



Defense Health Agency

PROCEDURAL INSTRUCTION

NUMBER 4165.01

June 22, 2017

DHA Facilities Division

SUBJECT: Real Property Asset (RPA) Management

References: See Enclosure 1

1. **PURPOSE.** This Defense Health Agency-Procedural Instruction (DHA-PI), based on the authority of References (a) and (b), and in accordance with the guidance of References (c) through (u), establishes the Defense Health Agency's (DHA) procedures for managing the Military Health System's (MHS) Real Property Inventory (RPI).

2. **APPLICABILITY.** This DHA-PI applies to OSD, the Military Departments (MILDEPs), the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the DoD, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this instruction as the "DoD Components").

3. **POLICY IMPLEMENTATION.** It is DHA's instruction, in accordance with References (d) through (u), that DHA will:
 - a. Confirm that all RPAs that are occupied, operated, or maintained by organizations within the MHS are accurately captured by the official RPIs that the MILDEPs and Washington Headquarters Services (WHS) maintain.

 - b. Adhere to policy regarding handling of real property information in accordance with References (g) through (i).

 - c. Report DoD Enterprise RPI information to the Deputy Under Secretary of Defense for Installations and Environment (DUSD(I&E)) in accordance with References (e) and (j).

 - d. Provide forecasted data for RPAs for each year of the Future Years Defense Program (FYDP) to the appropriate MILDEP or WHS in accordance with References (e) and (j).

 - e. Reconcile all real property data for all assets that the DHA occupies, operates, or maintains with its supporting MILDEP or WHS in accordance with References (e) and (j).

4. RESPONSIBILITIES. See Enclosure 2.

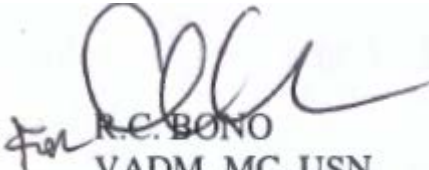
5. PROCEDURES. See Enclosure 3.

6. INFORMATION REQUIREMENTS. The reporting of the inventory or real property is assigned report control symbol DD-AT&L(A)760 in accordance with the procedures in Reference (k).

7. RELEASABILITY. **Cleared for public release.** This DHA-PI is available on the Internet from the DHA SharePoint site at: <http://www.health.mil/dhapublications>.

8. EFFECTIVE DATE. This DHA-PI:
 - 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 DHA-PI 5025.01 (Reference (c)).



for R.C. BONO
VADM, MC, USN
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))," September 30, 2013
- (b) DoD Directive 5136.13, "Defense Health Agency (DHA)," September 30, 2013
- (c) DHA-PI 5025.01, "Publication System," August 21, 2015
- (d) DoD Instruction 4165.06, "Real Property," November 18, 2008
- (e) DoD Instruction 4165.14, "Real Property Inventory and Forecasting," January 17, 2014
- (f) DoD Instruction 4165.70, "Real Property Management," April 6, 2005
- (g) DoD Manual 5200.01, Volume 2, "DoD Information Security Program: Marking of Classified Information," February 24, 2012, as amended
- (h) DoD Manual 5200.01, Volume 4, "DoD Information Security Program: Controlled Unclassified Information (CUI)," February 24, 2012
- (i) DoD 5205.02-M, "DoD Operations Security (OPSEC) Program Manual," November 3, 2008
- (j) Office of the DUSD(I&E) Business Enterprise Integration, "Real Property Data Reconciliation," February 16, 2010
- (k) DoD Manual 8910.01, Volume 1, "DoD Information Collections Manual: Procedures for DoD Internal Information Collections," June 30, 2014
- (l) DoD Instruction 4715.16, "Cultural Resources Management," September 18, 2008
- (m) Office of the DUSD(I&E) Memorandum, "Release of Real Property Information Model for use in DoD Real Property Systems Reporting," current edition
- (n) DHA-Technical Manual 4165.01, Volume 1, "Defense Medical Logistics Standard Support – Facilities Management (DMLSS-FM): Facilities Inventory Module," July 10, 2017
- (o) DoD Instruction 4165.71, "Real Property Acquisition," January 6, 2005
- (p) DoD Instruction 4165.56, "Relocatable Buildings," January 7, 2013
- (q) DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," current edition
- (r) Unified Facilities Criteria 3-701-01, "DoD Facilities Pricing Guide," March 2011, as amended
- (s) Unified Facilities Criteria 1-300-08, "Criteria for Transfer and Acceptance of DoD Real Property," August 2, 2011
- (t) DoD Instruction 4165.03, "Real Property Categorization," August 24, 2012
- (u) DoD Instruction 4165.72, "Real Property Disposal," December 21, 2007

