless of capacity, consult the Navy Crane Center (NCC) for preliminary cost estimates.

7.22.2 A third line-item directly related to cranes may be needed for costs charged by the NCC which would be applicable when NCC is required to procure the new crane(s) in accordance with NAVCRANECENINST 11450.1C (e.g., cranes rated at 10 tons or greater, cranes used in ordnance handling). The contract for crane procurement would be administered by NCC separately from the construction contract and MILCON funded. Consult NCC for preliminary cost estimates for cranes regardless of capacity and also cost estimates for contract administration fees.

7.22.3 A "P308 Weight Handling Equipment MILCON Planning Checklist" should be attached in PAX for every project with a built-in crane system.

7.23 Costs associated with anticipated **work stoppages** or delays due to **shipyard constraints** or **security requirements**, especially in the Controlled Industrial Areas (CIA) of the shipyards, some laboratories, airfield flight-lines, some areas of Naval Weapons Stations and at the weapons areas of NSB Kings Bay and NSB Bangor, should be listed as separate items under the SPECIAL COSTS section of the DD 1391 and called **SHIPYARD FACTORS** or **SPECIAL CONSTRUCTION FACTORS,** as appropriate and explained in Block 10.

7.23.1 There are a number of things that can take place at a shipyard, laboratory installation, flight-line or a weapons facility that can add to the cost of construction. As applicable, create a SHIPYARD FACTORS or SPECIAL CONSTRUCTION FACTORS line-item under SPECIAL COSTS in the BESS and then list the sub-elements under this heading. Examples of these factors are: 1) additional inspections of workers, vehicles and equipment prior to entry into the CIA areas; 2) traffic management (barriers, alternative routes, temporary fencing) to alleviate choke points or to divert traffic away from construction zones; 3) restricted contractor lay-down, parking, and storage areas; 4) work

stoppage for emergency drills, ship movements, weapons handling and refueling evolutions; and 5) other events which require heightened security.
7.23.2 Changes to security requirements within the CIA require that work be restricted to U.S. citizens and U.S. nationals. U.S. citizens of a foreign-owned, controlled and/or influenced company (including a parent company) are considered “foreign nationals” for access purposes and special authorization would be required for escorted access to shipyard spaces. These restrictions are applicable to the prime contractor as well as sub-contractors. Additional costs for **escorts** may be factored into the project cost.

7.24 Aqueous Film-Forming Foam (AFFF) fire-suppression systems *will no longer be utilized*. *Replacement fire suppression* systems that will replace AFFF systems, should be listed under BUILT-IN EQUIPMENT. List the "outside" collection and treatment of the system under appropriate sub-section of the BESS. List it as FIRE SUPPRESION MATERIAL COLLECTION AND TREATMENT SYSTEM if it is stand-alone or STORM DRAINAGE CATCHMENT AND TREATMENT SYSTEM if it is combined with other things. The unit of measure shall be square meters (m2).

7.25 For Unaccompanied Housing **(UH) kitchenettes**, the costs for built-in cabinets, counter tops, tile floors, exhaust fans, built-in cook tops, garbage disposals and plumbing are included in the DoD Guidance Unit Cost for UH and should not be listed separately. Stand-alone stoves, microwave ovens and refrigerators are personal property equipment paid for by other appropriations.

7.26 Costs associated with special **architectural styles,** unusual **labor costs** and/or **material delivery requirements** should be listed as separate items and costs under the SPECIAL CONSTRUCTION FEATURES or SPECIAL COSTS (whichever is appropriate) and explained in Block 10. An example of an unusual delivery would be the need to barge material to San Nicholas Island.
7.26.1 There should be no premium for brick exteriors on buildings unless the brick is a higher cost than normal brick due to special architectural requirements.

7.27 Contractor **quality control** and contractor **overhead** costs should not be displayed as stand-alone line-items. These costs should be folded into other project costs.

7.28 Do not create a **special costs** line-item for such things as premiums for seismic, fuel surcharge, concrete, steel, hurricane, or local/bidding/market conditions. These costs should be reflected in the area cost factors and/or within the unit costs.

7.29 Utility connections fees paid directly to municipalities, utilities companies or foreign governments as part of the project should be displayed

as UTILITY CONNECTION FEE in the appropriate utility section of the BESS. The unit of measure will most likely be LUMP SUM (LS).

7.29.1 For **privatized utility systems**, the System Owner (SO) should make all connections. The prime construction contractor must execute a formal connection charge agreement with the SO allowing the utilities privatization (UP) contractor to modify the UP contract. The prime construction contractor will make direct payment to the SO from the awarded MILCON funds. Connection fees must be displayed as "Privatized Utility Connection Fee" under the appropriate ELECTRICAL UTILITES and/or MECHANICAL UTILITIES section of the BESS. The unit measure must be LUMP SUM (LS).

7.30 List **demolition** costs for each building or structure to be demolished in the DEMOLITION section of the BESS. Do not lump costs together when demolishing multiple buildings. List, in the Block 10 and the BESS, each building and/or large structure to be demolished, each with a building/facility number and floor area in meters (m2). The floor area information will not be included in any budget submission DD 1391s. In cases where multiple different types of facilities are to be demolished, the unit cost for each would not normally be the same. Demolition of pavement, utility lines, barriers or other non-building/major structure items should be included in the PAVING AND SITE IMPROVEMENTS section of the BESS rather than under the DEMOLITION section.

7.31 Environmental, cultural resources and **natural resources** remediation, mitigation and necessary, and related, interests in **real estate acquisition** costs should be listed under the ENVIRONMENTAL MITIGATION section of the BESS and described in detail in Block 10. Project planners should obtain mitigation scope and cost data from the environmental, natural and cultural resources staffs for inclusion on the DD 1391. Do not include costs for determining the requirement for, and extent of, mitigation as those are not MILCON funded.

7.31.1 Examples of environmental mitigation line-items include: 1) delays due to bird or animal nesting; 2) creation of replacement wetlands or coral reefs; 3) creation of least tern foraging areas; 4) shoreline erosion control; 5) metal grating in pier decks for provision of daylight under the pier; 6) stand-off distances from shore for fish access or spawning; and 7) the cost for purchase of mitigation credits paid to an agency for use for in-kind mitigation efforts at other locations at a time to be determined (also called In-Lieu Fee). With regard to mitigation credits, language in the MILCON Codification Act allows the use of project funds to cover costs "incidental" to the project. When the requirement for environmental mitigation is due to the project, funding for mitigation features within the project and credits is a proper cost to the project. The units of measure shall be square meters (m2) for areas and months for personnel (e.g., biologist to monitor wildlife impacts during construction).

7.31.2 Some **mitigation plans** call for the monitoring of items or actions provided by the MILCON project (e.g., planting of trees, monitoring of invasive plants) that call for actions beyond the beneficial occupancy date (BOD) of

the new facility (e.g., watering of trees; removal of weeds). In those cases, the MILCON project may include an environmental line-item in the BESS for these expenses for no longer than one year beyond the BOD. Other funding sources must be used for actions required beyond that time period.
7.31.3 For MILCON projects that require environmental mitigation and have the potential for requiring acquisition or interests in land, the following sections of the DD 1391 must be populated as noted below.
7.31.3.1 Block 9: Do not use the ENVIRONMENTAL MITIGATION line-item already defined in PAX under Supporting Facilities. Leave this blank and create a new line-item titled ENV MITIGATION & NECESSARY INTERESTS IN LAND.
7.31.3.2 Block 10: Include a statement to describe the Block 9 line-item. For example, "Environmental mitigation in compliance with state and local laws includes acquisition or interests in necessary land."
7.31.4 Examples of cultural resources remediation and mitigation include: 1) recordation of historic buildings and structures to be demolished; 2) excavation of an archeological site within the new building footprint; 3) curation of artifacts recovered from the new building site; and 4) interpretation of buildings, structures and landscapes of historical significance planned for demolition or modification.

7.32 Removal and disposal of **contaminated soil** should be listed under the SITE PREPARATION section of the BESS rather than under ENVIRONMENAL MITIGATION. The unit of measure shall be cubic meters.
7.32.1 The movement and treatment (if any) of **hazardous material** as a result of demolition of buildings or structures should be a subset of demolition. Movement and treatment (if any) of hazardous material as a result of demolition of pavements or foundations should be a subset of site preparation.

7.33 The unit of measure for exterior area **lighting** is EACH (EA).

7.34 Some facilities require **lightning protection**. If the protection elements are within the "five-foot line" of the Primary Facility, the cost for those elements are included in the unit cost. If the protection is stand-alone towers or other elements outside the "five-foot line," then they should be listed under an appropriate line-item in the BESS.
7.34.1 Certification of lightning protection may be required. This would appropriately be listed as a PCAS cost.

7.35 Landscaping items such as seeding, grading, grubbing, topsoil, tree removal and tree planting should not be broken out separately. Combine all these items into a single line-item titled LANDSCAPING to be entered under either the SITE PREPARATION or the PAVING AND SITE IMPROVEMENTS sections of the BESS. If some of the landscaping items are to meet requirements of Sustainability and Energy (e.g., native plants), highlight this in the BESS. The unit of measure shall normally be square meters (m2).

7.36 The units of measure for **pile foundations, pile structures** and **structural fill** are length of piles is meters (m) and volume of fill is cubic

meters (m3), respectively. The Consistency Review Board has reviewed projects that have included both pile foundations and structural fill. It should be one or the other – not both. It is acceptable to have non-structural fill under the foundation of pile-supported buildings. DoD Guidance Unit Costs are developed based on the assumption that the foundation is of the uncomplicated, spread-footing type. Any premium foundation costs should be listed under the SPECIAL FOUNDATION FEATURES section of the BESS.
7.36.1 All costs associated with piling should be consolidated under one line-item named **PILING** (e.g., delivery, testing, installation, capping). Provide the average depth expected in meters (m).

7.37 Fencing costs and metrics are often inconsistent from project to project.
7.37.1 Fencing is another exception to the "No metrics in Block 10" guideline. Provide type (if known), height (if known) and length (this should be known) of fencing in Block 10. The unit of measure shall be meters (m). *This information will not be included in budget-submission DD 1391s.*

7.38 Dredging projects, or the dredging associated with waterfront construction, are often placed under detailed scrutiny. Upland and offshore disposal methods are often both needed and, since the costs vary considerably between the two types, the cost for each type of disposal should be broken out and listed as separate line-items. The costs for **contaminated soil removal** and (if necessary) **contaminated soil treatment** need to be broken out as well. These items should be listed under the SITE PREPARATION section of the BESS. The metric for dredged material is cubic meters (m3).
7.38.1 If the cost of the dredging is $5 million or greater, put the line-item in the Primary Facilities section of Block 9, thus giving this high-cost item additional visibility. In this particular case for Budget Final DD 1391s (only), use LS as the metric for the Block 9 line-item. It is extremely difficult to estimate with any accuracy the amount of dredged material that will eventually be removed and showing a cubic meters (m3) metric in Block 9 will lock the scope into that amount plus no higher than ten percent more. This line item, however, would not be considered a complete-and-usable, stand-alone Primary Facility if it was part of a pier and/or wharf construction project (See Section 1.1).
7.39 The unit of measure for **transformers, generators** and **uninterruptible power supplies** is EACH (EA). Indicate the capacity of each unit in parenthesis – transformers in KVA and generators in KW.
7.39.1 *Some projects may include* ***Battery Energy Storage Systems*** *(BESS) as we move more and more to the use "green energy." The classification guidelines are as follows:*

- *Utility scale BESS are real property (except for containerized modular units)*
- *Battery storage at the facility level (including building, photovoltaic solar systems & wind systems) are real property industrial equipment*
- *BESS buildings are real property and are classified separately under category code 890-09 "Misc Utility Building".*

The unit of measure for BESS shall be kilowatt hours (kWh).

