



American Recovery and Reinvestment Act of 2009

Department of Defense



Facility, Sustainment, Restoration and Modernization Year End Report

On February 17, 2009, the American Recovery and Reinvestment Act, P.L. 111-5 (the Recovery Act), was enacted. The Recovery Act was designed to stimulate economic growth by creating jobs through investments in infrastructure improvements and expanding energy research. The Department of Defense (DoD) received \$7.4 billion for five programs: (1) Facilities Sustainment, Restoration and Maintenance Program (FSRM), (2) Military Construction (MILCON) Program, (3) Energy Conservation Investment Program, (4) Expanded Homeowners Assistance Program, and (5) Research, Development, Test and Evaluation Program. The goals of DoD's Recovery Act program were to preserve and create American jobs, care for U.S. Service members and their families and improve the Department's energy efficiency. On March 20 and April 28, 2009, the Department submitted to Congress expenditure plans for approximately 4,300 MILCON and FSRM projects.

Of DoD's \$7.4 billion, \$4.3 billion was appropriated for the DoD FSRM program. The FSRM program invested in DoD facility maintenance and improvement projects, including the repair of roads, roofs, barracks, family housing, medical facilities, and operational support buildings located in the U.S. and its territories. DoD's initial expenditure plans identified over 4,100 FSRM projects that benefited all 50 states, Guam, Puerto Rico, and the District of Columbia. Eight subsequent expenditure plan updates identified over 350 additional projects to be funded by over \$230 million in bid savings realized as a result of the favorable bid climate. On August 10, 2010, P.L. 111-226 rescinded \$260.5 million (6%) from the FSRM program, which was 93.5% obligated, reducing the program to \$4.0 billion. In order to accommodate the rescission and fully obligate FSRM appropriations that expired on September 30, 2010, the DoD executed the following measures:



- Rescinded funds from the FSRM program by:
 - Using bid savings not yet approved for new projects,
 - Deobligating Recovery Act funded projects and re-obligating the same projects using base FSRM Operation and Maintenance accounts,
 - Deobligating Recovery Act funded Supervision and Administration (S&A) and re-obligating S&A using base FSRM Operation and Maintenance accounts, and
 - Cancelling 103 planned projects.
- Streamlined the program revision process.

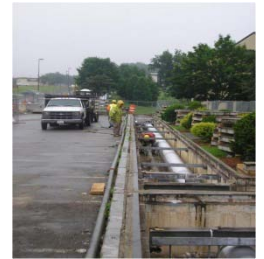


FSRM program accomplishments as of September 30, 2010 include:

- The award of 4,345 projects worth \$4.0 billion (99.8%);
 - \$2.1 billion of these funds were for projects awarded to small business concerns as prime contractors. This represents 60% the total number of awarded FSRM projects and does not account for small business subcontractors.
 - 35 FSRM projects were cancelled after September 30, 2010, resulting in 4,310 FSRM projects ultimately undertaken.
 - Table 1 summarized obligations by appropriation as of the expiration date.
 - Enclosure 2 summarizes the number and dollar value of projects by State and Territory
 - Enclosure 3 provides detailed list of projects and obligations as of September 30, 2010.
- Consistently met or exceeded obligation targets (Table 2).
- Reduced the maintenance backlog 2% by completing 2,751 projects through September 30, 2010 (Table 3).
- Improved the average facility condition index by 6% - a collateral benefit of FSRM Recovery Act funding (Table 4). Once all FSRM funded projects are completed in 2013, DoD estimates this improvement will reach 7%.



Consistent with the goals of the Recovery Act, energy conservation was a major focus of the FSRM program. Approximately 2,228 (52%) FSRM projects improved energy efficiency. “Energy-related” and “roofing” projects valued at \$1.9 billion (enclosure 3) contributed directly toward improving DoD’s energy footprint. Many of the other facility improvement projects, coded as Barracks, Utilities, Medical, Operations, and Quality- of-Life, also contributed to energy efficiency, but were not coded “energy-related” since the work performed was not performed primarily to achieve these efficiencies. Over 65 energy projects (nearly \$200 million) utilized renewable energy sources, including geothermal and solar. In addition, the FSRM program funded repairs on 1,351 family housing units at 16 different installations; work was completed on 991 of these housing units as of September 30, 2010 (Table 5).



As of the June 2010 Program Plan, DoD estimated that all FSRM projects would be completed by December 2012. However, of the six new projects added to the plan just prior to the expiration of FSRM funding, four involve project completion dates that extend to July 2013.



