



Defense Health Agency

ADMINISTRATIVE INSTRUCTION

NUMBER 4000.04

December 8, 2022

DIR, J-8

SUBJECT: Facilities Enterprise Sustainment, Restoration, and Modernization

References: See Enclosure 1.

1. PURPOSE. This Defense Health Agency-Administrative Instruction (DHA-AI), based on the authority of References (a) through (c), and in accordance with the guidance of References (d) through (aa), establishes the Defense Health Agency's (DHA) policy and procedures for the Sustainment, Restoration, Modernization (SRM) and operation of facilities assigned to the DHA on behalf of the Military Health System (MHS) in support of the DHA's facilities life cycle management (FLCM) mission.

2. APPLICABILITY. This DHA-AI applies to the DHA and DHA Components (activities under the authority, direction, and control of the DHA).

3. POLICY IMPLEMENTATION. It is the DHA's instruction, pursuant to References (a) through (aa), to:

a. Implement policy, administer the Defense Health Program (DHP) Facilities Operations and Maintenance (O&M) budgets, including SRM, and perform financial oversight at an enterprise level in order to ensure a consistent approach to FLCM, optimize performance, and meet strategic priorities across the MHS facilities portfolio consistent with guidance from the Assistant Secretary of Defense for Health Affairs (ASD(HA)).

b. Provide a reliable inventory of facilities through efficient programming, planning, project execution, facility utilization, and final disposition. The inventory directly supports the effective execution of the medically ready force and a ready medical force for active duty and Reserve Component military members and eligible beneficiaries.

c. Maximize productive use of every facility in the inventory through efficient FLCM.

d. Establish DHA Facilities Enterprise (DHA-FE), and its Facilities Operations Branch, in support of the Direct Care System in accordance with References (b) and (d).

e. Consolidate span of control and clarify DHA administration of facilities. This restructuring is intended to enable the organization to better operate as an integrated health system per References (b) and (d).

f. Develop and implement standards, develop budget controls, and execute projects for DHA Components that are consistent with DHP O&M budgetary priorities per References (n) and (p).

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. See Enclosure 3.

6. PROPONENT AND WAIVERS. The proponent of this publication is the Director, J-8. When Components are unable to comply with this publication the activity may request a waiver by providing justification that includes a full analysis of the expected benefits and must include a formal review by the Components senior legal officer. The activity director or senior leader will submit the waiver request through their supervisory chain to the Director, J-8 to determine if the waiver may be granted by the Director, DHA or their designee.

7. RELEASABILITY. **Cleared for public release**. This DHA-AI is available on the Internet from the Health.mil site at: <https://health.mil/Reference-Center/Policies> and is also available to authorized users from the DHA SharePoint site at: <https://info.health.mil/cos/admin/pubs/SitePages/Home.aspx>.

8. EFFECTIVE DATE. This DHA-AI:

a. Is effective upon signature.

b. Will expire 10 years from the date of signature if it has not been reissued or cancelled before this date in accordance with Reference (c).

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RONALD J. PLACE
LTG, MC, USA
Director

Enclosures

1. References
2. Responsibilities
3. Procedures

Glossary

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5136.01, "Assistant Secretary of Defense for Health Affairs (ASD(HA))," August 10, 2017, as amended
- (b) DoD Directive 5136.13, "Defense Health Agency (DHA)," September 30, 2013, as amended
- (c) DHA-Procedural Instruction 5025.01, "Publication System," April 21, 2022
- (d) DHA "Plan 3: Implementation Plan for the Complete Transition of Military Medical Treatment Facilities to the Defense Health Agency," Version 6, August 12, 2019¹
- (e) DoD Directive 7045.14, "The Planning, Programming, Budgeting, and Execution (PPBE) Process," January 25, 2013, as amended
- (g) DoD Directive 4165.06, "Real Property," July 19, 2022
- (h) DoD Directive 4270.05, "Military Construction," February 12, 2005, as amended
- (i) DoD Instruction 6015.17, "Military Health System (MHS) Facility Portfolio Management," January 13, 2012, as amended
- (j) DoD Instruction 4165.03, "DoD Real Property Categorization," August 24, 2012, as amended
- (k) DoD Instruction 4165.71, "Real Property Acquisition," January 6, 2005, as amended
- (l) DoD Instruction 4165.14, "Real Property Inventory (RPI) and Forecasting," January 17, 2014, as amended
- (m) DoD Instruction 4165.70, "Real Property Management," April 6, 2005, as amended
- (n) DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," Volumes 1-16, current edition²
- (o) Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics Memorandum, "Department of Defense Sustainable Buildings Policy," November 10, 2013
- (p) Office of the Under Secretary of Defense (Comptroller), "Financial Improvement and Audit Readiness (FIAR) Guidance," April 2017³
- (q) Federal Agency Memorandum of Understanding, "Federal Leadership in High Performance and Sustainable Buildings," January 28, 2006
- (r) Public Law 111-308, "Federal Buildings Personnel Training Act (FBPTA) of 2010," December 14, 2010
- (s) United State Code, Title 10, Chapter 55 and Chapter 169
- (t) UFC 1-200-02, "High Performance and Sustainable Building Requirements," December 1, 2020, as amended
- (u) UFC 3-701-01, "DoD Facilities Pricing Guide," March 17, 2022
- (v) UFC 4-510-01, "Design: Medical Military Facilities," May 30, 2019, as amended
- (w) Under Secretary of Defense for Acquisition, Technology, and Logistics Memorandum,