ENCLOSURE 2

RESPONSIBILITIES

1. DIRECTOR, DHA. The Director, DHA, will:

- a. Implement policy, guidance, and instruction consistent with References (d) through (u).
- b. Report DoD Enterprise RPI information to the DUSD(I&E) in accordance with References (e) and (j).
- c. Report consolidated forecasted data for RPAs for each year of the FYDP to the appropriate MILDEP or WHS in accordance with DUSD(I&E) guidance (Reference (j)).
- d. Reconcile all real property data for all assets that the DHA occupies, operates, or maintains with its supporting MILDEP or WHS in accordance with References (e) and (j).

2. SECRETARIES OF THE MILDEPs. The Secretaries of the MILDEPs will:

- a. Monitor and report the overall condition, utilization, and functionality of the MHS facility portfolio.
- b. Ensure that all RPAs that are occupied, operated, or maintained by an MHS organization are accurately captured within the official RPIs that the MILDEPs and WHS maintain in accordance with policy established in Reference (f).
- c. Reconcile all real property data for all assets that the DHA occupies, operates, or maintains in accordance with References (e) and (f).

ENCLOSURE 3PROCEDURES1. REAL PROPERTY INVENTORY REQUIREMENTS (RPIRs)

a. Periodic Asset Review and Physical Inventory. A physical inventory of each item of real property is required no less than every 5 years; those real property items designated as historic assets shall be inventoried every 3 years in accordance with References (e) and (l). Physical inventories should ensure that real property is:

- (1) At the location identified in the property accountability records or system;
- (2) As described in the property records; and
- (3) In the condition described in the property records.

At a minimum, the data specified in the list below must be verified as being accurate in the RPI and supported by proper documentation. Proper documentation includes results of the physical inventory.

Minimum Asset Information to be Validated during Physical Inventory**What do I have?**

- Installation Code
- Real Property Site Unique Identifier (RPSUID)
- Real Property Unique Identifier (RPUID)
- Facility Number
- Real Property Asset (RPA) Command Claimant Code
- RPA Type Code
- RPA Interest Type Code
- RPA Total Unit of Measure (UM) Quantity
- RPA Total UM Code
- RPA Operational Status Code
- RPA Placed-In-Service Date
- RPA Predominant Current Use category code (CATCODE)
- RPA Historic Status Code
- RPA Historic Status Date

Where is it located?

- RPUID
- Address Street Direction Code
- Address Street Name
- Address Street Number

- Address Street Type Code
- Country Code
- County Code
- City Code
- Location Directions Text
- State or Country Primary Subdivision Code
- Postal Code
- Geospatial Feature

What condition is it in?

- RPUID
- Facility Condition Index (FCI)
- RPA Utilization Rate
- Asset Review Date (For Physical Inspection)
- Asset Review Type Code (For Physical Inspection)

Who is Financially Responsible?