7.40 For **pier and wharf** projects, the primary metric on Block 9 is square meters (m2) not feet of berthing (FB). However, it is important to include the length, width and dredged depth of the planned pier or wharf in the Block 10 description of work. Do not include **berthing fixtures,** such as cleats, bollards, dolphins and pneumatic fender tie-downs, as separate line-items. These items should be included in the cost of the Primary Facility. The unit of measure for piers and wharves is square meters (m2) of deck area vice length of berthing.

7.41 Some projects include a **mechanical yard** and/or an **electrical yard** line-item. Mechanical and electrical spaces included within the envelope of buildings or located on the roof should have no additional cost beyond the DoD GUC or User Generated Unit Cost for those spaces. If a separate "yard" is needed, include a cost line-item as appropriate under PAVEMENT FACILITIES in the BESS and include an explanation in Block 10. The unit of measure shall be square meters (m2).

7.41.1 Some projects include a stand-alone **utilities building** for such things as emergency generators, **electric vehicle charging stations** or cooling towers. These buildings should be listed under MECHANICAL UTILITIES or ELECTRICAL UTILITIES (whichever is more applicable). The built-in equipment housed in these buildings shall be listed under BUILT-IN EQUIPMENT. In the unlikely event that these buildings are $5 million or greater, they should be listed as separate buildings under Primary Facilities in Block 9. This line item, however, would not be considered a complete-and-usable, stand-alone Primary Facility if it was part of main Primary Facility (See Section 1.1). The unit of measure shall be square meters (m2). These structures do not count against the Basic Facilities Requirements totals for the project.

7.41.2 For these utilities yards and buildings, there may be an unplanned need for more area in the future due to increased number or size of supported units. Providing additional areas, beyond the immediate requirement, is worth consideration. For example, a new power plant planned for the coming budget year at an overseas location is currently sized for 10 generator-sets (gen-sets) based on a 10-year projected demand. However, this location has experienced exponential growth in recent years which may continue whereby two or three additional gen-sets may be needed shortly after the project is completed. It would be reasonable to size the floor areas with enough space to accommodate these additional gen-sets.

7.41.3 Similar to a utilities building, other small, **secondary facilities** such as a hazardous materials storage shed, aircraft protective shelters, a picnic gazebo, and training range restrooms are not considered primary facilities and should not be shown as line-items in Block 9. They should be placed in an appropriate position on the Budget Estimate Summary Sheet.

7.42 Land acquisition projects, or projects that include land acquisition and/or easements, normally require **property surveys, title searches and appraisals**. Most times these actions take place after project enactment and

the costs of these actions may not specifically be included in the project cost. The costs for these items can vary greatly depending on the size of the purchase and the number of land owners involved. FEC Real Estate managers should be consulted in developing a cost estimate for these items. This should be listed as a line item in the BESS under SPECIAL COSTS as described in Section 3.13. The unit of measure in this case is LUMP SUM (LS).

7.43 The unit of measure for ammunition **magazines** in Block 9 shall be square meters (m2) for all DD 1391s up through and including the Certified Final DD 1391s. However, for budget submission DD 1391s, the unit of measure shall be EACH (EA). This is a simpler and more easily understood means of describing the project scope and allows some degree of flexibility once the project is enacted.

7.44 For **Secure Room, SCIF and SAPF** construction, costs associated with special construction (e.g., TEMPEST, sound attenuation, enhanced or vault construction), special procurement, shipping, and storage of construction materials, security fencing, site security and/or premium labor cost should be listed as separate line-items and costs under the SPECIAL CONSTRUCTION FEATURES, PHYSICAL SECURITY or SPECIAL COSTS in the BESS, whichever is appropriate, and explained in Block 10. Do not identify SCIF or SAPF in anywhere within the DD 1391. An example of premium labor costs would be the SCIF and SAPF requirement from IC TECH SPEC for ICD 705 for U.S. companies to use U.S. citizens for general construction and secret or top secret cleared workers for finish work outsid the U.S. or its territories. U.S. companies using U.S. citizens for general construction or the requirement for secret-cleared workers for finish work outside the U.S., its territories or possessions is required to meet Intelligence Community guidance and the project's Construction Security Plan. The requirement for procurement, shipping and storage of construction materials, security fencing, site security, and personnel are documented in the project's Construction Security Plan.

7.45 *This section summarizes the DoD policy for facility* ***electrification****. In accordance with EO 14057 and the 2022 National Defense Stategy, DoD will implement steps to reduct its energy consumption and ensure energy resilience and reliability. DoD components must incorporate into building design, construction, repair and operations, regardless of funding source, requirements that maximize the use of all-electric technologies to leverage the Department's growing investment in microgrid technology to support mission assurance. For MILCON, this applies to projects in FY 2026 and later. Exception to this policy may be permitted in climate zones where all-electric technologies are not currently practicable. Exceptions are granted at the ASN level only.*

7.45.1 *There shall be an* ***electrification line-item*** *in the BESS under the* ELECTRICAL UTILITIES *section. This line-item is to reflect the additional costs (premium) required to provide electrification to the facility over and above*

what the cost would be if the facility was to incorporate non-electrification features (e.g., steam heating from a central steam plant, gas stoves and clothes dryers, connected to a base-wide gas distribution system). See Section 5.3 FACILITY ELECTRIFICATION (St) *for the new standard statement to be included in Block 10 as applicable.*

7.45.2 *Section 2875 of the 2023 NDAA states requires all new facility construction project to include* ***electric vehicle charging stations*** *for not less than 15 percent of the government vehicles that will be parked at the facility. The cost for the charging stations will be included in the cost of the MILCON project. There shall be a line-item in the BESS under the* ELECTRICAL UTILITIES *section call electrical vehicle charging station that reflect the specific cost for these stations.*

7.46 For **pavement**, do not break down work into sub-elements such as base layer, grading, curbing, final surface layer, seal joints, saw-cut joints and striping. Combine all of these elements into single line-items according to pavement type such as roadway pavement, parking areas, sidewalks, or airfield pavement. List a separate line-item and cost for each pavement type under the PAVING AND SITE IMPROVEMENTS section of the BESS. The unit of measure shall be square meters (m2). Use the descriptors below for naming the line-item.

7.46.1 A **roadway** is an open way for travel or transportation and needs to include bounding information to identify the extent of work. This can be done by identifying intersections or something similar. For example, “The project will widen on-base Essex Street from two lanes to four lanes between Hull Street and Howard Street.” The unit of measure shall be meters (m). There is no need to provide road names if they are not useful for defining the work to be done as noted above (e.g., “The new building will be constructed on Boyton Street.” is not needed).

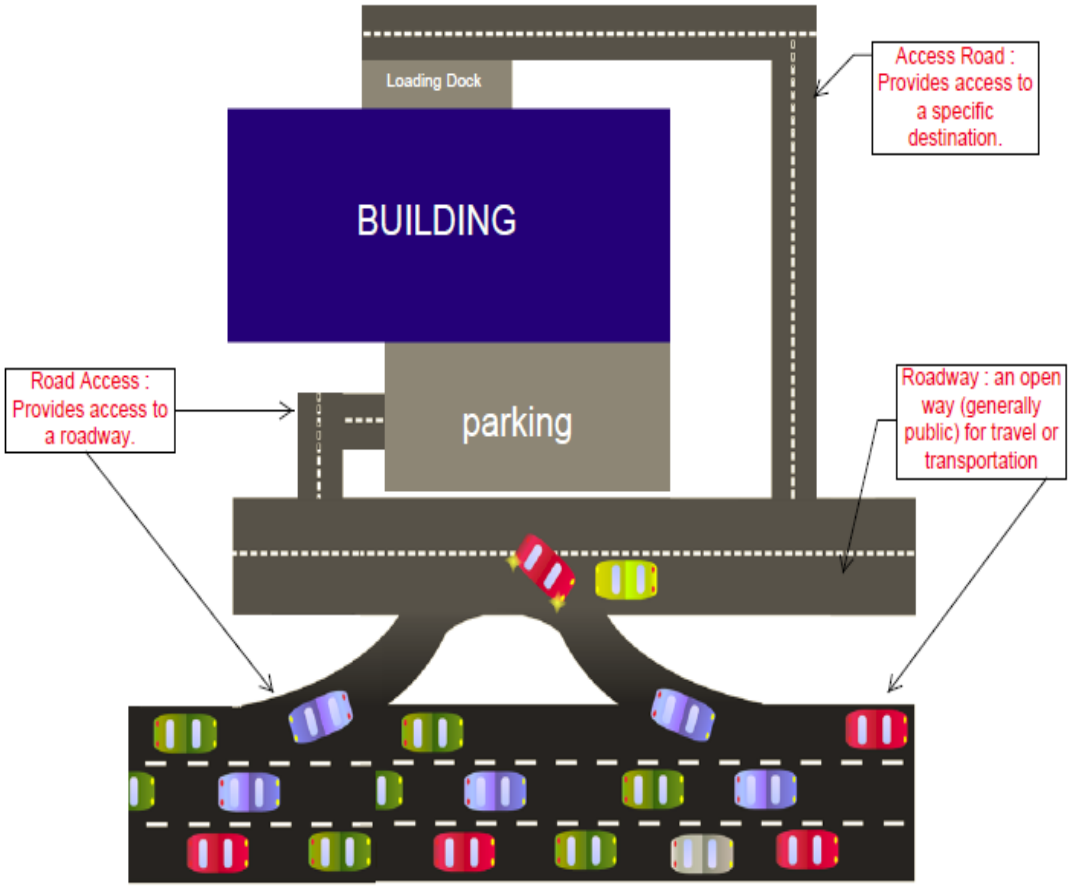
7.46.2 An **access road** provides access to a specific destination like a loading dock. The unit of measure shall be meters (m).

7.46.3 Road access provides access to a roadway similar to the connection between a parking lot and the adjacent road. The unit of measure shall be meters (m).

7.46.4 The unit of measure for **bridges** shall be meters (m) between the points where the bridge connects to the road on each end.

7.46.5 An Executive Order has been issued directing that the entire Federal vehicle fleet be converted to electric vehicles*. In addition, ASN (EI&E) policy (issued 5 November 2023) requires* ***electric vehicle charging infrastructure (evci)*** *in the development of any new MILCON project that includes or will include parking for government-owned or leased vehicles for no less than 15 percent of these vehicles planned to be parked at the facility. This requirement is in effect for FY 2026 and beyond projects. A line-item shall be included for all affected MILCON projects for the cost of this infrastructure in the BESS under* ELECTRICAL UTILITIES*. The following shall be included in the* ELECTRICAL UTILITIES *paragraph in Block 10, as applicable: “The project includes electrical vehicle charging infrastructure.”*

7.46.6 Based on UFC 2-000-05N the unit of measure shall be kilowatts (KW) and is commulative for each charging port station associated with the asset. Also include the number of charging ports with the unit measure of each (EA). EVCI are classified as Real Property and are, therefore, MILCON funded.



8 - Block 12 – Supplemental Data

8.1 The "**Project Issues"** section in Block 12 is often misunderstood. The intent of this section is to identify any issues that may delay execution or that could be "show-stoppers" for the project. Items that are checked "Yes" as issues should have an accompanying note. For example, if the "Hazardous Waste" issue is checked "Yes," a suitable explanation might be, "Special soil handling and disposal methods will be required due to the toxicity of the hazardous waste found on the site."