¹ This reference can be found at: <http://facilities.health.mil/Repository/GetFile/56684> and can only be accessed with an approved Max.gov account.

² DoD FMR revisions and updates are available at: <https://comptroller.defense.gov/FMR.aspx>.

³ This reference can be found at: https://comptroller.defense.gov/Portals/45/documents/fiar/fiar_guidance.pdf.

- “Standardizing Facility Condition Assessments,” September 10, 2013⁴
- (x) Under Secretary of Defense for Acquisition, Technology, and Logistics Memorandum, “Facility Sustainment and Recapitalization Policy,” April 29, 2014⁵
 - (y) DHA-Procedural Instruction (PI)3700.01, “Director’s Critical Information Requirements (DCIRs) Situation Report (SITREP),” June 8, 2020, as amended
 - (z) USD(AT&L) Memo, “Delegation of Authority for Military Construction”, May 1, 2017⁶
 - (aa) DoD Directive 5135.02, “Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)),” July 15, 2020
 - (bb) DHA-Procedural Instruction 4100.01, “Sustainment, Restoration, and Modernization (SRM) Enterprise Project List (EPL),” October 4, 2021

⁴ This reference can be found at:

<https://www.acq.osd.mil/eie/Downloads/FIM/DoD%20Facility%20Inspection%20Policy.pdf>.

⁵ This reference can be found at:

<https://www.acq.osd.mil/eie/Downloads/Congress/Facility%20Sustainment%20and%20Recap%20Policy.pdf>

⁶ This document can be found at the following link:

https://community.max.gov/display/DoDExternal/Memo_Delegation+of+Authority+for+Military+Construction_V1_20170501_pdf#

ENCLOSURE 2
RESPONSIBILITIES

1. DIRECTOR, DHA. Under the authority, direction, and control of ASD(HA), the Director, DHA, will:

- a. Implement policy, guidance, instructions, and controls consistent with this DHA-AI.
- b. Exercise approval authority on all facilities projects throughout the DHA. This responsibility may be delegated as appropriate in accordance with references (z) and (aa).
- c. Prioritize and distribute DHP SRM funds and monitor obligations and execution.
- e. Exercise approval authority for adding and removing any asset to the DHA-FE real property inventory.

2. DIRECTOR, J-8. The Director, J-8 will:

- a. Prepare and submit program and budget requirements for sustainment, restoration, and modernization pursuant to guidance of the ASD(HA) for the DHA Planning, Programming, Budgeting, and Execution process.
- b. Provide programmatic oversight of the DHP SRM appropriations in accordance with instructions issued by the ASD(HA), fiscal guidance issued by the Under Secretary of Defense (Comptroller)/ Chief Financial Officer, and applicable law and regulations to support financial improvement and audit readiness requirements as provided in Reference (p).
- c. Prioritize and distribute O&M DHP (SRM) funds, as recommended by DHA-FE, to the DHA facility Component or Agent, as appropriate, for obligation and execution.
- d. Review, in coordination with Assistant Director, Health Care Administration (AD-HCA), the DHA Activity's Demand Signals and Market Quadruple Aim Performance Plan (QPP) for any requested projects supporting a new/changed mission or supporting a significant change in business process for an existing mission, prior to SRM project funding decision.

3. CHIEF, DHA-FE. The Chief, DHA-FE, will:

- a. Fulfill the necessary planning, design, and construction oversight requirements for all SRM military medical projects.
- b. Establish DHA organizational controls to allow for the management of Facilities Enterprise initiatives, to include establishment of Areas of Responsibility (AOR) for managing

workload and workflow. DHA-FE will designate an SRM Portfolio Manager (SRM-PM) for each AOR, who will be the point of contact to provide support to facility managers of the associated DHA facilities. The Chief, DHA-FE may adjust AORs based on variations in workload.

