Making the List

Approval of the first two-year Integrated Priority List caps a busy year for AFCEC P&I.

Capt Lindsey Maddox
AFCEC/CPAD

On June 25, the Civil Engineer Council approved the fiscal 2015-2016 Integrated Priority List, the first step in giving more than $1B in requirements authority to start preparing for execution. Approval of the fiscal 2015-2016 IPL was the culmination of a busy year for the Air Force Civil Engineer Center's Planning and Integration Directorate, and represented a quantum leap forward for managing the annual centralized program.

"It moved the asset management approach from theory into practical application," said Col. Jace Davey, who at the time was the Planning and Integration Director. "We can quantifiably demonstrate we are allocating resources to extend service life or invest in our most valuable assets to minimize impact to the mission."

AFCEC's P&I Directorate was given the task of merging centralized infrastructure investment programs (large sustainment, demolition, restoration and modernization, dorms, energy, and environmental) and developing the first two-year IPL, beginning with fiscal 2015 and 2016. The goal was to look into future years and become more proactive for better planning, design and contracting actions for long-lead projects, seamless execution of end-of-year funds and a smooth transition from one year to the next.

Historically, each centralized program was managed and prioritized according to its own set of rules and scoring model. The result was six separate lists, and while each program attempted to employ asset management principles, individual stovepipes prevented leaders from comparing requirements across all programs. This became increasingly clear as funding decreased and senior leadership needed to know which requirement was truly the Air Force's next-best investment of scarce resources.

The engineers in P&I set out to inform tough investment decisions by developing one set of rules and one scoring model to integrate all Operations and Maintenance programs, but it wasn't easy! How does an environmental permit compare to restoring flightline pavements or modernizing a critical command and control facility? The team looked to investment models used in the private sector and existing Air Force scoring models, and a common theme emerged: risk. What is the likelihood of something occurring and what is the impact or consequence if it does occur? It was simple and something leaders at every level and in every career field could understand — the foundation of operational risk management.

With the basic framework defined as Probability of Failure and Consequence of Failure, (see Figure 1), activity managers began working with subject matter experts and assembling working groups to determine how each type of infrastructure asset fit into the model.

CoF was fairly easy to define. Engineers have been using the Mission Dependency Index to define an asset's importance to the mission for years. It isn't perfect, but MDI serves as a good baseline for determining the criticality of an asset. Major command, installation and unit commander perspectives are also critical to providing "ground truth" regarding the impact of each requirement or project. Therefore, a requirement's CoF score is a combination of MDI and MAJCOM priority points.

Defining PoF was more difficult, but another survey of existing models provided a starting point. Whether scoring models used Q-rating, fire safety deficiency codes, risk assessment codes or other factors, each model considered the current condition of the asset. The factors used were generally subjective and not always precise or accurate, but the well-timed implementation of sustainment management systems helped address that. Using these systems, engineers at the installations were able to assess facilities, pavements and other assets, enter condition data into the SMS, and determine objective condition indices for each item. The lower the CI, the worse the condition, and the higher the probability that the asset will fail.

However, not every investment fits into a risk profile; some projects may simply be wise investments with the potential to gain efficiencies and save money. For that reason, extra points were made possible for requirements that demonstrated a positive savings-to-investment ratio. Projects with a high SIR would also be eligible for inclusion in savings "wedges" subjectively inserted in the IPL at the discretion of CE senior leaders.

Before releasing the new business rules and scoring model to the installations, P&I wanted to ensure the model and new procedures were vetted with the engineers in the field who would be performing the assessments and calculations. Test bases were selected for various aspects of the new guidance and model. Engineers at the installations provided key feedback to improve the process and make sure it would not overwhelm CE technicians and programmers.

The final fiscal 2015-2016 Business Rules and scoring model were published on January 7, 2014. After they were released, base-level engineers had roughly three months to complete asset inventories, collect condition data, program requirements in ACES-PM and prioritize projects through their facilities board processes. It was a tall order, but the installations made it happen! They even educated AFCEC as they did it, sharing best practices and offering to speak during training webinars.

