



DEPARTMENT OF THE ARMY  
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT  
600 ARMY PENTAGON  
WASHINGTON, DC 20310-0600

19 FEB 2008

DAIM-ZA

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Interim Policy Change on Relocatable Buildings for Paragraphs 6-13 through 6-17 in AR 420-1, Army Facilities Management,

1. References:

a. Memorandum HQDA, DAIM-ZA, 26 Oct 2007 subject: Delegation of Authority – Maintenance, Repair and Construction Projects, and Relocatable Buildings.

b. Army Regulation (AR) 420-1, Army Facilities Management, effective 2 Dec 2007.

c. Memorandum HQDA, DAIM-ZA, 26 Oct 2007 subject: Interim Army Policy for Establishing Forward Operating Bases (FOBs) and Tactical Training Bases (TTBs).

2. Reference 1.b, AR 420-1, Army Facilities Management, superseded the policy memorandum, reference 1.a on 2 Dec 07. This memorandum provides interim policy changes for reference 1.b. Relocatable buildings are defined; delegation of approval authorities for relocatable buildings are made; and special requirements outlined for all relocatable buildings approved using this authority. This memorandum is for relocatable buildings that are accounted for as personal property, obtained by either lease or purchase using either funds available for Operation and Maintenance (O&M) or Other Procurement, Army (OPA) funds, as appropriate. It does not apply to relocatable equipment managed and obtained from Army Material Command (AMC) used in TTBs as established in reference 1.c. The policies in this memorandum will be included in a Rapid Action Change to reference 1.b.

3. Subject to compliance with all applicable laws and regulations, I hereby delegate the relocatable building approval authorities contained in this memorandum and depicted in the table (enclosure 1).

a. Effective immediately, Deputy Commander Installation Management Command (IMCOM) and Commanders of Army Commands, Army Service Component Commands, and Direct Reporting Units (where IMCOM does not provide installation support services) will review and approve relocatable buildings for garrisons under your command. Tenant organizations are prohibited from entering into contracts for the purchase or lease of relocatable buildings.

b. You may delegate all or part of these approval authorities with re-delegation authority, except:

(1) This authority may be delegated no lower than the Deputy Commanding General of organizations having installation or garrison responsibilities. This does not include the SES equivalent.

(2) For Contingency Areas, this authority may be delegated no lower than the Commanding General, Deputy Commanding General or designated General Officer of

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the next lower headquarters with responsibilities in a Contingency Area. Approved relocatable buildings in contingency areas may be used for the duration of the operation.

(3) All re-delegations will be in writing. Any relocatable building which exceeds the delegated authorities will be submitted to the Assistant Chief of Staff for Installation Management, DAIM-ODF, for approval.

4. If a structure does not meet all of the requisites for relocatable buildings contained in subparagraphs (a) through (c) below, it shall be authorized and funded as modular construction in accordance with chapter 4, Army Military Construction and Nonappropriated-Funded Construction Program Development and Execution, AR 420-1, Army Facilities Management and accounted for as real property. A relocatable building is defined as:

a. An arrangement of components and systems designed to be transported over public roads with a minimum of assembly upon arrival and a minimum of disassembly for relocation. A relocatable building is designed to be moved and reassembled without major damage to floor, roof, walls, or other significant structural modification.

b. The costs for disassembly, repackaging, any exterior refinishing (e.g. brick façade, etc...) and any interior work (e.g., electrical systems, fire suppression systems, walls or ceilings, etc.) including labor applied to the building after site delivery to make the relocatable building useable, and non-recoverable building components, including foundations, may not exceed 20 percent of the purchase price of the relocatable building. (Foundations include blocking, footings, bearing plates, ring walls, and concrete slabs. When concrete slabs are used as relocatable building foundations or floors the entire cost of the slab will be included in the foundation cost.) Non-recoverable building components are components that cannot be used again in the reassembly of the subject building.

c. The relocatable building may be used for no more than 6 years. Requests for extension beyond 6 years will be referred to the Assistant Chief of Staff for Installation Management, DAIM-ODF, for approval.

d. Tents are not considered relocatable buildings. A tent is a temporary or semipermanent portable shelter consisting of sheets of fabric or other material draped over or attached to a frame of poles. It is easy to assemble and disassemble. Tents may be attached to the ground with stakes lines or ropes. They are accounted for as equipment, personal property.