8.2 Careful attention must be paid to the **design** and **construction milestone dates.** Check the dates and other information for design start, percent completion, contract award, construction start and construction completion fields and other items in Block 12A. Make sure these dates and information are complete and logical. See the DD 1391 **Design Date Milestones and Guidelines** table below. ERCIP project dates will be different based on design and construction schedule; contact the NAVFAC HQ PDC **ERCIP** manager for appropriate project dates.

8.3 Funds become available upon enactment of the MILCON Appropriations bill and the National Defense Authorization Act for MILCON projects (via the administrative funds allocation chain) usually in December or January of the Budget Year (BY). For purposes of DD 1391 preparation, assume funds are available and **contract award** will be made no earlier than December of the BY (e.g., award an FY 2027 project no earlier than December 2026). Projects with construction contract awards planned for the fourth quarter of the fiscal year or later will be at risk during the budget review. The goal is award no later than third quarter.

8.4 Actual **contract duration** should be estimated (during the cost estimating phase) based on the actual level of effort expected. Contract duration should be based on consideration of the scope of work, site and/or performance restrictions, mandatory milestones and funding limitations. The assigned duration should represent a timeframe that is accomplished by a competent and organized contractor in a safe and competitive environment, while always considering that the shortest duration is usually desired by the clients.

8.4.1 The items below should be taken into consideration when determining construction duration. It should be understood that this list is not all inclusive, but it captures some of the major contributors that lead to adjustments in duration.

- Mission Need Date (MND)/Required Beneficial Occupancy Date (RBOD)
- Market Conditions/Bidding Environment
  - Some future market conditions are unpredictable when budget estimate are developed several year in advance (e.g., impact of COVID 19 on labor availability). However, some are predictable and should be factored into both the cost estimates and the

construction durations (e.g., Olympic Games in Italy (winter 2026) and Los Angeles (summer 2028).

- Design/Acquisition Resources Required for Construction Contract Award
- Number of Projects to be Awarded in Fiscal Year
- Contract Dollar Value
- Delivery Method (DB, DBB, ECI)
- Acquisition Plan/Acquisition Vehicles for Award
- Scope and Complexity of Project
- Certifications/Approvals Needed to Get to MND/RBOD (e.g., certifications of controlled areas, Authority to Operate)
- Construction Windows (e.g., fish windows, seasonal factors, migration timeframes, weather)
- Funding Limitations (e.g., incremented project)
- Site/Construction Restrictions (e.g., staging areas, available work hours, work area limits)
- Extended Procurement Lead Time (e.g., transformers, special pumps)

8.4.2 Duration is measured from the construction contract award date to **Required Beneficial Occupancy Date (RBOD)**. At the time of construction contract award, expect the RBOD to be the same as the construction contract completion date.

8.5 Acquisition rules prohibit paying a contractor additional funds after contract award for **completion date acceleration**. However, a **CONDENSED SCHEDULE PREMIUM** line-item may appropriately be included in the project cost during project development when completion of the facility is required sooner than would normally be anticipated for the type of project. For example, an aircraft maintenance hangar probably requires 24 months to complete, but the new squadrons will arrive sooner than originally planned, requiring RBOD for the hangar to be 15 months after award. The condensed schedule premium would cover the additional cost to the contractor for such things as a larger work force, working multiple shifts and/or the accelerated procurement of materials. This line-item shall be placed under SPECIAL COSTS *and shall be referred to it within the* SPECIAL COSTS *paragraph in Block 10.*

8.5.1 *An emerging acquisition tool to be employed on a few projects is the use of **Award Fees** as a means of incentivizing contractors to meet or exceed certain goals established by the Navy. For instance, completing a MILCON project on schedule to meet a very fixed and important Mission Need Date or keeping the total project cost within the appropriated amount. Inclusion of an award fee line-item on the DD 1391 requires NAVFAC HQ approval and concurrence by the project's Resource Sponsor. The amount to be included within the Budget PRI DD 1391 will vary by project and the urgency to achieve the established goals. The amount should be based on the risk assessment of the target objectives (i.e., the value of achieving those objectives). However, a rough rule of thumb might be five to seven percent of*

the projected contract amount. Not all of this amount actually will be awarded as it will depend on the contractors' performance during construction, but 100 percent of the estimated award fee should usually be included in the DD 1391. This line-item shall be placed under SPECIAL COSTS *and shall be referred to it within the* SPECIAL COSTS *paragraph in Block 10.*

8.6 The total **design cost** field, in Block 12, Line 12.A.3., sub-lines A through E of the DD 1391, represents the total MILCON design funds (A/E and In-House) expected to be expended for the project. This includes all MILCON design funds to be expended for completion of engineering services and preparation of documents associated with solicitation and evaluation of construction contractor proposals or bids prior to construction contract award. Construction funds to be expended for any design effort after construction award are not to be included.
8.6.1 The table at Appendix B provides a calculator for determining the amounts that shall be used each of the sub-lines A through E in Block 12.A.3. Instructions are included at the bottom of the table.
8.6.2 The terms **"Planning & Design"** or **"P&D"** should be replaced with the terms **"Military Construction Design"** or **"MILCON-D"**. This is technically more accurate as MILCON design appropriations do not pay for planning activities. It is understood, after decades of the common use of the term "P&D", that it will be a hard "habit" to break.

8.7 The **design - six percent limit** for design cost expenditures is best calculated with assistance from NAVFAC Contracting. The legal basis for this is 10 USC 4540 (Army), 10 USC 7212 (Navy and Marine Corps), and 10 USC 9540 (Air Force), which limit the contract price (or fee) for A/E services for the preparation of designs, plans, drawings, and specifications to six percent of the project's estimated construction cost. The six percent limit applies only to that portion of the contract (or modification) price attributable to the preparation of designs, plans, drawings, and specifications. *The six percent limitation does not apply to investigative services, special consultant services or other services determined to be not subject to the six percent limit.*

8.8 Block 12 Section A.1.F shall be filled in with the appropriate **acquisition strategy** of the project.
8.8.1 For MCON and MCNR projects, the acquisition strategy goal has been revised and no longer specifies a desired split between design-build (DB) and design-bid-build (DBB) (e.g., 60 percent DB and 40 percent DBB). The acquisition strategy should be selected, in coordination with the FEC Planning, Design and Construction (PDC) Directorate project manager, to be the most appropriate for the project concerned based on the project type, complexity, or other specific concerns.
8.8.2 The selection of the acquisition strategy should be seriously considered during the development of the SMIG PRI (PRI#1) DD 1391s planned for submission to the Navy or MCICOM Regions for consideration for the next budget year. The facilities planner should contact the appropriate FEC PDC project manager for assessment as to the appropriate acquisition strategy for

the project. The rationale for the selection of DB or DBB (and for the use of **Early Contractor Involvement (ECI)**) should be provided in the "Notes" sections of Block 11. For example, "DBB was selected for this project because it is a unique, highly technical laboratory which will require very close tolerances for the configuration and installation of the built-in equipment."
8.8.3 Use of ECI as an acquisition strategy shall be compliance with P403 NAVFAC ECI Guide.
8.8.4 An acquisition strategy assessment shall be made at the time of Budget PRI (PRI#2) DD 1391 submission to HQ MILCON, with additional recommendations for adjustments being made at that time. The acquisition strategy for all projects shall be "locked" at the Consistency Review Board. After that point, changes shall be made only through coordination and approval with HQ PDC. Once OPNAV and MCICOM submit their programs to ASN/FMB, requests for DB/DBB changes must be approved by the Ech III Commander. The request is then submitted to Ech II for final adjudication (PDC-MILCON affordability check) and the recommendation is submitted to the Ech II Chief Engineer/PDCB Director for final approval.
8.8.5 ERCIP projects can be combined with third party financing contracts such as Energy Savings Performance Contracts (ESPC), Utility Energy Services Contracts (UESC), and Utilities Privitization (UP). For these arrangements, work with Public Works to understand the requirements for specific contracts.

8.9 DD 1391 Block 12 B provides a list of "Equipment associated with this project which will be provided from other appropriations" – also called **equipment from other appropriations**. The purpose of this list is to highlight those units of personal property that either justify the need for the MILCON project (e.g., flight simulator) or are major components of the overall complete and usable facility (e.g., furniture for UH).
8.9.1 Fill in the template for Block 12 B in PAX as completely as possible.
8.9.2 As a means of helping to identify the correct funding agent (i.e., Command), add the funding agent (if known) in parenthesis after the name of the equipment item. For example, "Work benches (CNIC)."
8.9.3 The cost for design, installation, consultation and certification for equipment from other appropriations is not a MILCON cost.
8.9.4 For selecting the proper appropriation for these equipment line-items, there are several rules of thumb that work for most line-items (there will be exceptions, so deviation from the guidelines below is acceptable if there is certainty as to the proper non-traditional appropriation type).

- If the line-item cost is $250,000 or less, then the appropriation type will usually be O&MN, or O&MMC
- If the cost is greater than $250,000, then it will usually be OPN or PMC
- If the line-item consists of the summation of multiple items (e.g., desks, beds, computes monitors) which has a total cost of over $250,000 but none of the items, individually, costs more that $250,000, than the appropriation type is O&MN or O&MMC. For example:
    - Furniture, Furnishing & Equipment (FFE) $300,000 O&MN

    - Consists of 300 beds costing $1,000/each
- High-cost items (such as flight simulators, ship bridge simulators, laboratory equipment, industrial plant equipment) will generally be funded by major procurement appropriations (e.g. APN, SCN, RDT&E)

8.9.5 If a project has **Electronic Security Systems (ESS)**, the project team must coordinate closely with the customer and Public Safety Office (PMO) CNIC N6 to understand who pays for each part of the ESS. The AT/FP PMO will only pay for the minimum ESS facility requirement and the customer will have to pay for the policy-based ESS required for accreditation and the customer will have to pay for anything desired above the baseline ESS. Therefore, two ESS line items under Major Equipment may be required in this section (ESS (AT/FP Ashore) & ESS (Customer)).

8.9.6 Mitigation Issues: Check appropriate mitigation boxes and provide mitigation description in the notes section. MILCON pays for environmental and historic preservation mitigation costs such as:
(a) Mitigation of impacts to tribal treaty rights, known sacred sites, and tribal lands
(b) Minimization and mitigation of adverse effects to historic properties per the National Historic Preservation Act.
(c) Costs necessary to complete required mitigation measures resulting from regulatory consultations…
For projects that are likely to significantly impact tribal lands, sacred sites, or treaty rights the notes section must include a description and status of tribal consultation, proposed mitigation, and an estimate for mitigation measures.

8.10 The **Design Date Milestones** guidelines table is provided after Section 8.12 below.

8.11 A **Joint Use Statement** is required for all projects. Use the “drop-down menus” in PAX to select the appropriate statements. If the project has been identified as being considered as having joint use potential, please include a statement in the Block 11 REQUIREMENTS section that specifies what other Service(s) or agencies are intended to use the facility (e.g., “The training pool will be used to train Navy student-divers as well as students from the Army and Coast Guard.”).
8.11.1 There have been as many as 20 different Joint Use Statements available for selection in PAX in the past, some of which were obsolete. For consistency, select one of the eight statements provided below and do not modify any of these statements:

<u>For Navy projects</u>

1) "The Regional Commander certifies that this project has been considered for joint use potential. Unilateral construction is recommended. This facility can be used by other components on an as available basis; however, the scope of the project is based on Department of the Navy requirements."

2) "The Regional Commander certifies that this project has been considered for joint use potential. Joint use is recommended."

