

Department of the Treasury
Bureau of Engraving and Printing

FY 2021 Capital Investment Plan

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Note to Reviewers

The Office of Management and Budget (OMB) Capital Planning Guidance changed how certain IT Investments are categorized. The Agency IT portfolio summary consists of Part 1: IT Investments for Mission Delivery; Part 2: IT investment for Administrative Services and Support Systems, and Part 3: IT Investments for IT infrastructure, IT Security, and IT Management (so called “standard investments”). The guidance no longer requires Part 3 investments to be reported as major or non-major investments. However, the Department of the Treasury’s Capital Investment Plan will continue to report these investments. Consistent with the corresponding Summary of Capital Investments table, the columns included in the investment tables below are defined as:

- FY 2019: Actual obligations of budgetary resources, which may include annual funding, prior year balances, user fees, and other sources;
- FY 2020: Estimated obligations based on the enacted funding level for FY 2020 as reflected in the FY 2021 President’s Budget. Figures may include annual funding, prior year balances, user fees, and other sources; and
- FY 2021: Estimated obligations based on the funding requested in the FY 2021 President’s Budget. Figures may include annual funding, prior year balances, user fees, and other sources. The amount of new budget authority requested for a given investment can be found in the accompanying “Summary of Capital Investments” table (see “FY 2021 Budget Authority Request” column).

Additional information about Treasury’s capital investments is available at the link below:

<https://itdashboard.gov/drupal/summary/015>

Major IT Investments

BEP has no major IT investments under OMB guidance. However, this plan will continue to report investments from prior year plans in other categories.

IT Investment

Integration & Enhancements

(Previously reported as a major IT Investment but now categorized as a part 3 investment)

Description:

Upgrades to BEP's IT infrastructure and installation of new or upgraded software to support BEP's core manufacturing and support business processes with an integrated database.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	8.15	8.15	6.99	-1.16	-14.23%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	2.86	2.87	2.48	-0.39	-13.59%
Total Obligations	11.02	11.02	9.46	-1.56	-14.16%

Purpose, Accomplishments, Future Objectives:

BEP has been implementing the BEP Enterprise Network (BEN) initiative. BEN is a comprehensive, technology-centric program focused on systems modernization and business transformations. BEN aims to improve overall management and automation of BEP's Currency Production and Direct Support processes. This initiative involves upgrading BEP's IT infrastructure and installing new or upgraded software functionality to support the Bureau's core manufacturing and support business processes with an integrated database. BEN is built on a Commercial Off-The-Shelf solution that utilizes Oracle's Enterprise Resource Planning (ERP) and contains several customized ERP modules.

The previous investments (Manufacturing Support System, Data Management Module, and Manufacturing Execution Console) that this investment replaces integrated multiple data source systems to improve data consistency, transparency and accountability, leading to decision making based on more accurate information. These integrated systems have improved workload planning and coordination across the Bureau by providing senior executives, chiefs and managers with near real time data. This has improved efficiency by reducing the amount of time spent searching for data to support job functions. Future objectives are to continue to increase the source data that is extracted from manufacturing equipment and improve the functionality of the applications through further enhancements.

Major Non-IT Investments

BEP Armored Vehicles

Description:

The Bureau of Engraving and printing owns three armored vehicles for use in transporting security products.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.01	0.01	0.01	0.00	0.00%
Total Obligations	0.01	0.01	0.01	0.00	0.00%

Purpose, Accomplishments, Future Objectives:

The Bureau of Engraving and Printing owns three armored vehicles - two located at the facility in Washington, D.C. and one at the Western Currency Facility in Fort Worth, Texas. The vehicles are used to secure and transport security products and equipment from its facilities to local airports in support of BEP's mission critical law enforcement function. The investments were purchased over 20 years ago; only operations and maintenance funds are required. In FY 2020 and 2021, BEP anticipates to continue to perform routine maintenance and repairs.

BEP DCF Buildings

Description:

The BEP occupies and uses buildings (Main and Annex) and land owned by the Department of the Treasury. The BEP is not charged for the use of the buildings or land, but is responsible for maintenance and repair of all buildings and land improvements.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	2.29	10.78	0.05	-10.73	-99.54%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	2.29	10.78	0.05	-10.73	-99.54%

Purpose, Accomplishments, Future Objectives:

The BEP occupies and uses buildings (Main and Annex) and land owned by the Department of the Treasury. The BEP is not charged for the use of the buildings or land, but is responsible for maintenance and repair of all buildings and land improvements.