5. Relocatable Building authority is delegated as follows, subject to compliance with paragraph 3.b:

a. Authority to approve the purchase or lease of relocatable buildings to meet short-term requirements, normally 3 years or less but no more than 6 years, for facilities due to transitory peak military missions, deployments, military contingency operations, or disaster relief requirements; or urgent requirements, pending approval, and construction of facilities via normal military construction programs is delegated:

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b. The following limitations apply to all relocatable buildings obtained under this authority:

- (1) The relocatable buildings are accounted for as equipment, personal property.
- (2) Purchased relocatable buildings are inventoried, accounted for with Item Unique Identification (IUID) which will be tied to a specific approval document.
- (3) The relocatable building will be disposed of in accordance with applicable equipment regulations.
- (4) The lease for a relocatable building will satisfy a single known requirement.
- (5) When deciding to lease or purchase the worksheet at enclosure 2 will be used.
- (6) An Option to Purchase clause will not be included in the relocatable building leasing contract. There are only two types of leases that are appropriate for obtaining relocatable building space, operating leases and capital leases. Service contracts are not authorized for obtaining space to circumvent these policies.
- (7) Purchased relocatable buildings will not be converted to real property without approval from Deputy Assistant Secretary of the Army (Installation and Housing) and congressional notification.
- (8) Within 15 days of the end of each fiscal year quarter, provide to this office a report concerning the use of this delegation of authority regarding relocatable buildings. The content and format of the report is shown in enclosure 3. The report is due only if the delegation authority was used.

6. Relocatable buildings obtained as swing space for construction or repair projects will be funded by the approved real property project. Swing space is not to be the major portion of the project scope. Ownership and control of the relocatable buildings remain with the contractor. The relocatable buildings are only to be used for the duration of the construction or repair project and will be promptly removed upon completion of the project. A separate line entry will be made in the project description noting the amount of space being obtained and the estimated cost.

7. Requirements for facilities with a known duration of more than three years, and with a construction cost (relocatable building costs plus site preparation costs) that does not exceed \$750,000 will be met by construction procedures and not by relocatable buildings. This does not apply to contingency areas and operations where ownership of real property will present a hardship during site turnover.

8. Commanders are cautioned to use the relocatable authority contained herein only as a last resort. Relocatable buildings will be used at about a 50 percent ratio (square feet) to their real property counterparts except for certain types of uses such as barracks and medical facilities. The Army can not afford to lose credibility by appearing to circumvent the military construction process. We must use the relocatable authority wisely, to bridge the gap between mission requirements and the availability of real property facilities. Look at alternate options to provide the needed space. The order of precedence is full

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utilization of available real property, including full utilization of World War II wooden structures where economic considerations and good engineering judgment dictate, construction of temporary facilities when the total funded cost does not exceed \$750,000, and short term leased space off post.

9. Requests that exceed the approval authority delegated in this memorandum will be submitted through command channels to Director, Operations Directorate; DAIM-ODF; Office of the Assistant Chief of Staff for Installation Management; 600 Army Pentagon; Washington, DC 20310-0600.

10. The Point of Contact for this action in OACSIM is Mr. William Allen, DAIM-ODF, telephone (703) 601-0705, (DSN 328), e-mail: [william.allen@hqda.army.mil](mailto:william.allen@hqda.army.mil).

Encl:  
as



ROBERT WILSON  
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<b>Relocatable Building Action <sup>1</sup></b>	<b>Deputy Assistant Secretary of the Army (Installations and Housing)</b>	<b>Assistant Chief of Staff For Installation Management<sup>5</sup></b>	<b>Deputy Commander IMCOM and Commanders of ACOM, ASCC, and DRU <sup>5</sup></b>
Lease <sup>4</sup>	6 years, funds unlimited	Not To Exceed (NTE) 6 years, funds unlimited	Not To Exceed (NTE) 6 years, funds unlimited
Existing Lease Extension	6 years, funds unlimited	NTE 6 years, funds unlimited	NTE 6 years, funds unlimited
Transfers to Other Locations	6 years, funds unlimited	NTE 6 years, funds unlimited	NTE 6 years, funds unlimited
Purchase as Personal Property <sup>2</sup>	6 years, funds unlimited	NTE 6 years, funds unlimited	NTE 6 years, funds unlimited
Convert to Real Property <sup>3</sup>	funds unlimited	None	None

1. Operating leases use funds available for Operations and Maintenance and Capital leases are funded with Other Procurement funds. When the permission to purchase a Relocatable Building is granted, funds available for Operations and Maintenance are used for buildings costing less than \$250,000 and buildings costing more than \$250,000 must be purchased using Other Procurements funds.