Installation priorities were forwarded to respective MAJCOMs, who validated project programming and scoring and consolidated all requirements into MAJCOM prioritized lists. MAJCOM priorities were updated in ACES-PM and submitted to AFCEC by May 15.

The P&I team immediately got to work and pulled ACES-PM data to build the initial IPL draft incorporating all O&M requirements. More than 4,700 projects worth $3.6B were submitted for consideration in fiscal 2015 and 2016. All projects were prioritized based on total score, and multiple integration program group meetings were held to coordinate among MAJCOM programmers and ensure all projects were accurately represented. Remarkably, the prioritized

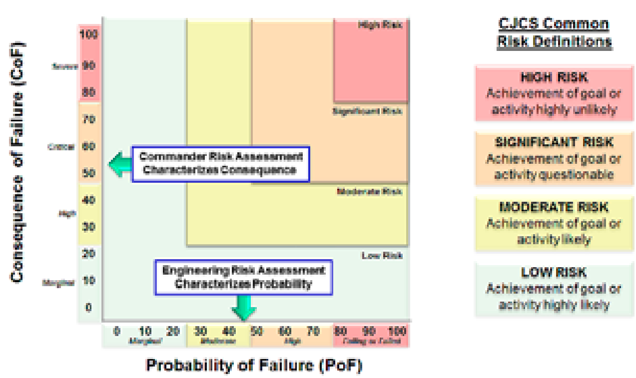

Figure 1. Framework for scoring model

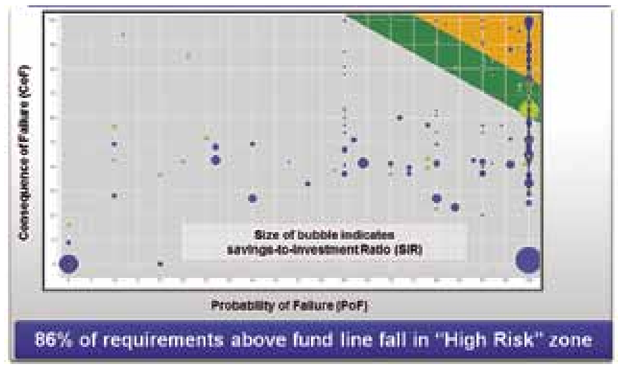

Figure 2. Actual requirements on FY15 IPL

list mirrored expectations. (see Figure 2.) Installations submitted their worst assets for consideration; therefore, a lot of projects had maximum PoF. Base-level programmers also proved that they could identify cost savings, whether it was energy savings or decreased O&M costs, for most requirements. Great news on both fronts!

While the approval of the fiscal 2015-2016 IPL warranted celebration, it hasn't been a reason for P&I to slow down. Now that project prioritization has been approved, focus has shifted to execution of the fiscal 2015 program and making improvements for the future.

Since the approval of the IPL, AFCEC has issued authority to advertise for all projects above the funding line using the new Construction Tasking Order, a tool developed in conjunction with the Assistant Secretary of the Air Force offices for Acquisition and Financial Management to enable earlier awards and improve obligation rates.

In addition to getting projects on the street sooner than ever before, AFCEC is trying to help get ahead of the planning cycle by publishing business rules earlier. The fiscal 2016-2017 Business Rules were released on August 19, giving installations roughly five months to plan and program their requirements.

"The recent success of the IPL rollout is just the tip of the iceberg compared to what the future holds," said Col. Gregory Ottoman, chief of AFCEC's Activity Integration Division. "It is the first step toward proactive and strategic asset management. Now that our base civil engineers have embraced SMS, AFCEC will be able to effectively manage the entirety of the Air Force built and natural infrastructure portfolio, with the end goal of getting the maximum value out of each taxpayer dollar we spend."

Capt. Maddox is Chief, Installation Investment Programs in the Planning and Integration Directorate, AFCEC, JB San Antonio-Lackland, Texas.