- RPA Financial Reporting Organization Code
- Replacement Organization Code
- Replacement Fund Source Code
- Restoration and Modernization Organization Code
- Restoration and Modernization Fund Source Code
- Asset Allocation Sustainment Organization Codes
- Asset Allocation Sustainment Fund Source Codes

b. RPIR Data Fields. In an effort to advance the reliability and accuracy of its real property information, and in order to improve the integration of financial management and business operations, the DoD has defined mandatory real property data elements. These standardized data elements are referred to as the RPIR data fields. Maintenance of these data fields in Defense Medical Logistics Standard Support – Facilities Management (DMLSS-FM), and reconciliation of this data with the Service database of record, will enhance asset accountability and visibility of the MHS facility portfolio. Reference (m) contains a list of the mandatory data elements with definitions. See the DMLSS-FM Manual for the Facilities Inventory Module (Reference (n)) for procedures for maintaining RPIR data fields in DMLSS-FM.

c. RPI Data Reconciliation

(1) Military Services shall annually provide an end-of-year report of real property occupied, operated, or maintained by the MHS for reconciliation to DHA. This report will contain the data prescribed by the annual DUSD(I&E) RPI guidance (Reference (j)).

(2) DHA will:

(a) Ensure that the RPIs of the MILDEPs contain all real property occupied, operated, or maintained by their organizations and located on a MILDEP site.

(b) Annually report to DUSD(I&E) any property leased for, or assigned to, the MHS and not reflected in a MILDEP RPI. Also, report this information to the supporting MILDEP in order for this information to be accounted for in their RPI.

(c) Annually reconcile all real property data for property occupied, operated, or maintained by the MHS with their supporting MILDEP as prescribed by the DUSD(I&E) Annual Guidance using the RPI provided by the MILDEPs. Reconciliation will be completed and all differences resolved with the appropriate MILDEP according to Reference (j).

(d) Provide forecasts of acquisitions, disposals, and excesses of real property to the appropriate MILDEP to allow these forecasts to be incorporated into the annual RPI report. Data will be provided in accordance with the annual guidance provided by DUSD(I&E). This data will be provided to the MILDEPs according to DUSD(I&E) Annual Guidance for RPI and Reporting (Reference (j)).

2. LEASES. In order for the Director, DHA, to maintain visibility of all facility assets in the MHS inventory, the Service Surgeons General will provide a courtesy copy of lease request packages to DHA which are submitted to their respective Service Secretaries in accordance with Reference (o) and MILDEP guidance. The DHA Facilities Division shall share the lease request and renewal packages with the appropriate DHA Directorates.

3. RELOCATABLE BUILDINGS. In order for the Director, DHA, to maintain visibility of all facility assets in the MHS inventory, the Service Surgeons General will provide a courtesy copy of relocatable buildings' acquisition request packages to DHA which are submitted to their respective Service installation commands or major commands in accordance with Reference (p) and MILDEP guidance. DHA Facilities Division shall share the acquisition request with the appropriate DHA Directorates.

4. FCI. The condition of each facility in the inventory is measured by the FCI.

$$FCI = \left[1 - \frac{DM \& R}{PRV} \right] * 100$$

Where:

(DM) Deferred maintenance - the value of maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period (Reference (q)).

(R) Repair - Repair of Facilities: "the term "repair project" means a project to restore a real property facility, system, or component to such a condition that it may effectively be used for its designated functional purpose." It includes repair or replacement work to restore facilities

damaged by inadequate sustainment, excessive age, natural disaster, fire accident, or other causes (Reference (q)).

DM and repair does not include configuration or capacity deficiencies.

Plant Replacement Value (PRV) - the current dollar cost to replace a facility with the same functions and capacity (References (q) and (r)).

The higher the FCI, the lower the need for restoration funding. For example, an FCI of 90 signifies a 10 percent deficiency, which is generally considered low; and an FCI of 30 means that a building needs extensive repairs or replacement.