Three of these energy projects were awarded on the same contract and improved 300 facilities, mostly barracks, at Camp Shelby, MI. The fourth project, exterior roofing and other exterior repairs on a medical administrative facility at Portsmouth, Virginia, was delayed due to three protests from the same bidder.

Recovery Act funding for FSRM substantially contributed to the sustainment, restoration, and modernization of DoD infrastructure. The transparency and reporting requirements imposed by the Recovery Act required significant coordination, communication, data sharing, and teamwork among DoD managers and with the community. In the end, the DoD achieved its three primary goals of (1) preserving and creating American jobs, (2) caring for U.S. Service Members and their families, and (3) improving DoD’s energy efficiency.

Table 1: Department of Defense Recovery Act Facility Sustainment, Restoration, and Modernization Obligations through 30 September 2010

| Service | Treasury Account Fund | Original Authorization | Revised Authorization | 30 Sep 2010 Obligations | Lapsed Appropriation Funds | Obligation Rate |
|-----------------------------------|--|------------------------|-----------------------|-------------------------|----------------------------|-----------------|
| Army | (21-0726 2009 \ 2010) Family Housing Operation and Maintenance, Army - Recovery Act | 3,932,000 | 3,932,000 | 3,930,643 | 1,357 | 99.97% |
| Army | (21-2022 2009 \ 2010) Operation and Maintenance, Army - Recovery Act | 1,474,525,000 | 1,361,025,000 | 1,361,024,257 | 743 | 100.00% |
| Army | (21-2066 2009 \ 2010) Operation and Maintenance, Army National Guard - Recovery Act | 266,304,000 | 265,304,000 | 265,063,837 | 240,163 | 99.91% |
| Army | (21-2081 2009 \ 2010) Operation and Maintenance, Army Reserve - Recovery Act | 98,269,000 | 94,769,000 | 94,706,407 | 62,593 | 99.93% |
| Army Total | | 1,843,030,000 | 1,725,030,000 | 1,724,725,144 | 304,856 | 99.98% |
| Navy | (17-1116 2009 \ 2010) Operation and Maintenance, Marine Corps - Recovery Act | 113,865,000 | 106,865,000 | 106,008,118 | 856,882 | 99.20% |
| Navy | (17-1117 2009 \ 2010) Operation and Maintenance, Marine Corps Reserve - Recovery Act | 39,909,000 | 38,909,000 | 38,678,958 | 230,042 | 99.41% |
| Navy | (17-1805 2009 \ 2010) Operation and Maintenance, Navy - Recovery Act | 657,051,000 | 623,051,000 | 620,632,770 | 2,418,230 | 99.61% |
| Navy | (17-1807 2009 \ 2010) Operation and Maintenance, Navy Reserve - Recovery Act | 55,083,000 | 47,083,000 | 46,365,480 | 717,520 | 98.48% |
| Navy Total | | 865,908,000 | 815,908,000 | 811,685,325 | 4,222,675 | 99.48% |
| Air Force | (57-0748 2009 \ 2010) Family Housing Operation and Maintenance, Air Force - Recovery Act | 16,461,000 | 16,461,000 | 16,454,535 | 6,465 | 99.96% |
| Air Force | (57-3404 2009 \ 2010) Operation and Maintenance, Air Force - Recovery Act | 1,095,959,000 | 1,034,959,000 | 1,034,185,142 | 773,858 | 99.93% |
| Air Force | (57-3744 2009 \ 2010) Operation and Maintenance, Air Force Reserve - Recovery Act | 13,187,000 | 11,187,000 | 10,866,188 | 320,812 | 97.13% |
| Air Force | (57-3844 2009 \ 2010) Operation and Maintenance, Air National Guard - Recovery Act | 25,848,000 | 23,348,000 | 23,348,000 | 0 | 100.00% |
| Air Force Total | | 1,151,455,000 | 1,085,955,000 | 1,084,853,864 | 1,101,136 | 99.90% |
| Tricare Management Activity (TMA) | (97-0150 2009 \ 2010) Defense Health Program - Recovery Act | 400,000,000 | 373,000,000 | 369,594,914 | 3,405,086 | 99.09% |
| TMA Total | | 400,000,000 | 373,000,000 | 369,594,914 | 3,405,086 | 99.09% |
| Grand Total | | 4,260,393,000 | 3,999,893,000 | 3,990,859,247 | 9,033,753 | 99.77% |