3) "The Director of Naval Reserve certifies that this project has been considered for joint use potential. Unilateral construction is recommended. This facility can be used by other components on an as available basis; however, the scope of the project is based on Department of the Navy requirements."

4) "The Director of Naval Reserve certifies that this project has been considered for joint use potential. Joint use is recommended."

For Marine Corps projects

5) "Assistant Deputy Commandant Installations and Logistics (Facilities) certifies that this project has been considered for joint use potential. Unilateral construction is recommended. This facility can be used by other components on an as available basis; however, the scope of the project is based on Department of the Navy requirements."

6) "Assistant Deputy Commandant Installations and Logistics (Facilities) certifies that this project has been considered for joint use potential. Joint use is recommended."

7) "Assistant Deputy Commandant Installations and Logistics (Facilities) certifies that this project has been considered for joint use potential. Unilateral construction is recommended. The State Joint Services Reserve Component Facilities Board has reviewed this project for joint use potential. That board determined that unilateral construction is the best alternative to support this mission."

8) "Assistant Deputy Commandant Installations and Logistics (Facilities) certifies that this project has been considered for joint use potential. Joint use is recommended. The State Joint Services Reserve Component Facilities Board has reviewed this project for joint use potential. That board determined joint use is the best alternative to support this mission."

8.12 The last item on Block 12 is "**Activity POC**:" and "Phone No.". For all DD 1391s, the entry for Activity POC shall be "Project Development Lead". For DD 1391 up through and including Certified Final DD 1391, the phone number should be for the individual at the installation most responsible for the project (usually the lead facility planner). For Budget Final DD 1391s and beyond, the phone number shall be 202-685-9401, which is for the NAVFAC HQ Program Manager Branch Head.

DD 1391 Design Date Milestones and Guidelines

THE FOLLOWING GUIDELINES APPLY TO <u>DESIGN-BUILD</u> AND <u>DESIGN-BID-BUILD</u> PROJECTS

BLOCK 12 A Estimated Design Data: **1. Status**	
Status: Percent Design Complete is defined in the adjacent column.	• For Design Build (DB): ➢ 1% Design Complete: BPA or PDA issued. ➢ 15% Design Complete: Parametric cost estimate and supporting documentation (such as site plan, economic analysis, and NEPA documentation) completed. ➢ 30% Design Complete: Early preliminary design development working drawings, design analyses, and outline specifications received from the designer. ➢ 35% Design Complete: Early preliminary design development review comments returned. ➢ 100% Design Complete: Post Construction Contract Award Technical Acceptance of design completed by the Construction Contractor. • For Design Bid Build (DBB): ➢ 1% Design Complete: BPA or PDA issued. ➢ 15% Design Complete: Parametric cost estimate and supporting documentation (such as site plan, economic analysis, and NEPA documentation) completed. ➢ 30% Design Complete: Early preliminary design development working drawings, design analyses, and outline specifications received from the designer. ➢ 35% Design Complete: Early preliminary design development review comments returned. ➢ 60% Design Complete: Regular preliminary (progress) working drawings, design analyses, updated cost estimate, and updated outline specifications received from designer. ➢ 65% Design Complete: Regular preliminary (progress) review comments returned. ➢ 90% Design Complete: Pre-final design (working drawings, design analyses, cost estimates, and specifications) received from the designer. ➢ 95% Design Complete: Pre-final design review comments returned. ➢ 100% Design Complete: Final design received from the designer, accepted, and ready for release to acquisition.
(A) Date design or Parametric Cost Estimated started	Enter the date that BPA or PDA was issued.
(B) Date 35% Design or Parametric Cost Estimate complete	In general, 35% design will not be specifically authorized for projects prior to the normal schedule for issuance of Final Design Authority (FDA) in Jan-Apr BY-2. Therefore, a 15% design effort, producing a engineering systems-level parametric cost estimate, is normally the highest level of effort available prior to submission to FMB in June BY-2. The Program Final DD 1391 is expected to achieve a quality designation of “certified.” A 15% project level of design maturity with parametric cost estimate is typically required to achieve a “certified” designation. OSD(C)’s expectation is that the design level should be no less that 15% complete with a parametric cost estimate. Enter the earliest date that the15% project level of design maturity with parametric estimate is completed.

(C) Date design complete	Enter the projected 100% design completion date. • For Design-Build (DB) projects, "design complete" date is AFTER construction contract award and will usually be no earlier than two months after contract award. This would usually to be a date before construction start, but not always. There may be situations where the contractor begins site preparation work while still completing the design of the facility. Do not use the date of RFP completion for Line C. • For Design-Bid-Build (DBB) projects, the design complete date needs to be in advance of contract award and it needs to allow enough time for the contract solicitation process to take place (i.e., need 100% design complete prior to solicitation).
(D) Percent complete as of September BY-2	At this point in the MTP3 process the project would have been through the FMB review process and the budget books would normally have been submitted to OSD-C. For all projects, whether DB or DBB, the Program Final DD 1391 should have been completed. The Program Final DD 1391 is expected to achieve a "certified" quality designation. Therefore, the minimum percent design complete as of September BY-2 will be 15% (possibly higher in some circumstances). Enter 5% for a project added late to the program for which there is not enough time to complete sufficient design to achieve a "certified" designation.
(E) Percent complete as of January BY-1	At this point in the MTP3 process, the project would have been through the OSD-C review and would be locked for the President's Budget submission to Congress. For all projects, whether DB or DBB, the Program Final DD 1391 should have been completed. Therefore, the minimum percent design complete as of January BY-1 should be 15% (possibly higher in some circumstances).). Enter 5% for a project added late to the program for which there is not enough time to complete sufficient design to achieve a "certified" designation. The percent complete entered on line E should never be less than the amount entered on line D.
(F) Type of design contract	Enter "Design Build" or "Design Bid Build" as appropriate.
(G) Parametric Estimate used to develop cost	Enter "Yes" if the amount entered on Line D is 15% or greater. Enter "No" if the amount entered on Line D is less than 15%.
(H) Energy Study/Life Cycle Analysis performed	It is acknowledged that an energy study and/or full project-specific, systems-level life cycle analysis most likely has not been performed by the time of budget submission because (the yet-to-be-determined) project design specifics are required to do these studies. The Financial Management Regulations require economic analysis (E/A) be performed on all MILCON projects comparing various ALTERNATIVES (i.e., status quo, restoration/modernization, conversion/alteration, leasing, new construction, others). The analysis of these alternative does, in fact, compare the various life cycle costs. Therefore, assuming the E/A has been done, entering "Yes" in Line H is legitimate.
2. Basis	A. Standard or Definitive Design – "Yes" or "No" B. Where design was previously used – Provide project or other information.
3. Total Cost (C) = (A) + (B) = (D) + (E)	See Section 8.6 in the CRB Guidelines.

4. Contract award	For regular MILCON projects (i.e., not funded using Emergency Construction or other exceptional authorities), construction contract award cannot be made until enactment of the authorization and appropriations bills. Recent history indicates the these bills will not be enacted prior to the start of the fiscal year and often not until well into the first quarter of the fiscal year. Therefore, use December BY-1 as the earliest award date (e.g., Dec 2025 for FY 2026). If award is expected to be made later than December, use the best projected date. Note that an award date any later than the third quarter of the fiscal year will likely result in project deferral during the budget review process. Therefore, any lock date used for this line that is in the fourth quarter or later, will be probably be adjusted to the "left" for budget submissions.
5. Construction start	• For DB projects, where the design is completed after construction contract award, the construction start is generally 3 to 6 months after award but could be earlier. The design usually needs to be finished by the contractor's A/E before construction can begin. There are some exceptions (e.g., the contractor begins site work before the full facility design is completed). • For DBB projects, the construction start date is usually soon after the contract award date.
6. Construction complete	Use the best available projection of the project's Required Beneficial Occupancy Date (RBOD). See Section 8.4 of the CRB Guidelines.

APPENDIX A

NAVFAC Market Escalation Calculator

A helpful tool is the “NAVFAC Building Cost Index (BCI)” which is updated quarterly each year. For the latest version go to the link below and select NAVFAC BCI:

NAVFAC Building Cost Index (BCI) 2022-Q4 | WBDG - Whole Building Design Guide

NAVFAC Building Cost Index (BCI)
2023-Q4 (Released April, 2024)

Calendar Year	First Quarter Jan	Feb	Mar	Second Quarter Apr	May	Jun	Third Quarter Jul	Aug	Sep	Fourth Quarter Oct	Nov	Dec	% change y/y Oct-Oct	% change y/y Dec-Dec
2005	4112	4116	4127	4168	4189	4195	4197	4210	4242	4265	4312	4329	3.3%	5.0%
2006	4335	4337	4330	4335	4331	4340	4356	4360	4375	4431	4462	4441	3.9%	2.6%
2007	4432	4432	4411	4416	4475	4471	4493	4515	4533	4535	4570 1	4580	2.3%	3.1%
2008	4593	4605	4634	4650	4646	4658	4712	4682	4734	4733	4706	4650	4.4%	1.5%
2009	4629	4573	4535	4490	4473	4444	4436	4405	4392	4382	4366 2	4376	-7.4%	-5.9%
2010	4366	4371	4364	4365	4372	4372	4370	4360	4356	4378	4386	4389	-0.1%	0.3%
2011	4393	4411	4408	4424	4423	4434	4454	4464	4466	4487	4495	4495	2.5%	2.4%
2012	4510	4512	4525	4536	4542	4541	4546	4562	4559	4571	4583	4588	1.9%	2.1%
2013	4612	4629	4636	4650	4662	4676	4686	4687	4696	4738	4750	4762	3.7%	3.8%
2014	4776	4781	4796	4821	4838	4851	4873	4879	4893	4929	4944	4952	4.0%	4.0%
2015	4979	4986	4998	5022	5027	5047	5072	5082	5105	5128	5151	5167	4.0%	4.3%
2016	5170	5185	5194	5230	5245	5255	5278	5292	5292	5328	5338	5360	3.9%	3.7%
2017	5379	5384	5414	5429	5444	5457	5488	5512	5529	5543	5568	5579	4.0%	4.1%
2018	5600	5618	5637	5681	5711	5722	5756	5777	5801	5848	5866	5891	5.5%	5.6%
2019	5921	5936	5954	5986	6002	6016	6053	6074	6086	6115	6130	6155	4.6%	4.5%
2020	6179	6175	6166	6174	6172	6169	6176	6159	6162	6178	6199	6216	1.0%	1.0%
2021	6221	6249	6301	6363	6419	6438	6494	6596	6586	6693	6713	6751	8.3%	8.6%
2022	6874	6932	6990	7093	7152	7223	7357	7389	7422	7508	7530	7562	12.2%	12.0%
2023	7683	7713	7744	7767	7788	7798	7788	7827	7837	7840 3	7861 4p	7885 p	4.4%	4.3%
2024	7909 p	7922 p	7943 p	7967 p	7988 p	8010 p	8038 p	8053 p	8068 p	8107 p	8124 p	8143 p	3.4%	3.3%
2025	8178 p	8202 p	8226 p	8260 p	8288 p	8315 p	8352 p	8378 p	8404 p	8458 p	8489 p	8521 p	4.3%	4.6%
2026	8573 p	8609 p	8646 p	8693 p	8731 p	8768 p	8817 p	8848 p	8879 p	8939 p	8972 p	9007 p	5.7%	5.7%
2027	9081 p	9096 p	9132 p	9180 p	9216 p	9250 p	9297 p	9325 p	9352 p	9411 p	9440 p	9471 p	5.3%	5.2%
2028	9522 p	9554 p	9587 p	9632 p	9665 p	9696 p	9740 p	9766 p	9791 p	9848 p	9877 p	9906 p	4.6%	4.6%
2029	9957 p	9990 p	10023 p	10068 p	10102 p	10135 p	10181 p	10209 p	10236 p	10297 p	10328 p	10360 p	4.6%	4.6%
2030	10415 p	10451 p	10487 p	10536 p	10573 p	10610 p	10659 p	10690 p	10720 p	10785 p	10818 p	10853 p	4.7%	4.8%
2031	10912 p	10950 p	10989 p	11041 p	11080 p	11119 p	11171 p	11203 p	11234 p	11302 p	11337 p	11374 p	4.8%	4.8%
2032	11435 p	11474 p	11514 p	11568 p	11609 p	11648 p	11702 p	11735 p	11768 p	11838 p	11874 p	11911 p	4.7%	4.7%
2033	11974 p	12015 p	12056 p	12112 p	12155 p	12196 p	12252 p	12286 p	12320 p	12392 p	12430 p	12469 p	4.7%	4.7%
2034	12535 p	12577 p	12621 p	12679 p	12723 p	12766 p	12825 p	12861 p	12896 p	12972 p	13012 p	13053 p	4.7%	4.7%