5. CAPITAL IMPROVEMENTS

a. A capital improvement is any improvement that increases the useful life, efficiency, capacity, or size of an existing RPA, or modifies the functionality or use of the asset, regardless of the source of funding or capitalization threshold (Reference (s)). A modernization will be a capital improvement when it extends the useful life, increases the efficiency, capacity, or size of an existing asset, or modifies the functionality or use of the affected asset. Examples of capital improvements are:

- (1) Increases the useful life (e.g., major replacements or reconstruction to restore facilities deteriorated through years of use).
- (2) Increases efficiency (e.g., installation of building insulation where none existed before).
- (3) Increases capacity (e.g., raising the roof on a warehouse to increase cubic feet).
- (4) Increases size (e.g., an addition, expansion, or extension to the building, i.e., increase footprint).
- (5) Modifies functionality (e.g., conversion of an office to a warehouse).

b. In accordance with Reference (q), the capitalization determination should be made and documented at the start of the project design/scoping phase by applying the rules in Reference (s), as well as specific Service guidance. The purpose of the final DD Form 1354 is to establish in writing the final costs incurred for each facility in a project. All additional expenses incurred following the placed-in-service date or the date the interim DD Form 1354 was signed shall be transferred from the Construction in Progress account to the RPA account in accordance with the final DD Form 1354. The final DD Form 1354 distributes unallocated costs across the assets as appropriate.

c. For capital improvements, changes to the estimated useful life will be determined by the engineering community and provided as follows:

(1) The estimated useful life for the capital improvement if the facility's estimated useful life is not affected.

(2) The facility's adjusted estimated useful life if the capital improvement affects the facility's useful life.

d. The Construction Agent has responsibility to ensure that the appropriate DD Forms 1354 are prepared and furnished to the sponsoring entity and/or Real Property Accountable Officer (RPAO)/approved accepting official. Once the Construction Agent, sponsoring entity, inspection engineers, RPAO, and other approving parties have agreed that the construction is acceptable, the Construction Agent accepts the construction from a contractor on behalf of the government using contract procedures. The Construction Agent then provides the DD Form 1354 and other supporting documentation to the RPAO or approved accepting official for acceptance into the federal inventory, which is the placed-in-service date. The Construction Agent shall include a copy of contractual deficiencies as an enclosure to the DD Form 1354 and reference it in block 26. Government liability starts upon occupancy or formal acceptance of the RPA, whichever comes first. Occupancy of new construction or improvements should not occur prior to government acceptance of the RPA.

e. In order for the Director, DHA, to reconcile RPI data with supporting MILDEPs or WHS for all assets that the DHA occupies, operates, or maintains in accordance with References (d) and (e), the Service Surgeons General shall ensure the final DD 1354 forms are attached to the asset record in DMLSS-FM.

6. ASSET ALLOCATION. The DoD Real Property Categorization System (RPCS) is a hierarchical scheme of real property types and functions that serves as the framework for identifying, categorizing, and analyzing DoD's inventory of land and facilities around the world. In accordance with Reference (t), all real property under the command or control of DoD shall be categorized within the framework of the RPCS. The facility analysis categories (FACs) within the RPCS shall be the basis for unit costs used to calculate PRV and other inventory-based cost estimates.

a. CATCODEs. The MILDEPs are responsible for:

(1) Creating sufficient CATCODEs to categorize their real property in a manner that provides consistent identification and analyses of similar assets across the DoD.

(2) Coordinating definition and assignment of CATCODEs across DoD.

b. Asset Allocation. The MILDEPs report at least one MILDEP CATCODE, DUSD(I&E) FAC code, and Real Property Information Model (RPIM) asset allocation user organization code for each RPA.

(1) The MILDEPs report each asset allocation use with the appropriate asset allocation MILDEP CATCODE and asset allocation user organization codes.

(2) The sum of the asset allocation size quantities for each asset allocation use must equal 100 percent of the total facility gross size for every DoD RPA or the total DoD usage for non-DoD RPAs.

In order to maintain consistency in reporting MHS RPI data, the allocation of MHS occupied, operated, or maintained facilities will be reported using the minimum necessary CATCODES in order to adequately identify the primary use of the space. Whole facilities occupied, operated, or maintained by MHS shall not be subdivided by utilization unless the primary FACs are different, for instance a dental clinic within a hospital.

