Real Property Work Classification

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PURPOSE:
Provide an Overview of

Work Classification on Real Property
Art or Science?

• Work classification is 2 parts science and 1 part art
• the rules based on
  – Laws
  – Regulations  \{ Science
• the fog
  – experience
  – interpretation \}  Art
Modular & Pre-Engineered

- All work classification and approval rules apply (RPF).
- Construction, may not be permanent.
- Comply w/ARPLANS.
- Comply w/RPMP & IDG.
- Relocatable buildings are not classified (WHY?)
- A RLB is Equipment not Real Property!
- Site prep is construction.
What Is Work Classification?

- Work included in a Real Property Undertaking is Classified to determine whether the work is:
  - Construction
  - Repair
    - Maintenance
  - Equipment (Real Property or Not)
    - Installed-Building-Equipment (Real Property) – Priced as Part of the Project IBE examples:
      - HVAC
      - Utility Monitoring and Control Systems
      - Auxiliary Generators – support building not readily removable
    - Equipment-In-Place (Not Real Property) – Not Priced as Part of the Project EIP examples:
      - Auxiliary Generators – support personal property may be readily removable
      - Electronic Security Equipment
      - LAN systems & Telephone systems, includes cables (except in Barracks for phone and Cable TV)
      - UPS
  - AR 420-1 Army Facilities Management
  - AR 415-15, Chapter 6 & 7 or DA Pam 420-11, Chapter 2
What Is Its Basis?

Public Law

10 US Code, Chapter 169
- Sec 2661 – Repair
- Sec 2801 – Definitions
- Sec 2805 – Construction
- Sec 2811 – Repair

10 US Code, Chapter 159
- Sec 2688 – Utility System
What Is Its Basis?

DoD Policy

- DoDD 1015.2, Military Morale, Welfare, and Recreation (MWR) 14 Jun95
- DoDI 1015.12, Lodging Program Resource Management, 03 Oct 96
- DoDI 4165.14, Real Property Inventory and Forecasting, 31 Mar 06
- DoDI 4165.56, Relocatable Buildings, 13 Apr 88
- Memorandum - Definition of Repair, 2 Jul 97
Army Policy

- AR 420-1 Army Facilities Management (effective 12/02/07)
- AR 420-10* Management Of Installation Directorates Of Public Works
- Memorandum, HQDA, DAIM-ZA, 2 Jul 97, subject: New Definition of Repair
  - Memorandum, HQDA, DAIM-ZA, 19 Feb 08, subject: Interim Policy Change on Relocatable Buildings for Paragraphs 6-13 through 6-17 in AR 420-1, Army Facilities Management
  - Memorandum, HQDA, DAIM-ZA, 19 Feb 08, subject: Interim Policy Change for AR 420-1, Army Facilities Management, on Maintenance and Repair and Construction Approval Authority
- AR 420-49 Utility Services
Army Policy

• AR 420-70* BUILDINGS AND STRUCTURES
• AR 420-72* TRANSPORTATION INFRASTRUCTURE AND DAMS
• AR 415-15 * ARMY MILITARY CONSTRUCTION AND NONAPPROPRIATED-FUNDED CONSTRUCTION PROGRAM DEVELOPMENT AND EXECUTION
• AR 210-50* HOUSING MANAGEMENT
Army Precedent

- DA PAM 420-11 Project Definition and Work Classification
What Work is Classified?

- The **Garrison Commander** is the owner of all Real Property on an Installation.

- The **DPW** Classifies any work or services related to the Installation owned, leased, or controlled real property.
What Work is Classified?

- The Source of Funds does not affect Work Classification! – OMAR, OMA, OMD, NAF

- Neither does the method of work accomplishment! -- Contract, in-house work force, troops, donated Manpower
Who Is Responsible?

The Director of Public Works
Who Can Assist the DPW?

- Garrison Legal Office
- IMCOM Region Office
- IMCOM
- ACSIM
Real Property Work Classification

What Is the Role of HQ, IMCOM?