Escalation Factor = $\frac{\text{Index of the "escalated to" date}}{\text{Index of the "escalated from" date}}$

Note 1: From here on, index grows at the same rate as the DoD SPI, not the ENR Building Cost Index on which it was previously based.
Note 2: From here on, the DoD SPI (and therefore the NAVFAC BCI) uses the New Office Construction PPI rather than the Saylor index, and is rebased.
Note 3: The historical data through October 2023 is consistent with DOD SPI values used in Table 4-2 of UFC 3-701-01. Note that the Table 4-2 values of UFC 3-701-01 is normally updated soon after publication of the fourth quarter BCI table, so there will be some weeks between the publication of the fourth and first quarter BCI tables that the fourth quarter table will not be consistent with the updated DOD SPI values for Table 4-2, UFC3-701-01.
Note 4: The projected (p) data is derived from an econometric forecast of escalation obtained from running a regression of the individual DOD Selling Price Index components and actual inflation for the full time series of the DOD Selling Price Index.

APPENDIX B
Design Costs Calculator
Use link below to access interactive version
Cut and paste into your browser

https://flankspeed.sharepoint-mil.us/:x:/s/NAVFACHQMILCON/EahJkRnau_hBoJV3iKcT3MsBxtSyxy4l0Z5Gsc9mpulW1A?e=R6tfDH

Project Name:	PXXX Project Name			
Project Location:	Location, State			
Programmed Amount	$100,000			

	Design Percentages (of Programmed Amount)		
Strategy	**IH**	**AE**	**Total**
IH DBB	7.75%	1.25%	**9.00%**
IH DB	4.00%	1.00%	**5.00%**
AE DBB	1.75%	7.25%	**9.00%**
AE DB	1.75%	3.25%	**5.00%**

Strategy	**IH**	**AE**	**Total**
IH DBB	$7,750	$1,250	**$9,000**
IH DB	$4,000	$1,000	**$5,000**
AE DBB	$1,750	$7,250	**$9,000**
AE DB	$1,750	$3,250	**$5,000**

Block 12.A.3. Total Cost	**IH DBB**	**IH DB**	**AE DBB**	**AE DB**
(a) production of plans and specs (6% for DBB/2% for DB)	$6,000	$2,000	$6,000	$2,000
(b) All other design costs	$3,000	$3,000	$3,000	$3,000
© **Total**	**$9,000**	**$5,000**	**$9,000**	**$5,000**
(d) Contract	$1,250	$1,000	$7,250	$3,250
(e) In-house	$7,750	$4,000	$1,750	$1,750

Directions: Enter information into Block B3. Spreadsheet will calculate values. Pick a column for the desired Acquisition Strategy.

APPENDIX C

Calculating costs for **CYBERSECURITY FEATURES** and **CYBERSECURITY COMMISSIONING**

Use the below guidance for DD 1391 BLOCK 9 CYBERSECURITY FEATURES and for CYBERSECURITY COMMISSIONING under SPECIAL COSTS in the BESS. *It is permissible to deviate from the guidelines below IF "hard" data and/or calculations are available (e.g., contractor proposals; historical data; "catalog costs" for cybersecurity features).*

- The method for entering the cost for cybersecurity features in the Block 9 is to enter "LS" as the unit of measure, then use the calculations done in the OTHER COST section for cybersecurity features in the BESS and hand-enter the cost in the "cost" column opposite the CYBERSECURITY FEATURES line-item of Block 9.

CYBERSECURITY FEATURES

FOR MOST PROJECTS:

- $100,000 when the sum of the line-item costs of each distinct PRIMARY FACILITY (PRIM FACS) plus ELECTRICAL UTILITIES and MECHANICAL UTILITES (ELEC/MECH) is less than $10M
- 1.0 percent of the sum of PRIM FACS plus ELEC/MECH line-item costs when $10M or greater but less than $50M
- $500,000 when the sum of the PRIM FACS plus ELEC/MECH costs is $50M or greater

FOR NON-BUILDING TYPES (e.g., airfield pavements, roads, water storage tanks):

- $50,000 when the sum of the line-item costs of each distinct PRIMARY FACILITY (PRIM FACS) plus ELECTRICAL UTILITIES and MECHANICAL UTILITES (ELEC/MECH) is less than $10M
- 0.5 percent of the sum of PRIM FACS plus ELEC/MECH line-item costs when $10M or greater but less than $50M
- $250,000 when the sum of the PRIM FACS plus ELEC/MECH costs is $50M or greater

Notes: 1) With regard to electrical and mechical utilities: only those line-items in the Budget Estimate Summary Sheet that would have cybersecurity controls (e.g., advanced meters for water; SCADA for electrical systems) would be included in the calculations above. *2) Cybersecurity Features in entirely a contractor cost.*

CYBERSECURITY COMMISSIONING

FOR ALL PROJECTS

- Add a line-item named "CYBERSECURITY COMMISSIONING" in the SPECIAL COST section of the BESS and after the PCAS line-item
- The cost for this line-item is calculated by multiplying 0.5 percent by the sum of the PRIM FACS plus ELEC/MECH line-item costs. For example, 0.005 x $12M = $60,000
- The 0.5 percent *is entirely* for in-house Chief Information Officer costs

APPENDIX D
Summary of all Standard Statements for Blocks 10 & 11

NOTE: Other required DD 1391 statements are project-specific and are not included below.

ECONOMIC PRICE ADJUSTMENT: *A standard statement shall be added to the description of work section in the Block 10 as follows: "An economic price adjustment (premium) line-item has been included to address concerns with the impacts of inflation on the ultimate cost of completing this project."*
AWARD FEE: *A standard statement shall be added to the description of work section in the Block 10 as follows: "An award fee (premium) line-item has been included as a means of incentivizing the contractors to meet or exceed certain goals established by the Navy."*
CYBERSECURITY: One of the following statements is required for every project. "Facility-related control systems include cybersecurity features in accordance with current DoD criteria."; or, in the case where the project has not cybersecurity features (e.g., pavements, dredging), "No cybersecurity features are required for this project."
ANTITERRORISM (AT): "This project will provide Antiterrorism (AT) features and comply with applicable service and Geographic Combatant Commander policies and directive per Unified Facilities Criteria (UFC) for DoD Minimum Antiterrorism Standards for Buildings."
SPECIAL COSTS: Project specifics should be added, as appropriate, to the following standard statement, "Special costs include Post Construction Contract Award Services (PCAS) and cybersecurity commissioning. The cybersecurity commissioning cost is to cover the Department of Navy's (DON) cybersecurity requirements as well as DON's in-house costs to review contractor submittals and to implement steps necessary for obtaining Authority to Operate."
OMSI: **"**Operations and Maintenance Support Information (OMSI) is included in this project." This statement is required only if DoD GUC was <u>not</u> used or if the unit cost does not include OMSI costs.
SUSTAINABILITY AND ENERGY REQUIREMENTS: The standard statement is: "Department of Defense and Department of the Navy principles for high performance and sustainable building requirements will be included in the design and construction of the project in accordance with federal laws and Executive Orders. Low Impact Development will be included in the design and construction of this project as appropriate." This statement is required for every project.
FACILITY ELECTRIFICATION*): The standard statement to be included for all projects is: "In accordance with USD A&S Memorandum (18 August 2023), Electrification of Standard Building Operations, this project maximizes the use of all-electric technologies to leverage the Department's growing investment in microgrid technology to support mission assurance."*

MUNITIONS AND EXPLOSIVES OF CONCERN (MEC): Use the following standard statement only for projects in Guam and only when applicable: "Unexploded ordnance and Munitions and Explosives of Concern (MEC) clearance is required for this project. Ground intrusion activities or excavation work will adhere to Joint Region Marianas Explosive Safety Submission."
LIFE CYCLE COST: The following standard statement is required for all projects (except those that are solely for land acquisition). "Facilities will be designed to meet or exceed the useful service life specified in DoD Unified Facility Criteria. Facilities will incorporate features that provide the lowest practical life cycle cost solutions satisfying the facility requirements with the goal of maximizing energy efficiency."
100-YEAR FLOODPLAIN MITIGATION: If the project will <u>not</u> be sited within a 100-year floodplain, add the following as the next to last sentence in the CURRENT SITUATION section of the Block 11, "This project is not within a flood hazard area."

In some cases, the optimal site for new construction is within a 100-year floodplain; in those cases, a statement is required describing any mitigation features that will be included in the project scope. Use the following template as the "Flood Hazard Certification Statement":
"This project falls <within/partially within> a flood hazard area representing <summary description of the defining flood event or cause>. This is a <non-mission essential/mission essential> facility. The design flood elevation is approximately <XXX> feet above the existing elevation at its lowest point. The flood risk will be mitigated as described in the description of construction."
LONG-TERM ADVERSE ENVIRONMENTAL EFFECTS: Include the following statement as the last paragraph on Block 11 CURRENT SITUATION (following the floodplain statement if there is one): "This project does not have scope elements above and beyond the UFC and Facilities Criteria regarding adverse long-term environmental effects." However, if the project has scope elements above and beyond those prescribed by UFCs and FCs, then describe these elements as the last paragraph in Block 10.
A statement may be required that addresses FY 2020 National Defense Authorization Act Section 2802 - IMPROVED CONSULTATION WITH **TRIBAL GOVERNMENTS** WHEN PROPOSED MILITARY CONSTRUCTION PROJECTS POTENTIALLY IMPACT INDIAN TRIBES. See Section 6.8 for details and statement templates.
RANDOLPH-SHEPPARD ACT: All DD 1391s in support of Unspecified Minor Construction (UMC) or Laboratory Revitalization Program (LRP) projects, or any DD 1391 in support of a Congressional notification, shall include one of the following statements placed as the last paragraph on Block 10:
RSA <u>does</u> apply:
"This project was evaluated for Randolph-Sheppard Act compliance in accordance with OPNAVINST 4535.1B and UFC 1-200-01. Coordination with NAVFAC is in progress
RSA <u>does not</u> apply:

"This project is not subject to the Randolph-Shepard Act. Per OPNAV INSTRUCTION 4535.1B, Chapter 3, Subparagraphs a(1) and a(2), this facility adheres to the following criteria:
-Fewer than 100 federal employees are located in the building during normal working hours.
-This building contains less than 15,000 square feet to be used for federal government purposes."
RSA may or may not apply:
"Randolph Sheppard Act will be evaluated and incorporated in accordance with OPNAVINST 4535.1B and UFC 1-200-01."