2. A Relocatable Building with site preparation and building costing less which total than \$750,000 will be locally approved as construction and accounted for as real property, unless it is part of a larger undertaking. This does not apply to Contingency Area Operations.

3. Conversion of a Relocatable Building from personal property to real property requires Congressional notification and will not be undertaken without prior approval.

4. Relocatable buildings listed as swing space in approved maintenance and repair or construction projects require no further approval.

5. Re-delegation can be no lower than the Deputy Commanding General of affected units and organizations having installation or garrison responsibilities. For Contingency Areas, this authority may be delegated no lower than the Commanding General, Deputy Commanding General or designated General Officer of the next lower headquarters with responsibilities in a Contingency Area. Approved relocatable buildings in contingency areas may be used for the duration of the operation..

**Relocatable Building Request Worksheet**  
**Project Title and Installation Name: \_\_\_\_\_, Date \_\_\_\_\_**

This worksheet must be submitted for each approval request.

This request is to (Check and complete one block below):

1.  Lease relocatable building(s). Relocatable buildings are requested for a period not to exceed \_\_\_ years, at an estimated total funded cost (total actual lease, delivery, setup, and removal costs) of \$\_\_\_ (\$000), at \_\_\_ (Garrison name, State), using \_\_\_ (e.g., OMA, OPA, OMD, RDT&E, AWCF) funds.
2.  Purchase relocatable building(s). Relocatable buildings are requested for a period not to exceed \_\_\_ years, at an estimated total funded cost (total actual purchase, delivery, and setup costs) of \$\_\_\_ (\$000), at \_\_\_ (Garrison name, State), using \_\_\_ (e.g., OMA, OPA, OMD, RDT&E, AWCF) funds.
3. Point of Contact Information. Contact the following POCs regarding this request (Name, Phone Number, Email, and Office):
  - a. Garrison. \_\_\_\_\_
  - b. IMA Region reviewing official. \_\_\_\_\_
  - c. HQIMA reviewing official. \_\_\_\_\_
  - d. Agency preparing economic analysis. \_\_\_\_\_
  - e. Installation or Command SJA legal review. \_\_\_\_\_
4. Justification. Relocatable building support data, attach as Enclosure 1.
  - a. Unit(s) and mission the relocatable building supports.
  - b. Facility requirements for the units / mission.
  - c. Discussion of all options considered to provide facility space.
  - d. Justification of urgent, short-term requirement for the relocatable building(s).
  - e. Desired date of occupancy and expected duration of the requirement.
  - f. Explain the exit plan that will remove the relocatable building(s) from the installation at the end of the requirement. Describe the plan for the removal, disposal, or sale of the buildings and source of funding.
  - g. Required removal date.
5. Replacement Project. Will the requirement for the relocatable building(s) be replaced with real property facilities by MILCON or SRM major repair projects?
6. Yes  No  If yes, attach replacement project data as Enclosure 2.
  - a. Project Number(s).
  - b. Title(s).
  - c. Source(s) of funds.
  - d. Cost.
  - e. Program Fiscal Year.
  - f. Copy of associated project document(s) (DD Form 1391 or DA Form 4283).

7. Associated Construction. Construction associated with the relocatable building(s) placement.

a. Is all site work necessary to the installation and provision of utilities and other services properly classified by the installation? Yes  No

b. Is the associated construction project approved? Attach copies of DD Form 1391 and DA Form 4283. Yes  No

c. Construction Cost: \$\_\_\_ (Construction includes foundations, utilities, roads, sidewalks, parking, force protection, fencing, signage, lighting, and other site preparation (clearing, grubbing, ditching, drainage, filling, compacting, grading, and landscaping).)

