



# NAVAL SPECIAL WARFARE COMMAND

## N44 FACILITIES ENGINEER

### BULLETIN

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Type: Policy

**Subject:** Collateral Equipment Funding and Acquisition Processes

**Encl:** (1) C4I Requirements Development Process Flow Charts  
(2) Blank SCAMPI Questionnaire

#### 1. Purpose.

- a. This bulletin sets policy, procedures, and responsibilities for the funding and the acquisition of collateral equipment for all Naval Special Warfare Command (NSWC) MILCON projects.

#### 2. Background.

- a. The DOD Financial Management Regulations (FMR) requires that Personal Property (Collateral Equipment), not defined as built-in, be excluded from the real property cost. OPNAVINST 11010.20G provides detailed guidance on collateral equipment in paragraph 4.1.1 h (2).
- b. Collateral Equipment (CE) falls into two funding categories depending on cost. If cost of a single item or system is less than \$250,000 the funding is Operational and Maintenance (O&M) Funding, with a funding life (obligatory availability) of one fiscal year (FY). If the cost of a single item or system is \$250,000 or greater, the funding is Procurement Funding, with a funding life of three FYs.
- c. USSOCOM splits collateral equipment funding into three categories:
  1. Command, Control, Communications, Computers, & Intelligence (C4I), a combination of O&M and Procurement Funds.
  2. Collateral Equipment O&M Funds, used for Furniture, Fixtures, and Equipment (FF&E). FF&E includes items such as systems and modular furniture, workstations, seating, storage, filing, visual display items, accessories, artwork, training and conference furniture, window treatments, and audio visual equipment. CE also includes specialized

shop, maintenance, and storage equipment not normally part of the FF&E but needed to make the building functional.

3. Other Collateral Equipment, funded with Procurement Funds, is used for system such as overhead bridge cranes, hyperbaric air system, and physical security systems (PSE) (also known as electronic security systems (ESS)).
- e. NAVFAC executes the vast majority of NSWC MILCONs and NAVFAC is using a turnkey method of obtaining the CE by awarding the purchase and installation of the CE to the construction contractor, thus getting a single source of responsibility. The US Army Corps of Engineers does execute some NSWC MILCONs and can follow the NAVFAC method of CE acquisition if requested during the design or design-build Request for Proposal (RFP) preparation stage.
  - f. NAVFAC is accomplishing this by awarding the CE as an optional work item or planned contract modification to the construction contract, with an execution period of up to one year.
  - g. UFC 3-120-10, Interior Design, requires an interior design to be performed for all new buildings and renovation projects. The interior design is accomplished by means of a Comprehensive Interior Design (CID). The CID consists of two elements:
    1. The Structural Interior Design (SID) which includes building related design elements and components generally part of the building itself, such as walls, ceilings, floor coverings and built in equipment such as casework and lockers.
    2. The Furniture, Fixtures & Equipment (FFE) which includes the selection, layout, specifications and documentation of workstations, seating, storage, filing, visual display items, accessories, window treatments, and artwork including contract documentation to facilitate pricing, procurement and installation.
      - i) The FF&E package is based on the furniture footprint developed in the SID portion of the interior design. By having all the disciplines developing and reviewing the building as one complete element, it ensures a cohesive facility in the end.
      - ii) The FF&E submittal, which consists of a detailed list of all the project's CE requirements including summary list, specifications, samples, and cost research.
      - iii) The timeline within the UFC 3-120-10 Interior Design states (in short) that each FF&E submittal will coincide with the construction drawing submittal. The final submittal shall be accompanied with all required paperwork for AQ to finalize the option including the completed best value determination and the cost.
      - iv) Once the FF&E submittal is finalized (about 5-6 months after award) the funding for award of the option can be requested.
    3. The technical requirements for the SID and FF&E are listed in the RFP.
    4. The user is interviewed by the Interior Designer, from the Construction Contractor's Designer of Record (DOR), to identify specific user requirements.

