



ENERGY,
INSTALLATIONS
AND ENVIRONMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3400

JAN 19 2016

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(ENVIRONMENT, SAFETY AND OCCUPATIONAL HEALTH)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ENVIRONMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(ENVIRONMENT, SAFETY AND INFRASTRUCTURE)
STAFF DIRECTOR, DEFENSE LOGISTICS AGENCY (DES-E)

SUBJECT: Revisions to the Knowledge-Based Corporate Reporting System (KBCRS) Defense Environmental Restoration Program (DERP)

High quality DERP data are important to ensure the information we use to support our internal and external reporting requirements is accurate and complete. In addition, we collect the appropriate performance and financial information necessary for program analysis and oversight.

The KBCRS Data Subcommittee, which includes representatives from your offices, continually reviews data fields and reporting requirements. This review identifies data elements that are no longer required or that need clarification and to propose new data elements when necessary. Attachment 1 contains the list of KBCRS changes the Subcommittee agreed to during this year's review and the timeline for making the changes in the data templates. These changes will help streamline and improve data reporting and interpretation.

This memorandum also provides guidance on reporting new sites that have achieved the RC milestone in KBCRS, available at Attachment 2. Additionally, the memorandum contains guidance on how to calculate program management costs beyond the FYDP. This builds upon the approach the Cost-to-Complete Subcommittee developed in May 2015, and is available at Attachment 3. The guidance in Attachments 2 and 3 is effective immediately and will be incorporated into the next update of DoD Manual 4715.20, Defense Environmental Restoration Program (DERP) Management, March 9, 2012.

We will all benefit from this effort by increasing the consistency and transparency of our data reporting. I want to thank your staff for their hard work over the past several months improving our data quality. My point of contact is Ms. Alex Long, at (703) 571-9061 or alexandria.d.long.civ@mail.mil.

Maureen Sullivan

Deputy Assistant Secretary of Defense (Environment, Safety and Occupational Health)

Attachments:
As stated

Revisions to the Knowledge-Based Corporate Reporting System (KBCRS) Data Templates

Changes for the Mid-Year 2015 Submittal (data were due August 28, 2015):

1. Add a field to the Site table (ENV_REST_SITE) to capture the date a DoD Component sent an Interim Risk Management (IRM) notification letter to a property owner. This field will also allow the Office of the Deputy Assistant Secretary of Defense for Environment, Safety and Occupational Health (ODASD(ESOH)) to track the U.S. Army Corps of Engineers' (USACE's) progress toward the Formerly Used Defense Sites (FUDS) IRM goal.
2. Add the following site types to the Site Types Reference table (P_SITETYPES):
 - a. AA – Agreement with Another Agency; this site type will enable ODASD(ESOH) to track progress at installations and properties where another Federal agency is responsible for the cleanup. USACE will use this site type to track the National Aeronautics and Space Administration's cleanup progress at the Wallops Flight Facility FUDS property.
 - b. BM – Base Realignment and Closure (BRAC) Mission; this site type will improve reporting of BRAC mission-related activities (e.g., Finding of Suitability to Transfer documents). ODASD(ESOH) will exclude sites associated with this site type from the Defense Environmental Restoration Program (DERP) inventory.
 - c. RP – Site Converted to a Potentially Responsible Party (PRP) Site; this site type will ensure accurate reporting of FUDS sites initially reported in KBCRS as non-PRP sites and subsequently converted to PRP sites. ODASD(ESOH) will exclude sites associated with this site type from the DERP inventory to eliminate double counting.
3. Add a code to the Performance-based Contract (PBC)/Right of Entry (ROE) Reference table (P_PBC_ROE) to allow the DoD Components to flag sites that are being cleaned up under PBCs where they cannot obtain ROE.
4. Add two optional fields (COMP_INS_ID and COMP_ENV_SITE_ID) to all primary tables (i.e., all tables except the reference tables). These fields capture unique installation (e.g., FUDS Property Number) and site identifiers (e.g., FUDS Project Number) that some DoD Components maintain in their source systems. The DoD Components can report these identifiers in KBCRS to help them improve their search and data tracking capabilities.