8. Relocatable Building Validation.

a. To be a relocatable building, certain associated costs (columns "a" through "d", Table E-1) must not exceed 20% of the purchase cost of the relocatable building (column "f"). The relocatable building percentage for each facility type in column f must be less than or equal to 20%.

b. The facility must be classified as real property if the percentage is greater than 20% and obtained using minor construction rules contained in AR 415-15.

Table E-1 Relocatable Building Validation								
Percentage (g) = (a + b + c + d + e) / (f) * 100								
	(a) (\$)	(b) (\$)	(c) (\$)	(d)	(e) <sup>1</sup> (\$)	(f) (\$)	(g) <sup>2</sup> (%)	(h) <sup>3</sup>
Facility Type (e.g., barracks, admin, classroom, dayroom, arms room, maintenance, laundry, latrine, storage)	Building Disassembly (disconnect and removal from foundation)	Repackaging (including normal repair, refurbishment of components)	Non-recoverable Building Components (fasteners, seals, skirting, anchors, etc.)	Interior and exterior work added to the structure after it is placed on site. (Electrical wiring, walls, fire suppression systems, exterior finishes, flooring, lighting, wall coverings, etc.)	Foundation	Purchase Cost of Relocatable Building (Including delivery and set up)	%	Facility is relocatable (<=20%)

**Notes:**

1 "Foundation" includes blocking, footings, bearing plates, ring walls, and slabs that are directly under the building. For the purpose of this calculation, "Foundation" does not include construction cost of real property utilities, roads, sidewalks, parking, force protection, fencing, signage, lighting, and other site preparation (clearing, grubbing, ditching, drainage, filling, compacting, grading, and landscaping).

2. All exterior refinishing and interior modifications made after site delivery to make the relocatable building useable for its intended occupant. This includes but is not limited to installation of gypsum board and wood paneling for walls, floor coverings (carpet), sprinkler and alarm system installation, and exterior façade improvements

3 If the percentage in column (g) is more than 20%, the structure must be obtained as real property using construction authorities.

9. Economic Analysis. An economic analysis for each facility type is attached as Enclosure 3 and has been prepared or reviewed by the US Army Corps of Engineers, Installation Support Center of Expertise (ISCX), CEHNC-IS. (For an example of an Economic Analysis and

Sensitivity Chart, see Table E-3 and Table E-4.) A separate economic analysis is required for each facility type. Summary of economic analysis:

a. Total Net Present Value Lease Project Cost: \$\_\_\_ (Total Net Present Value cost of lease, including option years, delivery, setup, removal, and associated SRM sustainment and construction costs).

b. Total Net Present Value Purchase Project Cost: \$\_\_\_ (Total Net Present Value cost of purchase, delivery, setup, associated SRM sustainment and construction costs, and removal or demolition of the relocatable building at the end of use.)

c. Cost to construct replacement permanent facility: \$\_\_\_.

d. Other considerations to provide space:

- 1) Commercial space. Discussion: \_\_\_
- 2) Use or conversion of existing buildings. Discussion: \_\_\_
- 3) Other alternatives considered. Discussion: \_\_\_

e. The economic analysis cost is not the Approval Request cost.

(1) The Approval Request cost is only the total lease cost, set up cost, sustainment, and removal cost if included in the lease or the total purchase cost, set up cost and delivery cost for a purchase.

(2) Site Construction costs and removal costs are not to be included in the Approval Request.

10. Relocatable building information by facility type:

<b>Table E-2 Summary of Relocatable Building (Lease or Purchase) Requirement</b>				
(a)	(b)	(c)	(d)	(e)
Relocatable Building Type (e.g., barracks, admin, classroom, dayroom, arms room, maintenance, laundry, latrine, storage)	Total Number of Buildings per Type	Total Gross Sq Ft of Each Building per Type	Per Building Purchase Cost	Lease Cost
Total:		<del>XXXXXXXXXX</del>		

11. Determination of Type of Lease. If relocatable building will be leased, the type of lease must be determined. For this analysis, the economic life of a relocatable building is 15 years, unless specific data of the manufacturer indicates the economic life is shorter. Do not use an economic life beyond 15 years for relocatable buildings. Check blocks below as appropriate.

a.  Capital Lease of a Relocatable Building – is any lease that does not meet the criteria of an operating lease. Capital leases are paid for using funds made available for purchase of equipment (e.g., Other Procurement, Army (OPA)).

b.  Operating Lease of a Relocatable Building – is any lease that meets ALL criteria listed below. If any of the criteria are not met, the lease will be considered to be a capital lease. Operating Leases use operation and maintenance funds (e.g., OMA).