Table 2: Department of Defense Recovery Act Facility Sustainment, Restoration, and Modernization Obligations by month for Fiscal Year 2010

| Metric | Month | Goal | Status |
|---|-------------------|-------------------|------------------|
| This indicator measures the total dollar value of Recovery Act projects awarded divided by total dollar value of Recovery Act projects. This output measurement was sampled monthly and tracks the status of total funding for awards made with the Recovery Act. | Oct-09 | 62% (\$2,479.9M) | 66% (\$2,643.2M) |
| | Nov-10 | 64% (\$2,559.9M) | 69% (\$2,764.5M) |
| | Dec-10 | 69% (\$2,759.9M) | 74% (\$2,961.1M) |
| | Jan-10 | 69% (\$2,759.9M) | 78% (\$3,110.8M) |
| | Feb-10 | 71% (\$2,839.9M) | 81% (\$3,228.6M) |
| | Mar-10 | 73% (\$2,919.9M) | 88% (\$3,535.7M) |
| | Apr-10 | 76% (\$3,039.9M) | 92% (\$3,687.0M) |
| | May-10 | 79% (\$3,159.9M) | 94% (\$3,747.3M) |
| | Jun-10 | 82% (\$3,279.9M) | 96% (\$3,852.4M) |
| | Jul-10 | 88% (\$3,519.9M) | 99% (\$3,970.0M) |
| Aug-10 | 99% (\$3,959.9M) | 100% (\$3,988.5M) | |
| Sep-10 | 100% (\$3,999.9M) | 100% (\$3,990.9M) | |

**Table 3: Department of Defense Recovery Act Facility Sustainment, Restoration, and Modernization Backlog Reduction through 30 September 2010
(Goal revised from the June 2010 Program Plan Update to account for rescission)**

| <u>Metric</u> | Goal | Status |
|--|--|---|
| This output measurement measures the monetary value of the total backlog reduced by the Recovery Act divided by the monetary value of existing backlog. This output measurement will reveal the specific impact the Recovery Act has had on outstanding repair requests. | By July 2013, reduce backlog by \$4.00 billion or 5.86% (\$4.00 billion/\$68.05 billion). FY 09: 0.12% (\$.08/\$68.05) FY 10: 1.56% (\$1.06/68.05) FY 11: 2.99% (\$2.03/68.05) FY 12: 4.43% (\$3.01/68.05) FY 13: 5.86% (\$4.00/68.05) FY goals are cumulative | As of September 30, 2010, 2,751 projects completed reducing backlog by \$1.33B or 2.0% (\$1.33billion/\$68.05 billion). FY 09: 0.12% (\$.08/\$68.05) FY 10: 2.0% (\$1.33/\$68.05) |

Table 4: Department of Defense Recovery Act Facility Sustainment, Restoration, and Modernization Average Facility Condition Index Improvement

| Metric | Goal | Status |
|--|---|---|
| <p>This output measurement measures the overall improvement of the Facility Condition Index (FCI) for the Department based on Recovery Act funding as an <u>average percentage change in the FCI</u> per project. This measure includes the FCI at the contract completion less the FCI at contract award. This output measurement provides a quantifiable determination of the impact of the Recovery Act investment on the Department and on a facility basis.</p> | <p>By December 2012, aggregate average Facility Condition Index (FCI) improvement per project will be 7%.</p> <p>FY 09: 4% FY 10: 6% FY 11: 7% FY 12: 7% FY 13: 7% FY goals are cumulative</p> | <p>As of September 30, 2010, 2,751 projects completed with an average FCI improvement per project of 6%.</p> <p>FY09: 4% FY 10: 6%</p> |

Table 5: Department of Defense Recovery Act Percent of Net Change of Family Housing Units Brought Up to DoD Standards with the Recovery Act

| Metric | Goal | Status |
|---|---|--|
| <p>This output measures the number of housing units increased to DoD standards by the Recovery Act divided by the family housing units per installation not meeting DoD standards. This output enables the tracking of the total quality level of all DoD family housing.</p> | <p>FY 09: 25% (365/1,351) FY 10: 85% (1,237/1,351) FY 11: 90% (1,287/1,351) FY 12: 100% (1,351/1,351) FY goals are cumulative</p> | <p>As of September 30, 2010, 991/1,351 (73%) units have been brought up to standards.</p> <p>FY 09: 25% (365/1,351) FY10: 73% (991/1,351)</p> |