APPENDIX E

Sample Spending Plans for Design-Build and Design-Bid-Build Projects
Sample templates for DB and DBB projects are provided below. These are just screen shots of the interactive template which can be found at the link provided below.

These templates may be useful for some projects but probably not applicable for most others that have unique funding streams or work phasing requirements. In those cases, a project-specific spending plan is required.

An example of where a project-specific spending plan is more acceptable is a shipyard project that provides a saltwater distribution system in one of its dry docks. This project requires a significant upfront obligation for early procurement of long-lead pumps and other built-in equipment. Also, the shipyard needs fill, then empty, the dry dock for submarine turnover roughly halfway through the construction period. This means that construction must be suspended for a number of months before it can be resumed. As a result of these issues, the spending plan does not resemble the template's normal smooth "S" curve; rather, it has a bump-up in the early months and a "flat-spot" in the middle of the curve.

The interactive templates can be found at the link below:

Program Guidance (sharepoint-mil.us)
Click the selection that says "Program-Guidance.aspx
Scoll down to & click "Program Guidance All" (on right side)
Click on "Program Guidance POM 25"
Select "Spending Plan DB" or Spending Plan DBB"

SAMPLE: P-001 Design-Build

Cells highlighted in green are outlay amounts for the design portion.

Project Spending Plan

NAVFAC Naval Facilities Engineering Command

P-	001
Title:	X
Location:	X
FY:	2024
Execution:	DB
POM PDA WON	123456
Project Cost:	$200,000,000
Planned Award Date:	3/1/2024
Months of Construction:	36
DB %:	8.6%
DB Fee:	$17,200,000
Months of Design:	12

LEGEND

- INPUT CELLS
- CALCULATED CELLS
- CONSTRUCTION MONTHS
- DESIGN MONTHS
- DESIGN/CONSTRUCTION OVERLAY MONTHS

HOW TO USE THIS WORKBOOK

1. Input Cells are indicated as the yellow cells.
2. Fill out project information (Cells B4-B12). Fill out the Design information (Cells E10 & E12).
3. If project requires Front End Cost or Planned Phasing, include in Table "Front End Cost" (Cells A16-D22)
4. Fill out the project schedule "Month-Year" (Column A). The first date will typically start in December of the intended Budget Year. Delete additional data/rows not needed. Note: If additional rows are needed to accommodate the project schedule, add rows and drag down formulas in each column.
5. The project schedule should match the schedule on the 1391.
6. Enter Project Cost to be appropriated in the "Monthly" Column for "Funding" and "Obligations" (Columns B & D). Obligations are based on contract actions.
7. The "Monthly" Column (Column F) for "Outlays" distributes design costs and construction costs. The design months cost is the design fee divided by the number of design months and shall be shown as distributed monthly over the design period. The construction months costs are linked to the "Monthly Amount" (Column D) on the "Spend Calculator" Sheet. Note: If the project schedule differs from example adjust Column F as necessary. Additionally, construction could start before design is finished and there will be overlay in design and construction costs, adjust Column F as necessary.
8. If Front End Cost are required, include the Front End Cost in the Column H for "Outlays" for the month and year the cost should be appropriated.
9. Columns I & J "Months of Design" and "Months of Construction" are provided to validate the design and construction schedule.
10. If necessary, adjust Data Set Range in the Project Spending Plan Chart below.
11. To view all the input cells change the view settings to "Normal" (Select View Tab > Workbook Views > Normal). To view the final product to be printed change the view settings to "Page Break preview" (Select View Tab > Workbook Views > Page Break Preview).

Front End Cost or Planned Phasing

Item	Cost ($000)	Date
Item 1	$5,000	5/1/25

PROJECT SPENDING PLAN

Project: FYxx MCON Pxxx Title of Project; City, State

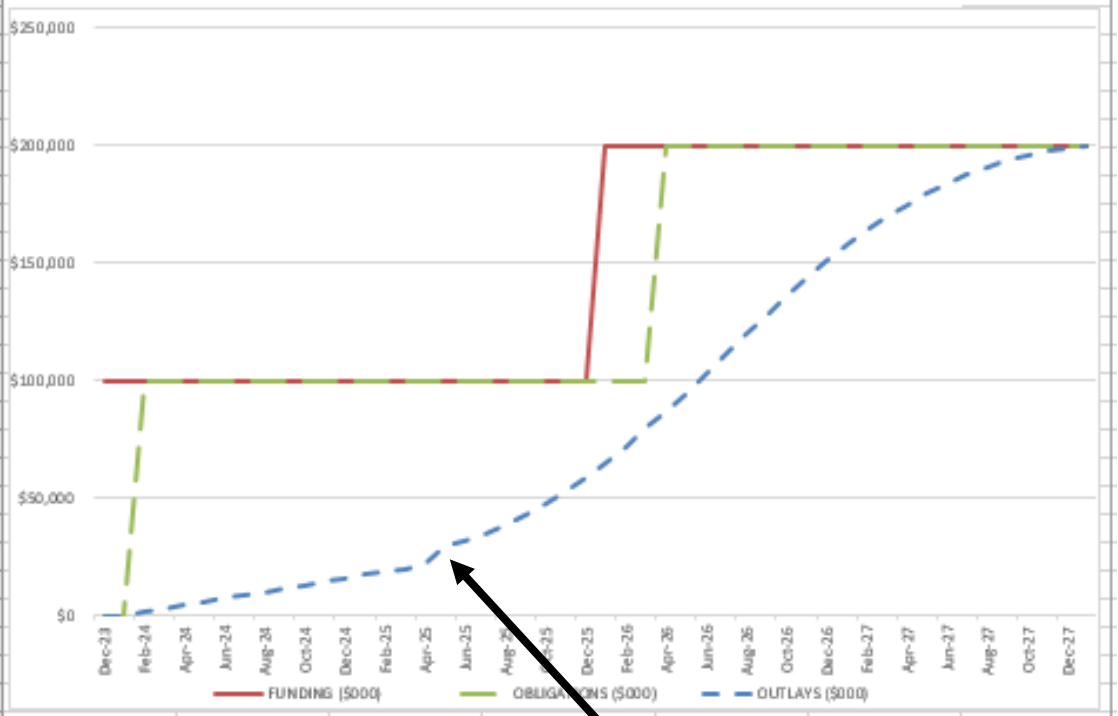
Project Cost ($000): $xxx,xxx
As of Month 20xx

	FUNDING ($000)		OBLIGATIONS ($000)		OUTLAYS ($000)		OUTLAYS ($000)	Months of Design	Months of Construc
Month-Year	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	ront End Cost		
Dec-23	$100,000	$100,000		$0	$0	$0		-	-
Jan-24		$100,000		$0	$0	$0		-	-
Feb-24		$100,000	$100,000	$100,000	$1,433	$1,433		1	-
Mar-24		$100,000		$100,000	$1,433	$2,867		2	-
Apr-24		$100,000		$100,000	$1,433	$4,300		3	-
May-24		$100,000		$100,000	$1,433	$5,733		4	-
Jun-24		$100,000		$100,000	$1,433	$7,167		5	-
Jul-24		$100,000		$100,000	$1,433	$8,600		6	-
Aug-24		$100,000		$100,000	$1,433	$10,033		7	-
Sep-24		$100,000		$100,000	$1,433	$11,467		8	-
Oct-24		$100,000		$100,000	$1,433	$12,900		9	-
Nov-24		$100,000		$100,000	$1,433	$14,333		10	-
Dec-24		$100,000		$100,000	$1,433	$15,767		11	-
Jan-25		$100,000		$100,000	$1,433	$17,200		12	-
Feb-25		$100,000		$100,000	$1,249	$18,449			1
Mar-25		$100,000		$100,000	$1,540	$19,989			2
Apr-25		$100,000		$100,000	$1,876	$21,864			3
May-25		$100,000		$100,000	$2,257	$29,121	$5,000		4
Jun-25		$100,000		$100,000	$2,682	$31,804			5
Jul-25		$100,000		$100,000	$3,149	$34,953			6
Aug-25		$100,000		$100,000	$3,651	$38,604			7
Sep-25		$100,000		$100,000	$4,182	$42,785			8
Oct-25		$100,000		$100,000	$4,730	$47,516			9
Nov-25		$100,000		$100,000	$5,286	$52,802			10
Dec-25		$100,000		$100,000	$5,834	$58,635			11
Jan-26	$100,000	$200,000		$100,000	$6,360	$64,995			12
Feb-26		$200,000		$100,000	$6,848	$71,844			13
Mar-26		$200,000		$100,000	$7,284	$79,128			14
Apr-26		$200,000	$100,000	$200,000	$7,652	$86,780			15
May-26		$200,000		$200,000	$7,941	$94,721			16
Jun-26		$200,000		$200,000	$8,139	$102,860			17
Jul-26		$200,000		$200,000	$8,240	$111,100			18
Aug-26		$200,000		$200,000	$8,240	$119,340			19
Sep-26		$200,000		$200,000	$8,139	$127,479			20
Oct-26		$200,000		$200,000	$7,941	$135,420			21
Nov-26		$200,000		$200,000	$7,652	$143,072			22
Dec-26		$200,000		$200,000	$7,284	$150,356			23
Jan-27		$200,000		$200,000	$6,848	$157,205			24
Feb-27		$200,000		$200,000	$6,360	$163,565			25
Mar-27		$200,000		$200,000	$5,834	$169,398			26
Apr-27		$200,000		$200,000	$5,286	$174,684			27
May-27		$200,000		$200,000	$4,730	$179,415			28
Jun-27		$200,000		$200,000	$4,182	$183,596			29
Jul-27		$200,000		$200,000	$3,651	$187,247			30
Aug-27		$200,000		$200,000	$3,149	$190,396			31