c. Budget, prioritize, authorize, and execute (as necessary), SRM projects and other O&M functions. Depending on the complexity of the operations and capabilities of the DHA Component's Facilities Management (FM) staff, this responsibility may also be delegated to the DHA Component's FM staff. Where appropriate, DHA-FE will execute regional maintenance contracts for geographical areas under their responsibilities to reduce cost through economies of scale.

d. Oversee functions related to programming, management, and execution oversight related to DHA Initial Outfitting and Transition.

e. Designate DHA-FE staff to serve as "Owner's Representative" throughout the SRM project delivery process for all assigned capital investment projects to ensure DHA Component representation and coordination throughout an integrated project delivery process.

f. Review and forward new inventory requests and inventory reductions to Director, DHA, and make disposition recommendations to the Director, DHA.

g. Review and process all Director's Critical Information Requirements (DCIR) related to SRM in accordance with Reference (y).

h. Centralize facilities-related training for DHA Components.

i. Coordinate with the MILDEPs to reconcile, at least annually, the Real Property Inventory records with DHA where DHA components occupy, operate, or maintain facilities or land for which the MILDEPs have real property accountability in accordance with Reference (l)

4. CHIEF, DHA FACILITIES OPERATIONS BRANCH. The Chief, Facilities Operations Branch, will:

a. Develop and execute policy, guidance, and instructions necessary for efficient and effective facilities management to include: SRM funded requirements planning, approval and prioritization; facilities operations and maintenance (O&M); energy and water management; facilities condition assessment; sustainment; and disposal.

b. Execute organizational controls needed for managing workload and workflow within each AOR utilizing designated SRM-PMs.

c. Validate accuracy of inventory data, refine problem statements, validate requirements, and implement policy, budget, and plans to address mission requirements. Prepare inventory adjustment (additions or reductions) packages for DHA-FE.

d. Develop restoration and modernization project planning. Depending on the complexity of the operations and capabilities of the DHA component's facility staff, this responsibility may also be delegated to the DHA Component.

e. Oversee SRM project construction. This responsibility may be delegated depending on the complexity of the project and the capabilities of the DHA Component's facility staff.

f. Manage and oversee Initial Outfitting and Transition execution in coordination with Medical Logistics and local DHA Component.

g. Support and provide oversight of O&M activities for DHA Components to include facilities related accreditation compliance and standardization of facilities management processes utilizing best business practices (such as reliability centered maintenance/condition-based maintenance and continuous commissioning/retro commissioning). This includes support and oversight of in-house, contracted, and regional O&M operations. This responsibility may be delegated depending on the complexity of the operations and capabilities of the DHA Component's facilities' staff.

h. Report Director's Critical Information Requirements (DCIRs) to the DHA-FE, in accordance with reference (y).

i. Provide reach-back support to all DHA Components regarding facility management issues (to include personnel selection and training).

5. DIRECTORS, DIRECT REPORTING ORGANIZATIONS (DRO). The Directors, DRO will:

a. Respond to assigned tasks and queries IAW the DRO column in Enclosure 3, Table 1.

b. Coordinate with DHA-FE regarding DRO-focused facilities requirements via the Facilities Liaison as prescribed in Reference (l) as follows:

(1) Serve as a communication contact point for disseminating information between the DRO and DHA-FE.

(2) Represent the DRO's goals and objectives and coordinate DRO demand signals.

(3) Provide DRO facilities status updates, forward DCIRs.

(4) Support DHA-FE led DRO based facilities master planning efforts.

6. FACILITY MANAGERS, DHA-FACILITIES (DHA FMs). DHA FMs of DHA facilities will respond to assigned tasks and queries in accordance with the DHA FM column in Enclosure 3, Table 1.

ENCLOSURE 3

PROCEDURES

1. INTRODUCTION

a. The DHA-FE has authority and oversight over DHA Components as it relates to SRM and operation of facilities assigned to the DHA. The DHA-FE is responsible for defining enterprise-wide facilities performance metrics (FPMs) and reviewing the Components' Quadruple Aim Performance Plans (to include reporting and performance measures and performance standards). The DHA-FE will actively communicate with DHA Components' facilities to support the accomplishment of functional responsibilities listed in Table 1 below.

