

Section B: Summary of Spending (All Capital Assets)

1. Provide the total estimated life cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated "Government FTE Cost," and should be excluded from the amounts shown for "Planning," "Full Acquisition," and "Operation/Maintenance." The "TOTAL" estimated annual cost of the investment is the sum of costs for "Planning," "Full Acquisition," and Operation/Maintenance." For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration cost. The cost associated with the entire life-cycle of the investment should be included in this report.

**Table 1: SUMMARY OF SPENDING FOR PROJECT PHASES
(REPORTED IN MILLIONS)**

(Estimates for BY+ 1 and beyond are for planning purposes only and do not represent budget decisions)

| | PY-1 and earlier | PY 2006 | CY 2007 | BY 2008 | BY+1 2009 | BY+2 2010 | BY+3 2011 | BY+4 and beyond | Total |
|---|---------------------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|--------------------------------|--------------|
| Planning: | | | .1 | .1 | | | | | .2 |
| Acquisition | | | .1 | .1 | 230.1 | 12.0 | 8.0 | 5.3 | 255.9 |
| Subtotal Planning & Acquisition: | | | .2 | .3 | 230.1 | 12.0 | 8.0 | 5.3 | 255.9 |
| Government FTE Costs should not be included in the amounts provided above. | | | | | | | | | |
| Government FTE Cost | | | | | .4 | 1.2 | 1.2 | 1.3 | 4.1 |
| TOTAL | | | .2 | .3 | 230.5 | 13.2 | 9.2 | 6.6 | 260 |
| Number of FTE represented by Costs. | | | | | 3 | 9 | 9 | 9 | |

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies). Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's? Yes X No
 a. If "yes," How many and in what year?

See Table 1: Summary of Spending For Project Phases

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes:

Section C: Acquisition/Contract Strategy (All Capital Assets)

Complete the table for all (including all non-Federal) contracts and/or task orders currently in place or planned for this investment. Total Value should include all option years for each contract. Contracts and/or task orders completed do not need to be included.

Contracts/Tasks Orders Table:

| | |
|--|--|
| Contract or Task Order Number: | N/A |
| Type of Contract/Task Order: | The BOP will use/award a fixed price negotiated design/build contract. |
| Has the contract been awarded?(Y/N) | No |
| If so what is the date of the award? | N/A |
| If not, what is the planned award date? | N/A |
| Start date of Contract/Task Order: | N/A |
| End date of Contract/Task Order: | N/A |
| Total Value of Contract/Task Order(\$M) | \$000 |
| Is this an Interagency Acquisition? (Y/N) | No |
| Is it performance based? (Y/N) | No |
| Competitively awarded? (Y/N) | Yes |
| What, if any, alternative financing option is being used?(ESPC,UESC,EUL, N/A) | The project will receive all of its appropriated funds through the Congressional budget process and reprogramming. |
| Is EVM in the contract? (Y/N) | N/A |
| Does the contract include the required security & privacy clause/(Y/N) | N/A |
| Name of CO | <u>Demetress Smith</u> |
| CO Contact information (phone/email) | <u>(202)307-0954/DSmith@bop.gov</u> |
| Contracting Officer Certification Level (Level 1,2,3,N/A) | 4 |
| If N/A, has the agency determined the CO assigned has the competencies and skills necessary to support this acquisition?(Y/N) | |

2. If earned value is not required or will not be a contract requirement for any of contracts or task orders above, explain why:

Earned value management is considered a major system acquisition and is not utilized in BOP contracts.

3. Do the contracts ensure Section 508 compliance? Yes X No N/A

a. Explain why:

PAYGO = (OMB Report 508 & P.L. 106-508) The project received all of its appropriated funds through the Congressional budget process and reprogramming.

4. Is there an acquisition plan which has been approved in accordance with agency requirements? Yes X No ___
 a. If “yes,” what is the date? May2001
 b. If “no,” will an acquisition plan be developed?
 1. If “no,” briefly explain why:

Section D: Performance Information (All Capital Assets)

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency’s mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency’s strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable investment outputs. They do not include the completion date of the module, milestones, or investment or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for bears beyond FY 2006.