5. The award for the option for CE is awarded no later than 6 month prior to the contract completion date (CCD) or beneficial occupancy date (BOD), whichever is sooner.
- h. SOCOM Comptroller directed requirements that differ from the NAVFAC CE model to include the following:
  1. Audio Visual Equipment is included with O&M funded CE.
  2. O&M funded CE shall not include non-operational equipment such as microwaves, personal cubicle or office refrigerators, coffee makers, vacuums, and other such personal equipment. This type of equipment must be funded with local Component O&M funds.
- i. With most MILCON projects awarded in either the 2nd or 3rd quarter of the Program fiscal year and the option for CE being awarded 9-12 months after award, the need date for CE funding in the majority of cases will fall in the fiscal year following the program year. The criteria that SOCOM Comptroller requires to be met for funding release is that there be a current need as demonstrated by a building reaching a stage of construction completion that drives the need to purchase the CE or that there be a demonstrated long lead time for material/product delivery.
- j. Effective 15 November 2010, COMNAVSPECWARCOM Instruction 7170.1 directed the central management of all MILCON collateral funding by the NSW Comptroller N7 Department. All funding requests for MILCON collateral equipment must be submitted by the respective Component Comptroller to the NSWC Comptroller, using the form included with the instruction.
- k. C4I Collateral Equipment historically were procured via the respective Component Logistic Support Contracting Office and received and installed by the respective Component N6 Departments. Effective FY2010 all C4I purchase requests are routed to USSOCOM C4IAS Program Office for review, validation, and execution via standing Blank Purchase Agreements. Concurrent with funding request, the respective Component N6 must also submit a Change Request to the NSWC N6 Department.

### **3. Policy.**

- a. This policy defines the roles and responsibilities of the WARCOM HQ MILCON Program Manager, the NSWC MILCON Comptroller lead, the NSWC N6, the Component Engineer, Component Comptroller, and the Component N6 as it relates to the funding and acquisition of Collateral Equipment (CE).
- b. The following is a sequence of actions and responsibilities in the FF&E CE acquisition process:
  1. During initial DD 1391 development the WARCOM MILCON Program Manager and the sponsoring Component Facility Engineer jointly determine the budget for CE, both O&M and Procurement Funds, based on:
    - i) Size of the facility.
    - ii) Number of projected occupants.
    - iii) Projections base on similar recently built facilities.

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- iv) List of Specialized Equipment.
2. At submission of the DD1391 the Component Facility Engineer ensures that the DD1391 lists an accurate amount for equipment from Other Appropriations in block 9 and a detailed breakdown on the last page in block 12. Upon SOCOM approval of the project for POM submission, the NSWC MILCON Program Manager forwards a copy of submission DD1391 to the NSWC N8 Department for the CE funds to be budgeted in the required year (Program Year plus one).
  3. During RFP development NSWC MILCON Program Manager, the Component Facility Engineers, and the NAVFAC Project Interior Designer ensure that the RFP includes project specific requirements that the design-build contractor will be responsible to develop and deliver in the SID and the CID based on the final design documents. The team also ensures that the RFP indicates that the CE will be awarded as a contract option or planned contract modification, with a stated budget maximum.
  4. During the design phase of the design-build contract, the Component Facility Engineer and building occupant staff work closely with the contractor's Interior Designer to ensure mission specific specialized equipment gets included in the SID and FF&E submittals and that the requests stay within planned FF&E budget.
  5. At the completion of the FF&E submittal the Component Facility Engineer submits the summary cover sheet, with the entire funding requirement listed below, to the Component Comptroller for formal funding request to the NSWC Comptroller.
  6. Upon confirmation and validation by NSWC N44, the NSWC Comptroller forwards the CE funding request to the USSCOM FM Department. Upon distribution of funds from the USSCOM FM Department, the NSWC Comptroller forwards a Program Budget Accounting System (PBAS) Funding Authorization Document for O&M or a NAVCOMPT Form 372 Funds Authorization for Procurement to the Component Comptroller. The Component Comptroller splits the funds using NAVCOMPT Forms 2275 (in-house) and 2276 (contract) and forwards the funds to the appropriate NAVFAC FEAD's or NAVFAC Integrated Products Team's (IPT) Procurement Assistant for execution.
- c. Total CE funding to the NSWC Comptroller should reflect a total of the following costs and fees, with the fees applied progressively in order:
1. CE total from the FF&E summary sheet (ensure shipping, tax, and installation charges are included).
  2. 5% for the Prime Contractor's FF&E Handling and Administration Rate (HAR) (this percentage is included in the bid schedule of the construction contract and may vary).
  3. 8% SIOH fee (per NAVFAC for O&M and Procurement funded contract actions).