PROJECT SPENDING PLAN

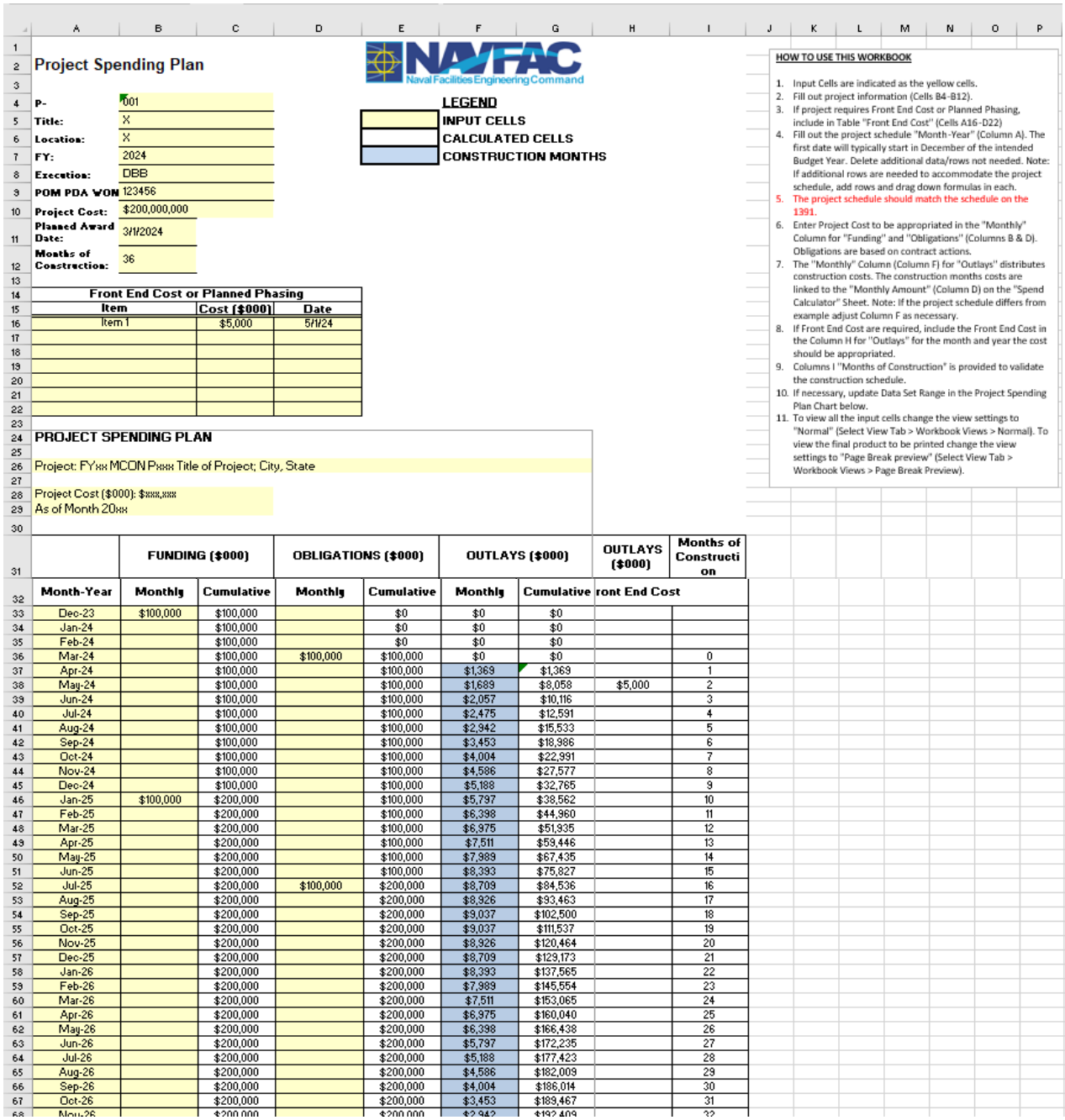
Project: FYxx MCON Pxxx Title of Project; City, State

Project Cost ($000): $xxx,xxx
As of Month 20xx



Notice the $5M "bump" that represents the one-time investment cost.

SAMPLE: P-002 Design-Bid-Build



Project Spending Plan

NAVFAC Naval Facilities Engineering Command

P-	001
Title:	X
Location:	X
FY:	2024
Execution:	DBB
POM PDA WON	123456
Project Cost:	$200,000,000
Planned Award Date:	3/1/2024
Months of Construction:	36

LEGEND

	INPUT CELLS
	CALCULATED CELLS
	CONSTRUCTION MONTHS

HOW TO USE THIS WORKBOOK

1. Input Cells are indicated as the yellow cells.
2. Fill out project information (Cells B4-B12).
3. If project requires Front End Cost or Planned Phasing, include in Table "Front End Cost" (Cells A16-D22)
4. Fill out the project schedule "Month-Year" (Column A). The first date will typically start in December of the intended Budget Year. Delete additional data/rows not needed. Note: If additional rows are needed to accommodate the project schedule, add rows and drag down formulas in each.
5. The project schedule should match the schedule on the 1391.
6. Enter Project Cost to be appropriated in the "Monthly" Column for "Funding" and "Obligations" (Columns B & D). Obligations are based on contract actions.
7. The "Monthly" Column (Column F) for "Outlays" distributes construction costs. The construction months costs are linked to the "Monthly Amount" (Column D) on the "Spend Calculator" Sheet. Note: If the project schedule differs from example adjust Column F as necessary.
8. If Front End Cost are required, include the Front End Cost in the Column H for "Outlays" for the month and year the cost should be appropriated.
9. Columns I "Months of Construction" is provided to validate the construction schedule.
10. If necessary, update Data Set Range in the Project Spending Plan Chart below.
11. To view all the input cells change the view settings to "Normal" (Select View Tab > Workbook Views > Normal). To view the final product to be printed change the view settings to "Page Break preview" (Select View Tab > Workbook Views > Page Break Preview).

Front End Cost or Planned Phasing

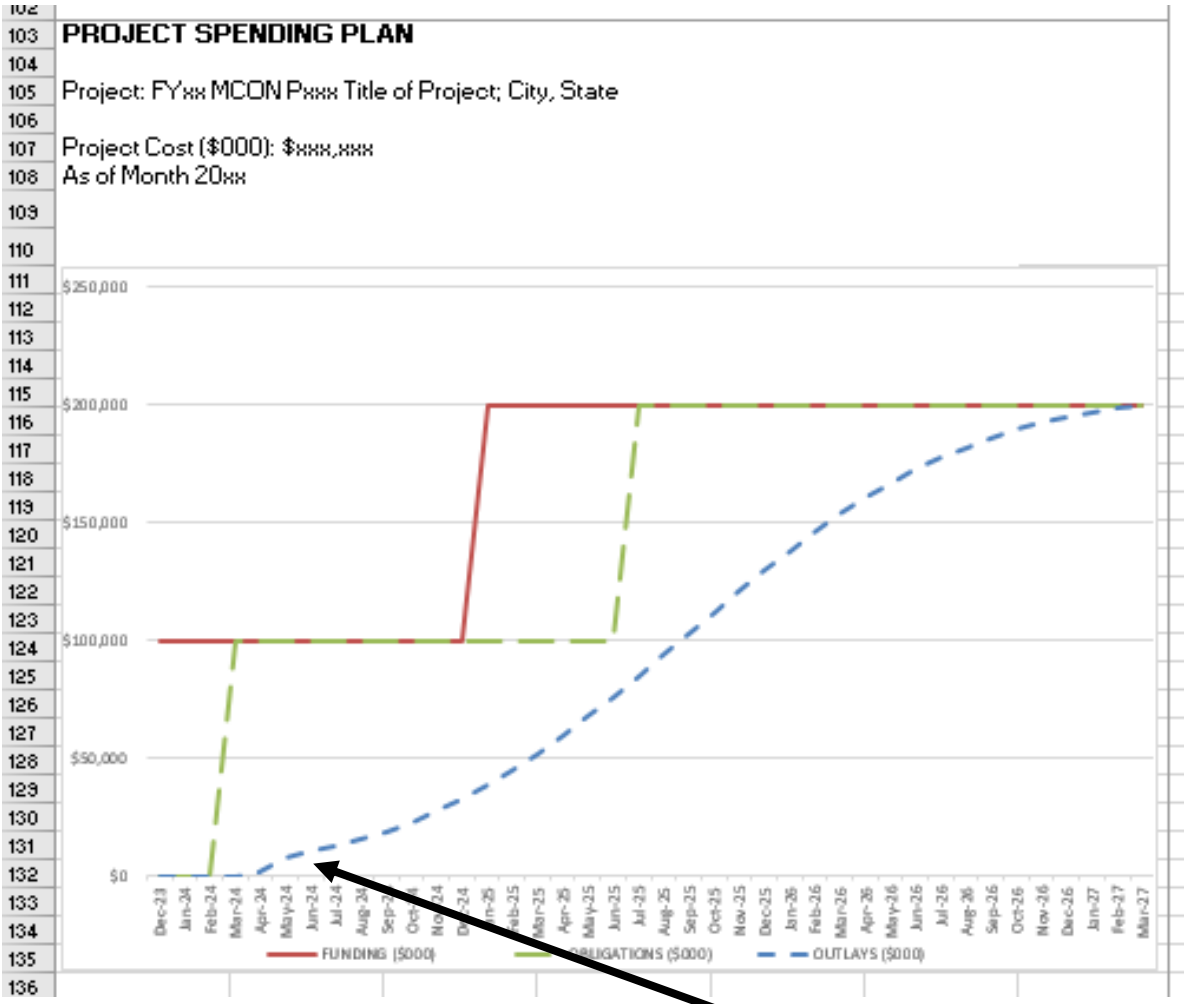
Item	Cost ($000)	Date
Item 1	$5,000	5/1/24

PROJECT SPENDING PLAN

Project: FYxx MCON Pxxx Title of Project; City, State

Project Cost ($000): $xxx,xxx
As of Month 20xx

	FUNDING ($000)		OBLIGATIONS ($000)		OUTLAYS ($000)		OUTLAYS ($000)	Months of Constructi on
Month-Year	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	ront End Cost	
Dec-23	$100,000	$100,000		$0	$0	$0		
Jan-24		$100,000		$0	$0	$0		
Feb-24		$100,000		$0	$0	$0		
Mar-24		$100,000	$100,000	$100,000	$0	$0		0
Apr-24		$100,000		$100,000	$1,369	$1,369		1
May-24		$100,000		$100,000	$1,689	$8,058	$5,000	2
Jun-24		$100,000		$100,000	$2,057	$10,116		3
Jul-24		$100,000		$100,000	$2,475	$12,591		4
Aug-24		$100,000		$100,000	$2,942	$15,533		5
Sep-24		$100,000		$100,000	$3,453	$18,986		6
Oct-24		$100,000		$100,000	$4,004	$22,991		7
Nov-24		$100,000		$100,000	$4,586	$27,577		8
Dec-24		$100,000		$100,000	$5,188	$32,765		9
Jan-25	$100,000	$200,000		$100,000	$5,797	$38,562		10
Feb-25		$200,000		$100,000	$6,398	$44,960		11
Mar-25		$200,000		$100,000	$6,975	$51,935		12
Apr-25		$200,000		$100,000	$7,511	$59,446		13
May-25		$200,000		$100,000	$7,989	$67,435		14
Jun-25		$200,000		$100,000	$8,393	$75,827		15
Jul-25		$200,000	$100,000	$200,000	$8,709	$84,536		16
Aug-25		$200,000		$200,000	$8,926	$93,463		17
Sep-25		$200,000		$200,000	$9,037	$102,500		18
Oct-25		$200,000		$200,000	$9,037	$111,537		19
Nov-25		$200,000		$200,000	$8,926	$120,464		20
Dec-25		$200,000		$200,000	$8,709	$129,173		21
Jan-26		$200,000		$200,000	$8,393	$137,565		22
Feb-26		$200,000		$200,000	$7,989	$145,554		23
Mar-26		$200,000		$200,000	$7,511	$153,065		24
Apr-26		$200,000		$200,000	$6,975	$160,040		25
May-26		$200,000		$200,000	$6,398	$166,438		26
Jun-26		$200,000		$200,000	$5,797	$172,235		27
Jul-26		$200,000		$200,000	$5,188	$177,423		28
Aug-26		$200,000		$200,000	$4,586	$182,009		29
Sep-26		$200,000		$200,000	$4,004	$186,014		30
Oct-26		$200,000		$200,000	$3,453	$189,467		31
Nov-26		$200,000		$200,000	$2,942	$192,409		32



Notice the $5M "bump" which represents one-time investment cost.