(1)  Ownership of the relocatable building remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease term.

(2)  The lease does not contain a bargain-price purchase option.

(3)  The lease term does not exceed 75 percent of the estimated economic life of the relocatable building.

(4)  The present value of the minimum lease payments over the lease does not exceed 90 percent of the fair market value of the relocatable building at the beginning of the lease term.

(5)  The relocatable building is general-purpose rather than being for a special purpose of the government and is not built to the unique specification of the government as lessee.

(6)  There is a private sector market for the relocatable building.

12. Compliance with Standards. Relocatable buildings meet applicable Army Standards:

- |                                       |                              |                             |
|---------------------------------------|------------------------------|-----------------------------|
| a. Army Installation Design Standards | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b. Installation Design Guide          | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c. Force Protection/Anti-terrorism    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d. Accessibility                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| e. Safety                             | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| f. Seismic                            | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| g. Environmental                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| h. Construction codes and standards   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

13. Waiver Request Required. A waiver request is enclosed for each standard in paragraph 8 that is answered "No":

- |                                       |                              |                                       |
|---------------------------------------|------------------------------|---------------------------------------|
| a. Army Installation Design Standards | Yes <input type="checkbox"/> | Not Required <input type="checkbox"/> |
| b. Force protection/Anti-terrorism    | Yes <input type="checkbox"/> | Not Required <input type="checkbox"/> |
| c. Accessibility                      | Yes <input type="checkbox"/> | Not Required <input type="checkbox"/> |
| d. Safety                             | Yes <input type="checkbox"/> | Not Required <input type="checkbox"/> |
| e. Seismic                            | Yes <input type="checkbox"/> | Not Required <input type="checkbox"/> |
| f. Environmental                      | Yes <input type="checkbox"/> | Not Required <input type="checkbox"/> |
| g. Construction codes and standards   | Yes <input type="checkbox"/> | Not Required <input type="checkbox"/> |

14. Legal Review. A written legal opinion, performed by the Garrison SJA, has determined that the project is legally sufficient and complies with appropriate regulations. Attached as Enclosure 5. \_\_\_\_.

15. Mandatory Enclosures. The following enclosures are mandatory.

- a. Enclosure 1, Justification
- b. Enclosure 2, Copies of associated construction documentation replacement Project and Site preparation (DD Form 1391 and, or DA Form 4283)
- c. Enclosure 3, Economic Analysis, with sensitivity chart, for each facility type
- d. Enclosure 4, Waiver request if in non-compliance with Army Standards.
- e. Enclosure 5, Supporting Legal Opinion
- f. Enclosure 6, Pictures of the types of relocatable buildings to be used and of their planned placement. This may be photographs of examples of similar relocatable building projects of the same configuration, size, and type of relocatable buildings to be used on this project. This could include photographs, catalogue cuts, and/or artist renderings.
- g. Enclosure 7, appropriate site plans.

Spread Sheet Data

General Information					Purchases			
Approval ID	Region	Installation	Title	Army Initiative Supported	OMA Project Approval Cost	Actual OMA Project Cost	OPA Project Approval Cost	Actual OPA Project Cost

Leases			Type and Date				Exit Strategy				
O&M funds obligated for Service Contracts	O&M Funds Obligated for Leases	Cost to Exercise Purchase Option of Lease	Type (Purch-Lease)	Yrs Req'd	Date Approved	Date Acquired	Exit Strategy	Project Title	Project Number	Project Estimate (\$M)	FYDP

Detailed RLB Information									
For RLB projects with multiple PNs, provide number of RLBs for each respective PN									
Total Number of Reloc Buildings	Total Relocatable Buildings SF	BDE, BN, CO OPS	Arms Rms	Maint	Bks	Stor	Admin-Classrm	Med Fac	Other (Dining, Gyms, Latrines)