OFFICE OF THE UNDER SECRETARY OF DEFENSE

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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MAY 2 8 2004

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)
DIRECTOR, ADMINISTRATION & MANAGEMENT
DIRECTORS, DEFENSE AGENCIES

SUBJECT: Real Property Services Program Realignment and Modeling

Following a joint working group review of current Real Property Services (RPS) functions and definitions, the Installations Policy Board approved a revised definition for RPS in April 2004. DoD will use this definition to model RPS functions and produce standard requirements, which will serve as a basis for comparison between requirements and Component-proposed programs in future program reviews.

To fully realize the benefits of this effort, changes must be made to the FYDP for the Department. This office, in coordination with Director, PA&E and the representatives to the Installations Policy Board, have created an implementation plan to effect necessary changes. The three-step plan is at enclosure (1).

RPS definitions agreed through coordination are included at enclosure (2). The ODUSD(I&E) point of contact, Captain Rick Marrs, can be reached at 703-697-6193 or richard.marrs@osd.mil.

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Principal Assistant Deputy Under Secretary of Defense
(Installations and Environment)

Enclosures:
As stated

cc:
USD(C)
D, PA&E
DAPR-DPZ-A
DAIM-ZA
CNO(N80)
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IMA

Real Property Services (RPS)
Program Realignment Implementation Plan

Tasks and Schedule

The following dates are firm – there is no allowance for slippage in the schedule:

June 4:	Components submit draft realignment proposals to OSD (details below.)
June 18:	OSD completes review/approval of draft proposals and initiates changes in FYDP Structure Management System.
June 18:	OSD initiates creation of Permanent Party Unaccompanied Housing PEs
July 9:	FYDP Structure Management System input closes for POM 06
July:	Components realign resources as necessary
August:	POM/BES submissions
January:	Initial test of RPS model on locked PB 06

Real Property Services Program Definition:

There will be one standard series of program elements (PEs) within each Component. The PE series will conform to DoD-wide program code structures including Defense Management Codes (DMCs) and Force and Infrastructure Categories (FICs). The following definition will be used for the standard series of PEs. Special exceptions will be considered case by case.

> "Includes manpower authorizations, peculiar and support equipment, necessary facilities, contracts, and associated costs to plan, manage, and execute these functions: Fire prevention and protection including crash rescue and emergency response; emergency management including disaster preparedness and explosive ordnance disposal; utilities to include plant operation and purchase of commodity; refuse collection and disposal to include recycling operations; pavement clearance including snow and ice removal from roads, piers, and airfields; lease costs for installation real property including off-base facilities; grounds maintenance and landscaping; real property management and engineering services including special inspections of facilities and master planning; pest control; and custodial services. Excludes sustainment, restoration, and modernization of facilities, other environmental services (such as disposal of hazardous materials), and mission-funded contingency costs which are funded elsewhere."

Incorporate RPS PE definition in the DoD FYDP

Step 1: Components submit Draft PE Realignment Proposal to OSD (Due on June 4, 2004)
Components will submit two tables:
Table 1 is the current PEs (used in PB 05) that contain resources included in the above definition for RPS.
Table 2 is the future set of PEs (to be used in POM 06) and will include non-RPS PEs that will receive resources due to the revisions to the RPS definition. Additionally, table 2 will include

current PEs that should be made historical along with a proposed date for those PEs to be made historical.

Tables 1 and 2 will include all non-RPS PEs impacted by this realignment. For non-RPS PEs only, the tables will include an estimate of the RPS related resources under that PE in PB 05. This will provide a rough estimate of the resources that will move in or out of RPS as a result of this change. The tables will be submitted in the following format:

Table Format

PE	**PE Title**	**DMC**	**FIC**	**Resources Associated with new RPS definition in PB05 (Non-RPS PEs only)**	**Comment**

Step 2: OSD Reviews Component Proposals and initiates FYDP Structure Changes (By June 18, 2004),

ODUSD(I&E) will consolidate the information provided by the components into a DoD master plan and staff the plan with D,PA&E, OUSD(C), and other parts of the OSD staff as appropriate. ODUSD(I&E) will provide master plan, as approved/revised by D,PA&E to the components prior to initiating the required actions in the FYDP Structure Management System. The anticipated changes will include revising the definitions of existing RPS PEs and creating new PEs only as necessary to provide a consistent FYDP Structure for each Component. ODUSD(I&E) will initiate all required actions to realign the PE structure through the FYDP Structure Management System.