- Publish technical guidance
- Delegate approval authority
- Review work classification
- Validate & fund projects
- Request project approval
- Implement mgmt controls
What is the Role of the IMCOM Region?

- Review project documentation and work classification
- Perform technical review
- Request project approval
- Monitor project execution
- Technical assistance
What is the Role of the Garrisons?

- Implement technical guidance
- Classify work, justify, and legal review
- Prepare project documentation
- Ensure projects are properly approve
  - Within authority
  - Request project approval
- Maintain project record
Real Property Work Classification

Important Terms

- Component – subset of system
- System – subset of facility
- Facility – all components and systems necessary to perform designated function
- RPF – real property facility
- Interdependent
- Interrelated
- Funded Project Cost
- Unfunded Project Cost
- Phased Repair Project
- Installed-Building-Equipment (IBE)
- Equipment-in-Place (EIP)
- Repair to Replacement Ratio
- Undertaking
Important Terms

- **Component**
  - Windows, Doors, Floors, Ceilings, valves, pumps, fans, etc.

- **System**
  - HVAC, Fenestration, Plumbing, Electrical, Roofing, etc.

- **Facility**
  - The term “facility” means a building, structure, or other improvement to real property

- **Real property facility**
  - A separate and individual building, structure, utility system, or other real property improvement identifiable in the CATCODES listed in AR 415-28.
Important Terms

Interdependent

Those facilities which are mutually dependent in supporting the function(s) for which they were constructed and therefore must be costed as a single project, for example, a new airfield on which the runways, taxiways, ramp space and lighting are mutually dependent to accomplish the intent of the construction project.
Important Terms

Interrelated

Those facilities which have a **common support purpose** but are **not mutually dependent** and are therefore funded as separate projects, for example, billets are constructed to house soldiers with the subsequent construction of recreation facilities. Their common purpose to support health, welfare, and morale creates an interrelationship. However, neither facility is necessary for the operation of the other.
Important Terms

Funded Costs AR 420-10

• Transportation & materials
• Civilian labor
• Supervision and Inspection
• Troop travel & per diem
• Installed Building Equipment & Manuals
• Mitigation & demolition
• Site preparation
Important Terms

Unfunded Costs AR 420-10

- Military labor & licenses
- Equipment depreciation
- Excess equipment or relocated RP items
- Surveys & engineering design
- DPW overhead costs
- Furnishings & Equipment-In-Place
Important Terms

Phased Repair Project AR 420-10

• In determining the total cost of a repair project, all phases of a multi-year repair project to a single facility are approved as a single project.
• Projects over $500,000 must include all phases.
What Are Phased Repair Projects?

- Sequenced work executed over multiple fiscal years on a RPF
- All phases must be approved as a single project
- DD 1391 / DA 4283 project approval
- Phases are based on work process and funds availability
- Approval is for life of project
Important Terms

What is Repair to Replacement Ratio?

Total funded cost of all known repair and construction
Divided by
replacement cost of facility, including demolition & disposal & restoration of site

See DA Pam 420-11 Paragraph 3-4
UNIFIED FACILITIES CRITERIA (UFC)
UFC 3-700-05 DESIGN GUIDE: CONSTRUCTION COST ESTIMATING
• If total funded project cost > $40/ft², Garrison Commander approval is required in addition to project approval.

• Goal is elimination of WWII wood.
Real Property Work Classification

Anti-Terrorism / Force Protection

Must be considered on all undertakings:

Required When a Project:

- Implement the standard building renovations, repairs, and restorations where those costs exceed 50% of the replacement cost of the building. [The 50% cost is exclusive of the costs identified to meet these standards.]

- Any portion of a building is modified from its current use to that of an inhabited building, billeting, or a primary gathering building for one year or more. [Examples would include a warehouse (uninhabited) being converted to administrative (inhabited) use and an inhabited administrative building being converted to a primary gathering building or billeting.]

- Glazing Replacement or Door Replacement – will meet the standard!