Performance Information Table 1:

| Fiscal Year | Strategic Goal(s) Supported | Performance Measure | Actual/baseline (from Previous Year) | Planned Performance Metric(Target) | Performance Metric Results (Actual) |
|--------------------|------------------------------------|----------------------------|---|---|--|
| 2007 | 4.4 | Crowding by security level | 36% | 37% | |
| 2007 | | | | | |
| 2008 | 4.4 | Crowding by security level | 37% | 41% | |
| 2008 | | | | | |

Part II: Planning, Acquisition And Performance Information

Part II should be completed only for investments identified as “Planning” or “ Full Acquisition,” or “Mixed Life-Cycle” investments in response to Question 6 in Part I, Section A above.

Section A: Alternatives Analysis (All Capital Assets)

In selecting the best capital asset, you should identify and consider at least three viable alternatives, in addition to the current baseline, i.e., the status quo. Use OMB Circular A-97 for all investments and the Clinger Cohen Act of 1996 for IT investments to determine the criteria you should use in your Benefit/Cost Analysis.

1. Did you conduct an alternatives analysis for this project? Yes _X_ No ___
 a. If “yes,” provide the date analysis was completed? May 2001
 b. If “no,” what is the anticipated date this analysis will be completed?
 c. If no analysis is planned, please briefly explain why:

2. Alternatives Analysis Results:

Use results of your alternatives analysis to complete the following table:

| Alternative Analyzed | Description of Alternative | Risk Adjusted Lifecycle Cost estimate | Risk Adjusted Lifecycle Benefits estimate |
|--|--|---------------------------------------|---|
| Alternative 1 - Expand existing Medium Security Facilities. | The BOP was unable to identify an existing medium security facility in this geographic region which can be expanded to provide the same or similar capacity and programs required to address system-wide crowding and educational/vocational requirements. | Option not feasible | Option not feasible |
| Alternative 2 – Acquire suitable property to convert for prison use. | The BOP evaluated all suitable available properties in this region to determine if they can be converted to prison use in a cost effective manner. The BOP currently has a large inventory of acquired military and other facilities which were converted to medium security prisons. No suitable properties were available in this geographic region. | Option not feasible | Option not feasible |
| Alternative 3 – Contract for suitable State Medium Security beds. | The BOP continuously reviews state medium security beds in the areas of greatest need for suitable contract beds. No suitable long term state beds were identified. | Not available | Not available |
| Alternative 4 – Construct new facility. | This alternative was determined to provide the greatest taxpayer benefits and be more cost effective than other alternatives. | \$260 million | \$1.5 billion* |

*Lifecycle Benefits is costed for 30 years of operations, but BOP has 36 facilities over 50 years old.

3. Which alternative was selected by the Agency's Executive/Investment Committee and why was it chosen?

Alternate 4 was chosen because options 1 through 3 were not feasible or available. Secure correctional facilities which are minimally adequate to house medium and high security sentenced Federal inmates are specialized capital assets, and are not readily available in needed geographic regions. BOP facilities require adequate space to provide inmate programming, inmate work areas, food service, medical services, psychological services, drug treatment, religious services and other such areas to meet legal requirements and constitutional rights, as well as aid in the management of convicted felons who live and interact under crowded conditions. For example, the minimum site requirements for BOP medium (FCI) and high security (USP) facilities is 250 to 500 acres. These sites must provide adequate space inside the secure area for items such as inmate housing, program and services areas, inside warehouses, a sufficient recreational area, and administration buildings. In addition, the site should have adequate space for outside warehouses, an armory, an inmate work camp to provide grounds maintenance, staff parking and room for future expansion.

The BOP was unable to identify any suitable facilities available for acquisition and conversion for prison use in this region during this evaluation of this project. Once the BOP becomes aware of existing facilities which are available to the BOP as potential correctional facilities, it evaluates those which meet minimum requirements, including geographic location, the availability of utility services, the proximity to cities, airports, hospitals and major highways, as well as compliance with environmental, electrical, fire, safety and other legal state and local codes and regulations. Finally, of those facilities which are determined acceptable for acquisition, the BOP determines if costs to acquire and make modifications for prison use and projected costs of operations are less than building a new facility before it pursues its acquisition.