Step 3: Realignment of Resources (Due with POM/BES submissions in August, 2004)

Based upon results of the joint working group, and contingent upon the approved changes to the FYDP structure from step 2 above, the following funding realignments are expected to occur. However, the list may not be exhaustive and Components are responsible for making all appropriate realignments.

Internally, each Component should track the requirement and funding of the ten RPS functions (see enclosure 2), which may also serve as the basis for updated budget exhibits and/or supplemental data collected via the standard data collection systems.

A separate track of all total obligation authority (TOA) movements should be retained to enable normalization of the data bases when conducting trend analyses across the FYDP years.

<u>All Components</u>

1. Move real property lease funds from BOS or BOS-like program elements to the revised RPS PE series.
2. Move any funds to ensure facilities are in good working order (e.g., elevator or crane inspection and maintenance, tank cleaning) to the Facilities Sustainment PEs.

3. Move funds for operation of permanent party unaccompanied housing, including funds to provide and sustain furnishings, into existing BOS series of PEs.

Army

1. Move emergency management RPS funding from FP/AT to the revised RPS PE series.
2. Move planning and design funds to the program funding the work (S/RM etc.)

Navy

1. Realign funds to match the revised PE structure, which will conform to DoD-wide program code structures including Defense Management Codes (DMCs) and Force and Infrastructure Categories (FICs).
2. Move planning and design funds to the program funding the work (S/RM etc.)
3. Move funding for collateral equipment out of RPS PE and into the new BOS PE to outfit new construction funded by the MILCON program.

Air Force

1. Move any funds for recurring recycling from pollution prevention PEs to the revised RPS PE series.
2. Move funds for overhead management of engineering flight and operations flight within the civil engineer squadrons from facilities sustainment PEs to the revised RPS PE series.
3. Move funds for non-design and non-construction management/inspection functions within the civil engineer squadron engineering flight from facilities sustainment PEs to the revised RPS PE series.

Expanded Definition of Real Property Services

Overview

The Real Property Services program is divided into ten common functions. The functions are:

1. Fire Prevention and Protection
   - Structural fire protection
   - Crash and rescue
   - Fire prevention programs
   - Stand by services
   - Emergency response (1st response per DODI 6055.6)
   - Emergency medical response
   - HAZMAT initial response

2. Emergency Management
   - Disaster preparedness and response management
   - Installation/Regional explosive ordnance disposal (EOD) capability
   - Engineering combat support capability (AF PRIME BEEF only)

3. Utilities
   - Generation of all energy and source fuels, pneumatics, other gases, heated water, chilled water, potable and non-potable water, and ice
   - Purchase of all energy and source fuels, pneumatics, other gases, heated water, chilled water, potable and non-potable water, and ice
   - Operations of utility systems for the generation and distribution of all energy and source fuels, pneumatics, other gases, heated water, chilled water, potable and non-potable water, and ice
   - Utility system privatization costs after the system has been privatized
   - Operation and maintenance of mobile utility support equipment when not deployed (Navy only)
   - Energy project payments

4. Pavement Clearance
   - Snow and ice removal from paved areas including streets, airfields, piers, walkways, and parking lots
   - Pavement sweeping of streets, parking lots, piers, airfield pavements, and walkways.

5. Refuse Collection and Disposal
   - Non-housing and housing
     - Disposal operations
     - Trash collection
     - Disposal fees
     - Excludes disposal of HAZMAT materials.

- Recycling operations and administration
    - Curbside pickup services
    - Composting
    - Excludes investment in recycling programs, facilities, or equipment

6. Real Property Leases
    - Facility leases & licenses
        - On and off installations
        - Sustainment of leased facilities when included in lease or license payments
        - Excludes mission funded requirements for contingency operations
    - Land leases
        - Leasehold rights, licenses, easements, right of way, etc.
    - Out leasing costs
    - Real property lease & license administration and management

7. Grounds Maintenance and Landscaping
    - Landscaping
    - Plant growth management
        - Unimproved/undeveloped land
        - Semi-improved land (minimal structures)
        - Improved land - vicinity of structures
    - Dust control
    - Excludes golf courses
    - Excludes timber production

8. Pest Control
    - Indoor and outdoor pest control programs, including building treatment
    - Does not include herbicide use typically associated with landscaping and grounds maintenance