- Additions to existing inhabited buildings shall comply with the minimum standards for new buildings. If the addition is 50% or more of the gross area of the existing building, the existing building shall comply with the minimum standards for existing buildings.
Seismic

A Seismic Evaluation and Mitigation Are Required When a Project:

1. Significantly extends the facility's useful life  
   or
2. Significantly increases the facility's value  
   or
3. Cost exceeds 50 percent of the current replacement value
Accessibility

• When needed to provide access to new employees.
  
  or

• When repairing an area that requires access.
  
  or

• When needed in Family Housing.
Life Safety Code Compliance

• Every undertaking must evaluate NFPA 101 Compliance. UFC 3-600-01
Historic Properties

Consult the Installation Cultural Resource Manager to determine if the project involves a “historic property” and if so, insure compliance with Federal, State, and Local Requirements.

Repair to Replacement Ratio is based on replacement value of constructing the Historic Structure just like it was originally built. This includes cost of special materials and handicraft work.

Note the presence of a Historic property and compliance w/ Host Nation Standards on the DD 1391
What About Facilities Damaged by Fire, Storm, Flood, Freeze, or Other Natural Occurrences?

• Project approval requests that require HQDA approval will be submitted within 30 days

• Approvals and congressional notifications will be obtained while prospective contractors are preparing their proposals
Real Property Work Classification

Maintenance & Repair Approval Authority

- Rep/Rpl > 50%
  - < $750K: IMCOM, ACOM, ASCC, DRU
  - ≥ $750K: HQDA

- Rep/Rpl < 50%
  - < $5M: IMCOM
  - ≥ $5M: HQDA

- $7.5M Congressional notification & 14-day waiting period
Maintenance & Repair Approval Authority

- Project approvals are “Per Project”
- The IMCOM limit for a Maintenance & Repair project is $750K.
  - If the R/R is less than 50% a project may be approved up to $5M.
  - Maintenance is not a separate project; project is a Maintenance & Repair project.
Real Property Work Classification

What vs. Why

It is not only what you do but also why you do it that determines work classification.

– Repair - Failed or failing
– Construction - Inadequate size, category code change, standard change, or mission change
– Repair - Work can be easily differentiated from Construction
– Construction - Work is interdependent
Examples of Maintenance

- Exterior weatherproofing
- Preventive maintenance
- Recurring maintenance
- Dredging
- Grounds Maintenance
- Boiler water treatment
What About Grounds?

• **Grounds Management** may be classified as either maintenance, repair, or construction. However, Maintenance and Repair are funded out of either Municipal Services (BOS) or SRM (dams, bunkers, RR track right-of-way).

• **Construction is funded out of SRM (within limits).**
What Is Repair?

Definition of Repair

“To restore a real property facility, system or component to such a condition that it may effectively be used for its designated functional purpose.” Quote from Title 10 USC, Section 2811
Real Property Work Classification

What Is Repair?

Definition of Repair

1. When repairing a facility, the components of the facility may be repaired by replacement, and the replacement will be up to current standards or codes.

2. For example,
   a) Heating, Ventilation, and Air Conditioning (HVAC) equipment can be repaired by replacement, can be state-of-the-art, and provide for more capacity than the original unit due to increased demand/standards.
   b) Interior rearrangements (except for load-bearing walls) and restoration of an existing facility to allow for effective use of existing space or to meet current building code requirements (for example, accessibility, health, safety, or environmental) may be included as repair.
What Is Repair?

Definition of Repair

3. A **facility** must exist and be in a **failed or failing** condition in order to be considered for a repair project.

✓ To qualify for repair the you must be able to say the facility is failed or failing. This assessment is based on the condition of existing components and systems! (It is not based on the functional layout of the facility.)
What Is Repair?

Definition of Repair

4. **When repairing a facility** you will now bring the facility (or a component of a facility) up to applicable codes or standards as repair.
   
   a. An example would be adding a sprinkler system as part of a barracks repair project.
   
   b. Other examples would be adding air conditioning to meet a current standard when repairing a facility
   
   c. **Another example is installing an elevator or chair-lift when repairing an administrative facility or an MWR facility.**
   
   d. Pursuant to the definition of Repair, moving load-bearing walls, additions, new facilities and functional conversions must be done as construction.
Real Property Work Classification

What Is Repair?