During the analysis of this project, the BOP was unable to identify adequate higher security beds in state facilities which were available. The use of state beds is dependent on the availability in specific geographical locations, along with other factors. Over the years, the BOP has found that state facilities generally have a small number of beds which are only available temporarily. They can not usually guarantee the beds will be available when needed by the BOP over a given period of time, but instead make the beds available only until needed to house state inmates. Beds available for contract use in state systems are often in older deteriorating facilities which may not meet Federal life safety and other codes to ensure inmates will be appropriately housed. Laws and regulations that apply to state facilities may be very different from those that apply to the BOP. To meet the BOP's legal and other requirements, contract beds in state facilities are evaluated by their ability and willingness to provide inmate programming, such as work programs, education and drug treatment; services, such as counseling, adequate medical facilities, law libraries and religious activities; and prison policies which will withstand inmate legal challenges. These evaluation criteria help the BOP identify suitable contract housing and avoid costly litigation.

4. What specific qualitative benefits will be realized?

This facility, at rated capacity, will keep 1,152 convicted felons in Federal prison custody and off the streets of America, while inmates receive training and other self development opportunities which lead to cost avoidance associated with lower recidivism rates.

The BOP is at the end of the Administration of Justice pipeline and must accept and provide housing for all Federal inmates sentenced to confinement by the Federal Courts. Because no other suitable

alternatives were available and the BOP required the beds provided by this project, there were no other projects for which cost comparisons could be meaningfully made, including a Return on Investment analysis. However, the BOP calculates reasonable cost estimates for each project in advance using a systematic approach based on costs associated with previous projects, and issues, such as geographic locations, local material costs, and projected costs for operations. The BOP has considerable experience in constructing new prison facilities, and has completed 35 within the past 10 years.

Section B: Risk Management (All Capital Assets)

You should have performed a risk assessment during the early planning and initial concept phase of this investment's life cycle, developed a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk through the investment's life cycle.

1. Does the investment have a Risk Management Plan? Yes X No ___
 - a. If "yes," what is the date of the plan? May 2001
 - b. Has the Risk Management Plan been significantly changed since last year's submission to OMB? Yes ___ No X
 - c. If "yes," describe any significant changes:
2. If there currently is no plan, will a plan be developed? Yes ___ No ___N/A
 - a. If "yes," what is the planned completion date?
 - b. If "no," what is the strategy for managing the risks?
3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

All investment risks are contingent on funding.

Section C: Cost and Schedule Performance (All Capital Assets)

EVM is required only on DME portions of investments. For mixed lifecycle investments, O&M Milestones should still be included in the table (Comparison of Initial Baseline and Current Approved Baseline). This table should accurately reflect the milestones in the initial baseline, as well as milestones in the current baseline.

Comparison of Initial Baseline and Current Approved Baseline:

Complete the following table to compare actual performance against the current performance baseline and to the initial performance baseline. In the Current Baseline section, for all milestones listed, you should provide both the baseline and actual completion dates (e.g., "03/23/2003"/"04/28/2004") and the baseline and actual total cost (in \$ Millions). In the event that a milestone is not found in both the initial and current baseline, leave the associated cells blank. Note that the 'Description of Milestone' and 'Percent Complete' fields are required. Indicate 'O' for Any milestone no longer active.

| Description of Milestone | Initial/Current Baseline | | | Current Baseline Variance | Agency Responsible for Activity |
|-------------------------------|--------------------------|---------|---------------|---|---------------------------------------|
| | Initial | Current | Total Cost | | |
| 1. Record of Decision | N/A | N/A | N/A | | BOP |
| 2. Environmental Impact Study | N/A | N/A | N/A | N/A | |
| 3. Contract Award | N/A | N/A | | N/A | BOP |
| 4. Major Construction Begins | N/A | N/A | | N/A | |
| 5. Construction Completion | N/A | N/A | | N/A | |
| Completion date: 2012 | | | | Total cost estimate at completion: \$260,000,000 | |

*See Status of Construction for Percent Complete.