9. Custodial
    - Non-housing interior cleaning and supplies
    - Housing (common area and areas not cleaned by residents) interior cleaning and supplies

10. Real Property Management and Engineering Services
    - Facility Management and Administration
        - Public works management costs
        - Contract management
        - Material procurement
        - Facility data management
        - Furnishings management costs
        - Real estate management
    - Installation Engineering Services
        - Annual inspections of facilities
        - Master planning

- Overhead of planning and design
- Overhead of construction management
- Non-SRM service calls
- Fleet mooring installation and management (Navy only)

Record of Discussions – Joint Base Operations Support Working Group

Services will need to make a number of internal changes within the RPS program element (PE) structure to reflect the 10 common functional areas within RPS. The below description provides the anticipated changes and the decisions the working group made.

Fire Prevention and Protection

- Identified and defined as a separate RPS function for FY06. This change is internal to existing RPS costs.

Emergency Management

- Identified and defined as a separate RPS function. This change is internal to existing RPS costs.
- Army action: Move funding from FP/AT to the revised RPS PE series.

Utilities

- No substantive changes.

Pest Control

- Pest control typically associated with landscaping and grounds maintenance is accounted for in Grounds Maintenance. This change is internal to existing RPS costs.

Custodial

- No substantive changes.

Pavement Clearance

- Combines snow removal and street sweeping functions but no substantive changes. This change is internal to existing RPS costs.
- Army action: Incorporating name changes in DFAS 37-100

Refuse Collection and Disposal

- No substantive changes.
- Air Force action: Recurring costs for recycling, if in pollution prevention, move to RPS.

Real Property Leases

- All Services' action: Move real property lease funds from BOS or BOS-like elements to the revised RPS PE series.

Grounds Maintenance and Landscaping

- Now includes pest control typically associated with grounds maintenance (weed control, etc.). This change is internal to existing RPS costs.

Real Property Management and Engineering Services

- Facility Management and Administration
  - Facilities management overhead costs currently assumed to be in the FSM derived SRM costs will be added into the revised RPS PE series costs.
  - Air Force action: Overhead management of Engineering Flight and Operations Flight within the Civil Engineer Squadrons move to RPS from Sustainment.

    - Air Force action: Non-design and non-construction management / inspection functions within the Civil Engineer Squadron Engineering Flight move to RPS from Sustainment.
- Installation Engineering Services
    - Preventive maintenance inspection costs currently in RPS PEs will be moved to SRM PEs.
    - Elevator inspection costs currently in RPS PEs will be moved to SRM PEs.
    - Army action: Move planning and design costs to the program funding the work (SRM, MILCON, etc.).
    - Navy action: Align appropriate planning and design costs to the program funding the work (SRM, MILCON, etc.)
    - All Services' action: If currently in RPS, align costs for recurring annual services to ensure facilities are in good working order (i.e., elevator inspection and maintenance, tank cleaning, and facility crane inspection / maintenance), with Sustainment.

Other actions required

- RPS costs for family housing
    - Cost are generally reimbursable from family housing appropriations
    - Costs for RPS in family housing will be carried in housing program and budgets.
    - RPS costs in family housing will be identifiable in family housing programs and budgets.
- Bachelor quarters operations
    - Operations of Permanent Party, Dormitories, and Unaccompanied Housing, including the cost to provide and sustain furnishings, currently carried by some Services in RPS will be moved out of RPS and into BOS.
        - Air Force action: Costs for operation and management of Permanent Party Unaccompanied Housing programs (to include furnishings and appliances) move from RPS to new PE series established by OSD. Note: "transient quarters" is not considered bachelor quarters in the Air Force.
        - OSD action: Establish a Permanent Party Unaccompanied Housing PE.
- Collateral equipment costs
    - Costs currently carried in RPS will now be included in the PE of the program generating the requirement (mission funded).
    - Navy action: Move funding out of the RPS PE and into a new BOS PE requested by the Navy to outfit new construction funded by the MILCON program.
- Costs for reimbursable RPS
    - Services need to be able to identify the WCF segment of the real property database and the costs of purchased RPS.
- Military labor
    - The cost of military labor used to perform all RPS functions will be identified and reported as part of RPS costs.
- Visibility requirements
    - Visibility requirements of the 10 separate RPS functions' costs will be clarified as the model is developed.