7. DISPOSAL. In order for the Director, DHA, to maintain visibility of all facility assets in the MHS inventory, the Service Surgeons General shall provide a courtesy copy to DHA of disposal/demolition memorandums submitted to their respective Service Secretaries in accordance with Reference (u) and MILDEP guidance. The DHA Facilities Division shall share the disposal/demolition notifications with the appropriate DHA Directorates.

8. REUSE. In order for the Director, DHA, to maintain visibility of all facility assets in the MHS inventory, the Service Surgeons General shall submit a notification to DHA of any decision to reuse facilities replaced by military construction or major recapitalization projects. Additionally, any subsumed “buildings of opportunity” must also be notified to DHA.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

CATCODE	category code
DHA	Defense Health Agency
DHA-PI	Defense Health Agency-Procedural Instruction
DM	deferred maintenance
DMLSS-FM	Defense Medical Logistics Standard Support – Facilities Management
DUSD(I&E)	Deputy Under Secretary of Defense for Installations and Environment
FAC	Facility Analysis Category
FCI	Facility Condition Index
FYDP	Future Years Defense Program
MHS	Military Health System
MILDEP	Military Department
PI	Procedural Instruction
PRV	Plant Replacement Value
RPA	Real Property Asset
RPAO	Real Property Accountable Officer
RPCS	Real Property Categorization System
RPI	Real Property Inventory
RPIE	Real Property Installed Equipment
RPIM	Real Property Information Model
RPIR	Real Property Inventory Requirement
RPSUID	Real Property Site Unique Identifier
RPUID	Real Property Unique Identifier
UM	unit of measure
WHS	Washington Headquarters Services

PART II. DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purposes of this instruction.

accountability. The obligation imposed by:

Law, lawful order, or regulation accepted by an organization or person for keeping accurate records, to ensure control of property, documents or funds, with or without physical possession.

The obligation, in this context, refers to the financial duties, responsibilities, and those obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability on an organization or person.

Law, lawful order, or regulation on an officer or other person for keeping an accurate record of property, documents, or funds, including identification data, gains, losses, dues-in, dues-out, and balances on hand or in use. The person having this obligation may or may not have actual possession of the property, documents, or funds.

building. A roofed and floored facility enclosed by exterior walls and consisting of one or more levels that is suitable for single or multiple functions and that protects human beings and their properties from direct harsh effects of weather such as rain, wind, sun, etc.

CATCODE. The most detailed level of classification for real property. Denotes a specific real property type and function in accordance with the current version of the RPCS and each MILDEP's specific documentation.

civil works. Tasks undertaken by the Directorate of Civil Works, U.S. Army Corps of Engineers that include water resource development activities, including flood risk management, navigation, recreation, infrastructure, and environmental stewardship and also includes emergency response.

DM. DM is the value of maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period (Reference (r)).

disposal. Any authorized method (e.g., demolition, transfer) of permanently divesting the DoD of accountability for, and control of, an RPA of the United States.

FAC. A grouping of RPAs that have a common UM and equivalent cost based on the UM. Included in this equivalent cost are costs associated with real property construction, maintenance, sustainment, and repair. Within the DoD, an FAC is represented by a four-digit numerical code, as found in Reference (t) and the current version of the RPCS.

facility. A building, structure, or linear structure whose footprint extends to an imaginary line surrounding a facility at a distance of 5 feet from the foundation that, barring specific direction to the contrary such as a utility privatization agreement, denotes what is included in the basic record for the facility (e.g., landscaping, sidewalks, utility connections). This imaginary line is commonly referred to as the "5-foot line." A facility will have an RPUIID received from the RPUIR and entered into a Service RPI system as a unique real property record.

facilities sustainment model. A standardized model for forecasting facilities sustainment resource requirements for the DoD facilities inventory. It is used to determine funding levels for sustainment.

forecast. A prediction of future RPAs, including acquisitions, transfers, and disposals, to support the DoD mission.