The restoration of a **failed or failing RPF**, system, or component to meet current codes and standards for its **designated functional purpose**.
What Is Repair?

Repair, is based on existing, failed or failing RPF, systems, components or an existing and technically obsolete utility system.
Examples of Repair

Enough components and systems of an RPF are failing that the entire facility is determined to be failing.

1. You must bring the facility up to standards and it must include all items required by codes.
2. Accessibility must be addressed. (some types of facilities are exempt from Accessibility by UFAS.)
3. Fire, seismic, AT/FP. . . Etc....

All of the above are done as repair while you are repairing the floors, ceiling, walls, windows, etc…
What Is Repair?

Bringing a RPF, system, or component up to applicable codes or standards for COMPLIANCE PURPOSES ONLY, is CONSTRUCTION.
<table>
<thead>
<tr>
<th></th>
<th>≤ $750K</th>
<th>&gt; $750K</th>
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<tbody>
<tr>
<td>Non-HLS</td>
<td>IMCOM, ACOM, ASCC, DRU</td>
<td>MILCON</td>
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<tr>
<td>HLS</td>
<td>≤ $1.5M</td>
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<td></td>
<td>&gt; $1.5M</td>
<td>MILCON</td>
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<tr>
<td>Combined</td>
<td>≤ $1.5M Total</td>
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BUT no more than $750K Non-HLS included in project.

• Not delegated lower than IMCOM, ACOM, ASCC, DRU
Real Property Work Classification

By Way of Explanation

- AR 415-15 governs military construction (MILCON)
- All construction is military construction
- SRM may be used for some minor military construction
What Is Construction?

- To erect, install, or assemble a new facility
- To add, expand, alter, convert, or replace an existing facility

- New rules for construction on “relocatable buildings” in LTG Wilson’s 19 FEB 08 Delegation of Authority Memo.
Real Property Facility (RPF) is a separate and individual building, structure, utility system, or other real property improvement identifiable in the three-digit Category Codes listed in AR 415-28. Examples are as follows:

1. Buildings. May be a single-purpose facility or a multipurpose facility containing one or more functional areas. In a multipurpose facility, the functional areas may be associated with a single all-encompassing activity such as one stop unit training or the functional areas may have no association beyond existing in the same facility. While, each functional area is accounted for using the Category Codes contained in AR 415-28. A repair project may be carried out on all or part of an single-purpose facility or on one or more functional areas of a multipurpose facility.

   a) The repair of an entire building will restore the real property facility to such a condition that it may effectively be used for its designated functional purpose.

   b) A barracks facility CATCODE 721XX may contain an organizational class room CATCODE 171XX and a dining facility CATCODE 722XX. If the barracks is damaged by fire, it may be repaired if the foundation and walls still exist, and a total replacement is not required. The facility will be restored to such a condition it may be used for its designated functional purpose. The individual areas may be re-sized during the repair to meet current or projected usage and components may be added, as an example a sprinkler system that did not exist maybe included as repair, so the building may be effectively used for its designated functional purpose. The building will be brought up to codes and standards as repair.
Real Property Facility

Real Property Facility (RPF) is a separate and individual building, structure, utility system, or other real property improvement identifiable in the three-digit Category Codes listed in AR 415-28. Examples are as follows:

(2) Utilities. A individual system for the treatment or supply of water and the equipment, fixtures, structures, and other improvements utilized in connection with the treatment or supply of water including the real property, easements, and rights-of-way associated the system.