Table 1. DHA-FE Functional Responsibility Matrix

Functional Categories	Responsible Party		
	DHA-FE	DRO	DHA FM
Inventory Accounting	A, R	C, I	C, I
Decision Support	A, R	C, I	C, I
Criteria, Policy, Standards	A, R	I	I
Capital Strategies	A, R	C, I	C, I
Portfolio Planning	A, R	C, I	C, I
Program of Memorandum, Budget, Notification	A, R	C, I	C, I
Construction, Activation, & Program Management	A, R	C, I	C, I
Design, Engineering, & Project Management	A, R	C, I	R, C
Outfitting & Transition	A, R	C, I	R, C
Sustainment & Operations	A, R	C, I	R, C, I
Business Operations	A, R	C, I	C, I

NOTES:

1. The Function Responsibility Matrix summarizes the roles and responsibilities of DHA-FE, DRO and DHA FMs. The Matrix also provides communications requirements associated with these functional responsibilities.
2. Actions derived from the Matrix are summarized as follows:
 - a. Responsible (R): Responsible for accomplishing the process or task; organization where task is accomplished.
 - b. Accountable (A): Ultimately accountable for the process or task, the responsible party is accountable to this organization.
 - c. Consulted (C): Has information or capability needed to complete the work.
 - d. Informed (I): Those who receive output from the process or task.

b. In addition to the functional categories listed in Table 1, the DHA-FE has authority and oversight responsibilities for the following:

(1) SRM Program and Budget Development & Execution. Program Objective Memorandum development and budgeting, including any changes, will be the responsibility of the DHA-FE. The DHA-FE will retain decision-making authority for shaping program strategy. The DHA-FE will distribute SRM funding to MTFs as required.

(2) SRM Requirements Planning. The DHA-FE will be accountable and responsible for requirements development for all SRM work, in consultation with the DHA Component's FM staffs. Additionally, the DHA-FE will receive enterprise-wide demand signals for review and development. The DHA-FE will consider both the top-down enterprise-level demand signal and the bottom-up demand signal in requirements planning.

(3) SRM Project Approval and Execution Process. DHA Components will forward Requirements Packages (RPs), above the local FM's approval authority, to the Work Induction Board (WIB) or the Facilities Sustainment Board (FSB) via the assigned SRM-PM IAW Reference (bb). The DHA-FE will establish a three-year program. The three-year program, including the programmed execution schedule for any specific project, can be further adjusted based on changes in funding availability. The Director, DHA, will provide approvals for SRM projects based on the WIB and FSB. This approval authority may be delegated. DHA approved and prioritized SRM projects with funding will be sent to the appropriate agent for execution.

(4) Leasing. The DHA-FE will be responsible for all DHA leasing, to include DHA Components leased medical facilities that serve as long-term, medical-care-provision facilities as an alternative to Military Construction or O&M construction. Current medical leases will be transferred to the DHA-FE. During the lease renewal periods, the DHA-FE will be designated lease approver for DHP funded leases.

(5) SRM Contract Management and Oversight. The DHA will establish support agreements with various agents for the purpose of SRM projects and O&M contract management and execution. The DHA-FE will work with the various agents to establish and maintain contract performance metrics. The DHA-FE will also be responsible for the review and approval of SRM contract modifications.

(6) Space Utilization Within the MHS. The DHA-FE will be responsible for space utilization of all DHA facilities. The DHA-FE will perform space utilization assessments of all DHA facilities. Only the Director, DHA, can authorize adding any new facilities to the DHA facility inventory. Prior to submitting a request to add any new facility, the requesting organization, with reach-back assistance from DHA-FE, as needed, will assess the facility for code and accreditation standards and provide a detailed report on related issues, associated costs to comply, and long-term operational cost.

(7) Reporting. The DHA-FE will develop FPM reporting metrics and frequency in order to measure the success of FLCM.

2. AUTHORITIES. All other responsibilities and procedures not listed in this Instruction will be made in accordance with current DoD facilities policies and procedures until a more specific DHA policy is developed. DHA policies regarding DHA components will take precedence.

GLOSSARY

ABBREVIATIONS AND ACRONYMS

AD-HCA	Assistant Director, Health Care Administration
AOR	Areas of Responsibility
ASD(HA)	Assistant Secretary of Defense for Health Affairs
DCIR	Director's Critical Information Requirements
DHA	Defense Health Agency
DHA-AI	Defense Health Agency-Administrative Instruction
DHA-FE	Defense Health Agency Facilities Enterprise
DHP	Defense Health Program
DRO	Direct Reporting Organizations
EPL	Enterprise Project List
FLCM	Facilities Life Cycle Management
FM	Facilities Management
FPM	Facilities Performance Metric
FSB	Facilities Sustainment Board
MHS	Military Health System
MILDEP	Military Departments
MTF	Military Medical Treatment Facility
O&M	Operations and Maintenance
RP	Requirements Package
RPI	real property inventory
SRM	Sustainment, Restoration, and Modernization
SRM-PM	SRM Portfolio Manager
WIB	Work Induction Board

PART II. DEFINITIONS

Direct Reporting Organizations. An activity that is outside the bounds of the standard DHA headquarters management hierarchy that provides broad general support to the DHA and its customers not available elsewhere, and that reports to either the Director, DHA or to an Assistant Director. Refers to Direct Reporting Markets, Small Market and Stand-Alone Military Medical Treatment Facility, and Defense Health Agency Regions.