- d. For additional information on the NAVFAC process for executing the purchase and installation of FF&E CE refer to the latest addition of Furniture, Fixtures & Equipment (FF&E) Contracting Guide for Design-Build Construction Projects, available from the Interior Designer with the executing Division of NAVFAC. Also refer to the latest version of the contract furnishing requirement list in the RFP document Part 3, paragraph E20, master available on the Whole Building Design Web Site at <http://www.wbdg.org/index.php> , and to the UFC 3-120-10, Interior Design.
- e. The following is a sequence of actions and responsibilities in the C4I CE acquisition process:
  1. During initial DD 1391 development the NSWC MILCON Program Manager and the sponsoring Component Facility Engineer jointly determine the budget for C4I CE, both O&M and Procurement Funds, based on:
    - i) Size of the facility.
    - ii) Number of projected occupants and the required number of C4I seats.
    - iii) Using the NSWC current C4I seat cost model.
    - iv) Split the total cost of C4I into Procurement funded portions (for system components such as servers, switches, and routers) and O&M funded portions (for components such as desktop computers, printers, and VoIP telephones), using a 30% to 40% Procurement and 60% to 70% O&M.
    - v) Consultation and review of the Component N6 Department.
  2. During POM development, in April each year, Component N6 will provide WARCOM N6 with copies of POM submission Project Sheets, for C4I budget review and SCAMPI Node determination process. Along with the Project Sheets the Component N6 will fill out a SCAMPI Questionnaire form (Enclosure – 2) and submit it to WARCOM N6 for review and submission to USSOCOM J6. **Caution: SCAMPI Questionnaire becomes Classified once filled out and must be submitted on SIPRNet.**
  3. By end of June each year, WARCOM N6 will provide feedback on C4I budget and information whether either SCAMPI nodes or DISA nodes will be needed and any additional costs that need to be captured in the C4I budget.
  4. At the Pre-final (100%) design submission stage the respective Component N6 Department conducts a detailed take-off from the project's design drawings to develop a C4I requirements list.
  5. After completion of the C4I requirements list, the respective Component N6 submits a copy to the USSOCOM C4IAS Program Office and a copy with a Change Request to the NSWC N6 Department.
  6. After the USSOCOM C4IAS Program Office reviews and verifies the C4I requirements list and determines which items are deemed appropriate for Procurement funding and which are appropriate for O&M funding, the NSW Component Facility Engineer submits the funding request to the Component Comptroller for formal funding request to the NSWC Comptroller.
  7. After the NSWC Comptroller verifies with the NSWC N44 and N6 Departments that the C4I requests are valid and timely, the NSWC Comptroller forwards the C4ITI funding

request to the USSCOM FM Department. Upon approval of funds, USSOCOM FM Department distributes the funds, sending the Procurement portion to the USSOCOM C4IAS Program Office for execution on the BPA contract and sending the O&M portion to WARCOT N7 and then to the Component N7 for execution.

8. In addition to the steps above the reader is referred to enclosure (1), C4I Requirements Development Process Flow Charts, for additional information and intermediate steps in the C4I equipment acquisition and funding processes.
- f. The following is a sequence of actions and responsibilities in the PSE CE acquisition process:
1. During initial DD 1391 development the NSWC MILCON Program Manager and the sponsoring Component Facility Engineer jointly determine the budget for PSE CE, using Procurement Funds, based on:
    - i) Size of the facility.
    - ii) Using the current NSWC N44 square foot cost model.
  2. At the Final Design submission the Component Facility Engineer requests the NAVFAC PM and FEAD Construction Manager to have the contractor verify PSE purchase and installation cost based on the final design drawings.
  3. After the contract submits the final PSE costs, the Facility Engineer submits the funding request to the Component Comptroller for formal funding request to the NSWC Comptroller.
  4. After the NSWC Comptroller verifies with the NSWC N44 that the PSE request is valid and timely, the NSWC Comptroller forwards the CE funding request to the USSCOM FM Department. Upon distribution of funds from the USSOCOM FM Department, the NSWC Comptroller forwards planned Procurement funds on a NAVCOMPT Form 372 Funds Authorization for Procurement to the Component Comptroller. The Component Comptroller splits the funds using NAVCOMPT Forms 2275 (in-house) and 2276 (contract) and forwards the funds to the appropriate NAVFAC FEAD's or NAVFAC Integrated Products Team's (IPT) Procurement Assistant for execution.

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