A single (physically or geographically identifiable) water supply, treatment, and storage facility (Category Code 84X) represents a single RPF. Items such as failing wells or water storage tanks or a section of pipe may be completely replaced as repair since they are considered component parts of a RPF.
Real Property Facility (RPF) is a separate and individual building, structure, utility system, or other real property improvement identifiable in the three-digit Category Codes listed in AR 415-28. Examples are as follows:

(3) *Surfaced Areas.* All the real property improvements listed under the three digit category codes 851 (roads) or 852 (sidewalks and other pavement) are a single RPF. All contiguous airfield pavements, i.e., runways, taxiways, aprons, category code 110, represents a single RPF. Failing bridges or airfield runways may be completely replaced as repair since they are considered component parts of a RPF. The same is true for railroads where 860 (tracks spurs etc.) or 861 (improvements associated with operation of RR) are considered a single facility.
Construction Must ...

• Provide:
  – Complete and useable facility
  – Complete and useable facilities
  Or
  – Complete and usable addition to an existing facility
  – All work that is interdependent must be included
Construction Includes:

- Conversion
- **Complete facility replacement**
- Repair which is inseparable from construction
- Demolition associated with construction
- Facilities or work is interdependent (engineering and mission)
- Check AR 415-15 for which equipment is considered to be a funded part of the project.
Real Property Work Classification

- Fencing
- D-Drainage System
- E-Electrical System

Gate

Building Unit or use A

Building Unit or use B

Work Classification for Relocatable Buildings (RLB) sites
Real Property Work Classification

- Fencing
- D-Drainage System
- E-Electrical System

**Gate**
- Building Unit or use
- Building Unit or use B

**Work Classification for Relocatable Buildings (RLB) sites**

- 1 site
- 2 sites
Conversion

• Two steps for a Conversion
  – **Step 1.** Obtaining the authority and changing the real property records
  – **Step 2.** Real Property Construction Project to make the changes needed for the facility to be effectively [complete and useable] used for the new use.

• Repair that is needed before the conversion is needed after the conversion and can still be **executed as repair to the extent it would have been required for the former use.**
What Is Health-Life-Safety?

Guidance from Congress

“intended solely for urgent projects whose sudden emergence could not have been anticipated and which pose so immediate a threat to the life, health, or safety of personnel that their correction cannot wait until the next appropriation cycle.”

Justification for correcting a deficiency that is life, health, or safety threatening includes:
Justification of HLS

Justification (in project folder)

1. When was requirement determined?
2. Why deferral poses an unacceptable and imminent risk to personnel?
3. Describe on-going actions and temporary work-arounds to mitigate risk and safeguard lives.
4. Explain why the deficiency cannot be repaired or corrected by other means?
5. Assure that the construction is intended primarily to correct a deficiency that threatens the life, health, or safety of personnel.

Approval authority is SES or GO level
What Is Non-Construction?

- Costs associated with installing personal property (Equipment-In-Place) into existing real property facilities is “Non-Construction"
- The cost of transporting, installing, and connecting this equipment is funded with the same appropriation that bought the equipment
What Is Non-Construction?

- Equipment which supports Information Management is not Real Property it is Equipment-In-Place (EIP). (LAN Cables and Phone Cables)
- In repair projects as a general rule installation and the cost of EIP is funded by the proponent not the DPW. “Non-Construction"
- The cost of transporting, installing, and connecting this equipment is funded with the same appropriation that bought the equipment
- Guidance from AR 415-15 and DA Pam 420-11
An emergency generator is failing and needs to be repaired.

1. The generator may be increased in size to meet current and projected loads as repair.

2. Switches and electrical leads and wiring may be replaced in a size that will be compatible with the resized loads. In addition new wiring may be run to locations not previously serviced to accommodate equipment and areas not previously serviced but which have been determined to be essential during an emergency.

3. If the generator is be moved outside of the current footprint of the building.
   a. The new building housing the generator is construction.
   b. The generator, wiring and other items needed for the generator to work located in the new building (facility) are repair.
   c. The electrical lines and new switches needed are repair to support the generator are repair.
   d. If the generator required a sprinkler in its old location then the sprinklers in the new building maybe installed as repair.
OMA Project Re-Approval

• Projects approved below DA may be re-approved as necessary and they should be kept current.

• Once the project costs exceed local approval authority projects must be submitted to higher HQ for approval.
Questions?
Contact Information

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