Changes for the End of Fiscal Year 2015 Submittal (data were due November 5, 2015):

1. Revise the Restoration Advisory Board (RAB) table (R_A_B) to collect RAB and Technical Assistance for Public Participation (TAPP) information previously reported in the KBCRS Non Site-Level Information Collection System (NSLICS) module; remove these reporting requirements from the KBCRS NSLICS module. Changes include adding fields to identify joint RABs and track the amount of TAPP funding requested and approved.
2. Add a table to KBCRS (STATE_AGREE) to collect information about reimbursements to States and territorial governments previously reported in the KBCRS NSLICS module; remove these requirements from the KBCRS NSLICS module. This information includes reimbursements to States and territorial governments with signed Cooperative Agreements

**Revisions to the Knowledge-Based Corporate Reporting System (KBCRS)
Data Templates**

(CAs) outside of the Defense and State Memorandum of Agreement (DSMOA) program; and information about States and territorial governments with signed DSMOAs.

3. Add two reference tables (P_RAB_JOINT and P_DSMOA_CA) to support new fields in the R_A_B and STATE_AGREE tables.

Reporting New Sites that have Achieved Response Complete (RC) in the Knowledge-Based Corporate Reporting System (KBCRS)

The DoD Components shall petition the Office of the Deputy Assistant Secretary of Defense for Environment, Safety and Occupational Health for approval before reporting a new site in KBCRS that meets all three of these criteria:

- The site achieved the RC milestone in FY2008 or earlier, prior to the expanded Defense Environmental Restoration Program (DERP) eligibility,
- The site has no future long-term management requirements, and
- The site is not expected to require future obligations of DERP funds.

If the circumstances change at a site initially excluded from the inventory based on the conditions above, the DoD Component will report that site in KBCRS.

Calculating Program Management Costs Beyond the Future Years Defense Plan (FYDP)

The DoD Components shall estimate program management costs beyond the FYDP by applying the average percentage of program management costs through the FYDP to the site-level requirements remaining after the FYDP. They shall report program management costs beyond the FYDP for each line item (e.g., Defense and State Memorandum of Agreement (DSMOA)) as appropriate. The DoD Components shall follow the steps in either calculation below to estimate program management costs beyond the FYDP:

Calculation 1

1. For the Budget Estimate Submission (BES) and President's Budget submittals, use the most recent ENV30 budget exhibit to calculate
 - a. The average program management cost through the FYDP for each line item,
 - b. The average program management subtotal through the FYDP, and
 - c. The average total program (i.e., site-level and program management costs) through the FYDP.
2. Divide the average program management subtotal through the FYDP (Step 1b) by the average total program through the FYDP (Step 1c) to calculate the average program management percentage through the FYDP.
3. Multiply the site-level requirements remaining after the FYDP (from the most recent ENV30 budget exhibit) by the average program management percentage through the FYDP (Step 2) to calculate the program management requirements beyond the FYDP.
4. Divide each average program management line item cost through the FYDP (Step 1a) by the average program management subtotal through the FYDP (Step 1b) to calculate the average percentage of each program management line item through the FYDP.
5. Multiply the average percentage of each program management line item through the FYDP (Step 4) by the program management requirements beyond the FYDP (Step 3) to calculate the program management cost for each line item beyond the FYDP.

For end-of-year (September 30) financial statement reporting, use uninflated and unindexed data to estimate program management costs beyond the FYDP, in accordance with the July 11, 2014, Memorandum *Cost-to-Complete (CTC) Update Procedure – Update to the Department of Defense Manual (DoDM) 4715.20, "Defense Environmental Restoration Program (DERP) Management," March 9, 2012.*

Example Based on the FY2016 President's Budget Submittal:

Step 1 – Calculate the following through the FYDP (i.e., FY2016 through FY2020 in this example): the average program management cost for each line item; the average program management subtotal; and the average total program.

Calculating Program Management Costs Beyond the Future Years Defense Plan (FYDP)

(\$M)	FY2016	FY2017	FY2018	FY2019	FY2020	Total FY2016- FY2020	Average FY2016- FY2020
DSMOA	3.348	3.037	3.883	3.228	3.400	16.896	3.379
Manpower Government	15.575	15.458	15.356	1.455	15.776	63.620	12.724
Manpower Contractor	2.847	2.561	2.281	2.132	2.203	12.024	2.405
Other	8.270	7.532	7.017	6.641	7.012	36.472	7.294
Program Management Subtotal	30.040	28.588	28.537	13.456	28.391	129.012	25.802
Total Program	220.829	244.926	249.467	172.415	187.392	1,075.029	215.006

Step 2 – Divide the average program management subtotal through the FYDP (**\$25.8M**) by the average total program through the FYDP (**\$215.0M**) to calculate the average program management percentage through the FYDP = **12.0%**.