APPENDIX F
Developing Best Project Titles

Project Titles require significant consideration as they must "tell a story" in just a few words. There are a number of situations during the programming and budgeting process where a project's merit is judged solely on the title. For instance, the title "MH-60R/S Helicopter Flight Trainer Facility" provides considerably more information than "Operational Training Facility." Use the following guidelines when developing a title:

- The DoD Programming and Budgeting Information System (PBIS) allows only up to 50 characters for the title. Therefore, try to stay within the 50 character limit for the project title in Block 4 of the DD 1391, while at the same time, avoiding the use of abbreviations unless absolutely necessary.
- Capitalize the first letter of each word with the rest in lower case.
- Do not use verbs (e.g., "Flight Trainer Facility" rather than "Constructs Flight Trainer Facility").
- When using weapons system designations (e.g., SSN or F-35C), follow with the platform type (e.g., "SSN Submarine Pier" or "F-35C Aircraft Hangar"); some designations are widely understood, but others are not (e.g., "XLUUV"), therefore, for consistency, follow this guideline for all designations.
- If the project is incremented, include "(INC X)" after the project title (e.g., "Submarine Pier 3 (INC 2").
- Do not include the term "Phase" in the project title, (for example, "F-35 Aircraft Hangar", not "F-35 Aircraft Hangar, Phase I").
- All projects in support of the European Deterrence Initiative or the Pacific Deterrence Initiative shall have "EDI:" or "PDI:" as the first part of the title (e.g., "EDI: Missile Magazines").
- Use the symbol "&" rather than the word "and" (e.g., "CMV-22B Aircraft Maintenance Hangar & Airfield Improvements").
- Do not include locations in the title if they are already given in Block 3 of the DD 1391 ("Installation and Location"). However, if the project will be constructed at a Special Area, it is acceptable to say so (e.g., "Submarine Pier (Polaris Point)").
- Include the word "Joint" if the project supports joint operations (i.e., more than one DoD service or agency) (e.g., "Joint Aquatic Training Facility").

APPENDIX G
Phasing High Cost Projects

Explore breaking projects with costs of $90M or more into one or more complete, usable, stand-alone projects (phases) to avoid the Congress incrementing them after PRESBUD submission.

BACKGROUND: The Office of Management & Budget (OMB) does not allow incremental funding of high-cost projects when submitting MILCON projects to the Congress (unless OMB grants a waiver for projects costing more than $250M).

The current Administration opposes, via a Statement of Administrative Policy, the FY 2024 MILCON/VA Appropirations Bill's realignment of military construction funding from priority projects to other projects. Contrary to the Administration's policy to fully fund executable projects, the bill funded a number of military construction projects incrementally. This created an unfunded obligation needed to successfully execute these projects over time.

Despite the Administration's opposition, the Congressional Committees encourage DoD to seek full authorization and incremental appropriations over two or more years for projects costing $90M or more. When DoD does not following this recommendation, the Committees often will increment the projects with the responsibility for funding the follow-on increments falling back on the Services, thus paying twice for those follow-on increments. The Committees utilize the spending plans and outlay curves that are provided in the PRESBUD DD 1391 budget books to split the projects into increments.

PHASING APPROACH: Break the projects into two or more stand-alone and complete and usable projects – each with different a project number. This should be considered during the planning phase of project development. The FEC project manager shall explore phasing options if a project's current cost estimate at the time of BPA or PDA is $90M or greater and should coordinate with Asset Management and the end-users. The phases can be in the same year or in multiple years. Some projects lend themselves to phasing (e.g., barracks; multiple magazines; classroom facilities; aircraft parking aprons; multi-module aircraft hangars). Some projects do not lend themselves to phasing (e.g., piers; communications centers; air traffic control towers).

APPENDIX H

Sensitive or Critical Information

DoD installations support units and missions that may be considered sensitive, critical or even classified. In addition, every DoD command performs a core, unclassified mission. Although unclassified, individual tasks required for a command to accomplish its mission may contain information that, when pieced together with other information, reveal sensitive, critical or even classified information. Sensitive or critical information is unclassified or controlled unclassified information (CUI) concerning the DoD activities, intentions, capabilities, limitations or vulnerabilities. NAVFAC INSTRUCTION 3070.2 contains a critical information list that describes information that should not be in public releasable documents. In addition, the following is provided to help avoid the disclosure of sensitive or critical information that must not be included in publically releasable materials (e.g., the DD 1391s in the PRESBUD submission to Congress).

Do not identify any of the following:

- a command if its mission or portion of its mission is considered sensitive, critical or classified
- a command's mission or the mission supported by a facility if the mission is considered sensitive, critical or classified
- the capabilities or vulnerabilities of physical security or antiterrorism protective measures
- the location of a Sensitive Compartmented Information Facility (SCIF) or a Special Access Program Facility (SAPF)
- Defense Critical Infrastructure
- the location of Communications Security (COMSEC) equipment
- Take Charge and Move Out (TACAMO) systems or mission
- Nuclear Command, Control and Communications (NC3) systems or mission
- Military Strategic and Tactical Relay (MILSTAR) systems or mission
- Advanced Extremely High Frequency (AEHF) systems or mission
- Low Frequency (LF) or Very Low Frequency (VLF) transmission systems, missions or identify the specific location or site of LF or VLF systems
- the purpose or frequency range of antennas or communication systems

Sensitive area locations such as SCIF and SAPF, shall be labeled as "Controlled Area" and may be shown on public releasable documents with the approval from the requesting activity's Site Security Manager or Officer. Use the term "Restricted Area" for non-buildings such as controlled industrial areas, flightline and waterfront areas.

If there are classified elements to MILCON project that are important to disclose to decision-makers to support/justify the project, the following statement shall be included in the DD 1391 as the last (or first) sentence in the REQUIRMENTS section of Block 11: "Additional requirements descriptions are available at a higher classification."

APPENDIX I

Naval Ordnance Safety & Security Activity

The Naval Ordnance Safety & Security Activity (NOSSA) plays an important role within the MILCON processes, particularly with regard to the site approval, design and construction of projects. The review and approval processes for projects can put design and construction schedules at risk unless sufficient lead-time and planning is factored into the schedule for certain projects requiring document submission to NOSSA. Early provision to NOSSA by the MILCON planning and project development team of the proposed project site, the intended functions to be performed within and around the MILCON facilities, a preliminary interior floor layout and outside areas (e.g., adjacencies) will greatly reduce negative outcomes. Identifying problems or requirements early in the process could lead to avoiding such things as stop-work orders, schedule delays, cost over-runs, and scope reductions to stay within programmed amounts. The following steps are recommended:

1) Installation planners determine whether a MILCON project fits within any one or more of the project types listed below and in Paragraph 8.1.2.1a of NAVSEA OP5 Vol.1 which require explosives safety site approval
2) Installation planners engage organic subject matter experts (e.g., installation explosive safety officer (ESO)
3) The MILCON project development team engages NOSSA early for guidance, particularly with regard to siting and adjacency issues and which explosives safety documents are required
4) The explosive safety documents are prepared and submitted to NOSSA for review; typically the review and approval process takes about six months and up to a year if protective construction is involved (there are multiple iterations, requests for information and reviews); interim approval may be issued by NOSSA for expedited projects
5) NOSSA endorses its approval package and submits it to the DoD Explosive Safety Board (DDESB)
6) DDESB approval may be gained within one month

Per NAVSEA OP 5 and NOSSAINST 8020.22, explosives safety site approval and review is required for the following cases potentially involving MILCON projects:

1) All new construction of facilities used for ammunition and explosive activities
2) New construction of facilities or temporary facilities not involving ammunition and explosives that are in such proximity to ammunition and explosives operations and/or storage as to be exposed to hazards, or for which a reasonable doubt may exist regarding possible exposure to hazards; a minimum of 110 percent of inhabited building ESQD arcs is established as the zone for submission; however, construction of vulnerable facilities (for example, schools, high-rise buildings, restaurants, and family housing) are of particular concern

3) Modification or changes to existing facilities involving ammunition or explosives, or facilities encumbered by an inhabited building distance ESQD arc
4) Changes in an installation mission that expose facilities not involving ammunition and explosives to blast, fire, or fragment hazards or to potential toxic chemical agent release
5) Modification or changes to existing facilities involving ammunition or explosives, or facilities encumbered by an inhabited building ESQD arc, unless they are minor in nature and do not introduce an additional hazard; modifications are generally defined as any project which actually constructs or adds something new which has not previously existed or which requires wholesale removal of a system or part of a facility for eventual replacement with a like or similar system

Question to be answered & addressed in the <u>notes sections</u> of Block 12 of the DD 1391; provide the date and name and position of the person(s) that provided the answers to these questions

Question 1: Is explosives safety site approval required per NAVSEA OP 5 Volume 1 para. 8-1.2.1? YES or NO. If yes, provide the status of approval and expected approval date.

- Examples of projects which may require explosive safety site approval: new explosives facilities construction (e.g., magazines); changes to existing facilities that modify or remove explosive safety quantity distance (ESQD) arcs; construction of facilities within ESQD arcs; dredging within areas known or suspected to contain Munitions and Explosives of Concern & Material Potentially Presenting an Explosive Hazard (MEC/MPPEH); non-DoD operations conducted on DON activities such as munitions responses

Question 2: Is new protective construction required in order to meet ESQD criteria? YES or NO. If yes, describe the construction features planned and the estimated cost.

- Protective construction may include hardened walls for personnel protection or to prevent detonation propagation.

Question 3: Does the project require an explosives safety deviation authorization? YES or NO. If yes, provide the status of obtaining the authorization and the planned authorization date.

- Example: Not providing the required quantity-distance to an exposed site.

Question 4: Is MEC/MPPEH removal required prior to construction? YES or NOT. If yes, provide the timeline and estimated cost for the removal.

Question 5: Is the proposed project footprint within an area that is known or suspected to contain MEC/MPPEH? YES or NO. If yes, explain why this site has been chosen and what mitigation measures and estimated costs will be required to build within this area.

APPENDIX J

Changing Acquisition Strategy

- See section Section 8.8.4 regarding changing acquisition strategy for a MILCON project. Additional information and guidance is provided below.

- P-402, B1.3. ACQUISITION PLANNING GOALS: "Ech III Commands and FECs shall consider a projects acquisition strategy during the development of the DD 1391s planned for submission to the Navy Regions or to USMC HQ LFL (Land Use and Military Construction) in accordance with BPMS B-25.6.2.2 MILCON Project Documentation preliminary DD 1391s input to MTP3. For MCON, the acquisition strategy regarding DB/DBB for all projects will be "locked" at the Consistency Review Board (CRB) (typically December BY-2 for Blue Navy and March BY-2 for Green Navy). After the CRB, changes shall only be made through coordination and approval with NAVFAC ECH II DC MILCON. After OPNAV and USMC submit their programs to ASN FMB, requests for changes from DB to DBB or vice versa for DON MILCON must be approved by the NAVFAC ECH III Commander. For Other Defense MILCON, changes from DB to DBB or vice versa must be approved by ECH III DC. NAVFAC ECH II DC shall be notified of all changes (for both DON MILCON and Other Defense MILCON)."

- As part of the acquisition strategy change requests, the following need to be addressed:
  - Acknowledge that some amount of MILCON-D funds provided for DBB can be pulled back because the shift to DB reduces the pre-award MILCON-D funded effort. The MILCON-D amount available for pull back should be identified for each project.
  - Acknowledge and identify the increased construction cost, for each project, that results from the change in acquisition strategy from DDB to DB. Provide an assessment of the resulting execution and cost risk and how these risks will be mitigated.
  - Acknowledge and identify the increased construction duration, for each project, that results from the change in acquisition strategy from DDB to DB. Provide an assessment of the resulting impact to meeting the mission need date and, if needed, address mitigations.
  - Address how the change in acquisition strategy from DDB to DB impacts IH design requirement per NAVFAC Instruction 11000.1 "Design Engineering Competency" which drives minimum IH DBB targets for all design offices.

INDEX OF COST DEVELOPMENT AND REVIEW GUIDELINES

May 2024

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