FYDP. Program and financial plan for the DoD, as approved by the Secretary of Defense. The FYDP arrays cost data, manpower, and force structure over a 6-year period (force structure for an additional 3 years), portraying this data by major force program for DoD internal review for the program and budget review submission. It is also provided to Congress in conjunction with the President's budget.

historic status. The status of a facility with respect to the National Register of Historic Places.

installation. A base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the DoD, including any leased facility, which is located within any of the States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam. Such term does not include any facility used primarily for civil works, river and harbor projects, or flood control projects. In the case of an activity in a foreign country, an installation is any property under the operational control of the Secretary of a MILDEP or the Secretary of Defense, without regard to the duration of operational control. For real property accountability, an installation must consist of one or more real property sites.

interest. The type and extent of ownership of property or for the use of property, including an easement to pass over an adjacent parcel, mineral rights, outright title, or a possibility of acquiring title should a specified event occur. DoD real property interest types are defined in the RPIM.

internal control. An integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved:

- a. Effectiveness and efficiency of operations.
- b. Reliability of financial reporting.
- c. Compliance with applicable laws and regulations.

Synonymous with management control, helps government program managers achieve desired results through effective stewardship of public resources.

land. A portion of the Earth's surface distinguishable by boundaries. Land must be accountable by parcel starting when the parcel was transferred into the custody and control of a MILDEP or WHS.

land parcel. An RPA identified as a specific area of land having a unique acquisition document and a legal description of its boundaries and whose perimeter is delineated by a cadastral survey, as recorded in the land records of the government entity having appropriate jurisdiction.

linear structure. A facility whose function requires that it traverse land (e.g., runway, road, rail line, pipeline, fence, pavement, electrical distribution line) or is otherwise managed or reported by a linear UM at the CATCODE level.

predominant current use. The primary use of an RPA based on the largest quantity of usage for an activity or function as described by the appropriate FAC or CATCODE.

real property. Land and improvements to land (e.g., buildings, structures, and linear structures (see facility)).

repair. The term “repair project” means a project to restore a real property facility, system, or component to such a condition that it may effectively be used for its designated functional purpose. It includes repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire accident, or other causes (Reference (q)).

RPAO. An individual (government employee) who, based on his or her training, knowledge, and experience in real property management, accountability, and control procedures, is appointed by proper authority to be responsible for the establishment of records and maintenance of physical accountability for the real property charged to the accountable area or installation.

RPCS. A hierarchical scheme of real property types and functions that serves as the framework for identifying, categorizing, and analyzing the DoD’s inventory of land and facilities around the world (see Reference (t) for more information). An updated table of FACs and CATCODEs is published at least annually.

RPI. A detailed record (listing, system) of real property lands, buildings, structures, and linear structures.

RPIE. An item of equipment that is affixed and built into a facility as an integral part of that facility. To qualify as RPIE, the equipment must be necessary to make the facility complete, and if removed, would destroy or severely reduce the designed usefulness and operation of the facility. RPIE costs are included as a funded initial construction or renovation cost. RPIE may be accounted for as a real property equipment asset record, but not as a separate facility record in the RPI. RPIE includes such items as control systems, heating, cooling, electrical, emergency lighting, etc.

RPSUID. A non-intelligent code used to permanently and uniquely identify a DoD real property site.

RPUID. A non-intelligent code used to permanently and uniquely identify a DoD RPA.

site. Physical (geographic) location that is, or was owned by, leased to, or otherwise possessed by a DoD Component on behalf of the United States. Each site (except for leased) is assigned to a single installation. A site may exist in one of three forms:

Land only – where there are no facilities present and where the land consists of either a single land parcel or two or more contiguous land parcels.

Facility or facilities only – where the underlying land is neither owned nor controlled by the

government. A stand-alone facility can be a site. If a facility is not a stand-alone facility, it must be assigned to a site.

Land – and all the facilities thereon, where the land consists of either a single land parcel or two or more contiguous land parcels.

structure. A facility, other than a building or linear structure, that is constructed on or in the land.