Step 3 – Multiply the site-level requirements remaining after the FYDP (**\$1,707.5M**) by the average program management percentage through the FYDP (**12.0%**) to calculate the program management requirements beyond the FYDP = **\$204.9M**.

Step 4 – Divide each average program management line item cost through the FYDP (**\$3.4M** using DSMOA as an example) by the average program management subtotal through the FYDP (**\$25.8M**) to calculate the average percentage of each program management line item through the FYDP = **13.1%**.

	Average FY2016- FY2020 (\$M)	Average FY2016- FY2020 (%)
DSMOA	3.379	13.1%
Manpower Government	12.724	49.3%
Manpower Contractor	2.405	9.3%
Other	7.294	28.3%
Program Management Subtotal	25.802	100.0%

Step 5 - Multiply the average percentage of each program management line item through the FYDP (**13.1%** using DSMOA as an example) by the program management requirements beyond the FYDP (**\$204.9M**) to calculate the program management cost for each line item beyond the FYDP = **\$26.8M**.

Calculating Program Management Costs Beyond the Future Years Defense Plan (FYDP)

	Average FY2016- FY2020 (\$M)	Average FY2016- FY2020 (%)	Program Management Requirements Beyond the FYDP (\$M)
DSMOA	3.379	13.1%	26.836
Manpower Government	12.724	49.3%	101.048
Manpower Contractor	2.405	9.3%	19.098
Other	7.294	28.3%	57.929
Program Management Subtotal	25.802	100.0%	204.910

Calculation 2

1. For the BES and President’s Budget submittals, use the most recent ENV30 budget exhibit to calculate
 - a. The average program management cost through the FYDP for each line item, and
 - b. The average total program (i.e., site-level and program management costs) through the FYDP.
2. Divide the average program management cost through the FYDP for each line item (Step 1a) by the average total program through the FYDP (Step 1b) to calculate the average program management percentage through the FYDP for each line item.
3. Multiply the site-level requirements remaining after the FYDP (from the most recent ENV30 budget exhibit) by the average program management percentage through the FYDP for each line item (Step 2) to calculate the program management requirements beyond the FYDP for each line item.

For end-of-year (September 30) financial statement reporting, use uninflated and unindexed data to estimate program management costs beyond the FYDP, in accordance with the July 11, 2014, Memorandum *Cost-to-Complete (CTC) Update Procedure – Update to the Department of Defense Manual (DoDM) 4715.20, “Defense Environmental Restoration Program (DERP) Management,” March 9, 2012.*

Example Based on the FY2016 President’s Budget Submittal:

Step 1 – Calculate the average program management cost through the FYDP (i.e., FY2016 through FY2020 in this example) for each line item, and the average total program through the FYDP.

Calculating Program Management Costs Beyond the Future Years Defense Plan (FYDP)

(\$M)	FY2016	FY2017	FY2018	FY2019	FY2020	Total FY2016- FY2020	Average FY2016- FY2020
DSMOA	3.348	3.037	3.883	3.228	3.400	16.896	3.379
Manpower Government	15.575	15.458	15.356	1.455	15.776	63.620	12.724
Manpower Contractor	2.847	2.561	2.281	2.132	2.203	12.024	2.405
Other	8.270	7.532	7.017	6.641	7.012	36.472	7.294
Program Management Subtotal	30.040	28.588	28.537	13.456	28.391	129.012	25.802
Total Program	220.829	244.926	249.467	172.415	187.392	1,075.029	215.006

Step 2 – Divide the average program management cost through the FYDP for each line item (\$3.4M using DSMOA as an example) by the average total program through the FYDP (\$215.0M) to calculate the average program management percentage through the FYDP for each line item = 1.6%.

	Average FY2016- FY2020 (\$M)	Average FY2016- FY2020 (%)
DSMOA	3.379	1.6%
Manpower Government	12.724	5.9%
Manpower Contractor	2.405	1.1%
Other	7.294	3.4%
Program Management Subtotal	25.802	12.0%

Step 3 – Multiply the site-level requirements remaining after the FYDP (\$1,707.5M) by the average program management percentage through the FYDP for each line item (1.6% using DSMOA as an example) to calculate the program management requirements beyond the FYDP for each line item = \$26.8M.

	Average FY2016- FY2020 (\$M)	Average FY2016- FY2020 (%)	Program Management Requirements Beyond the FYDP (\$M)
DSMOA	3.379	1.6%	26.836
Manpower Government	12.724	5.9%	101.048
Manpower Contractor	2.405	1.1%	19.098
Other	7.294	3.4%	57.929
Program Management Subtotal	25.802	12.0%	204.910