In FY 2019, major projects relating to the DCF facilities include 1st floor HVAC renovation, DCF tour bridge modernization, DCF freight elevator upgrade, centrifugal air compressors replacement, and LED lights installation in production areas. In FY 2020 and 2021, BEP anticipates to continue maintaining all the DCF buildings and repairing as problems arise.

BEP WCF Building and Land

Description:

BEP occupies/uses buildings and land owned by the Treasury Department and is responsible for maintenance/repairs of all buildings and land improvements. The land and building shell for the Western Currency Facility were donated by the City of Fort Worth, TX.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	4.51	14.98	13.72	-1.26	-8.41%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	4.51	14.98	13.72	-1.26	-8.41%

Purpose, Accomplishments, Future Objectives:

BEP occupies/uses buildings and land owned by the Department of the Treasury and is responsible for maintenance/repairs of all buildings and land improvements. The land and building shell for the Western Currency Facility (WCF) were donated by the City of Fort Worth, Texas to the Department, which holds the title. The facility houses manufacturing equipment, manufacturing and information technologies, equipment

and human resources used to support the manufacture of United States Currency and other secure printing documents.

In FY 2019, major projects relating to the WCF building and land include air handler refurbishment, fire alarm system upgrade, roof repair and elevator modernization. FY 2020 major projects include compressed air and vacuum pump upgrade, elevator modernization and water wipe filtration system replacement. In FY 2021, major projects include new vault automated racking system and shipping roof replacement.

Consolidated Facility Improvements

Description:

The consolidated facility improvement projects include minor office renovations and structural upgrades to the Washington, D.C. and Fort Worth, TX facilities.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.27	11.30	0.08	-11.22	-99.34%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	0.27	11.30	0.08	-11.22	-99.34%

Purpose, Accomplishments, Future Objectives:

Consolidated facility improvement projects include minor renovations, safety and infrastructural upgrades to BEP facilities.

In FY 2019, BEP's consolidated facility improvements include external physical security upgrade and portable ballistic shields. In FY 2020 and 2021, BEP anticipates to upgrade radio system, replace currency and non-currency shredder, and replace entrance X-Ray machines.

DCF Production Facility Replacement

Description:

Construction of a new more efficient currency production facility to replace aging infrastructure at the BEP's current Washington, D.C. facility in order to achieve increased efficiencies and reduced annual operating costs.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	73.27	5.05	29.94	24.89	492.86%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	73.27	5.05	29.94	24.89	492.86%

Purpose, Accomplishments, Future Objectives:

The current BEP currency production facility in Washington, D.C. (DCF) is comprised of two multi-level, multi-wing buildings - the Main building and Annex building. Both buildings, constructed in the early 1900's, are costly to maintain and are obsolete in relation to modernized currency printing technology. The current building layout results in increased time, cost and spoilage for delivery, transport and storage of raw materials and inventories of currency products throughout the manufacturing process. The aging infrastructure exposes the DCF to vulnerabilities relating to potential facility systems failures and inefficiencies - HVAC, electrical and plumbing; code compliance; physical and product security.

BEP is conducting a suitability assessment of the site with the support from the U.S. Army Corps of Engineers. The formal transfer from USDA to Treasury is anticipated in early 2020. A replacement facility will save an estimated \$579 million over 10 years, as compared to the cost of the renovation of the existing facility. In addition, BEP will reduce its annual operating costs by at least \$38 million through production, material handling, and other operational/support efficiencies. In FY 2020, the budget includes about \$5 million for the remaining site evaluation tasks and relocation of several onsite USDA facilities that must be removed prior to the initiation of onsite BEP construction activities. Also anticipated in FY 2021 is the initiation of early site development construction activities estimated at \$30 million to include site grading, roadway improvements, and utility system relocation to support the BEP development.

Manufacturing Support Equipment

Description:

To purchase equipment to support the manufacturing of U.S. currency.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	15.41	17.31	13.71	-3.60	-20.78%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	15.41	17.31	13.71	-3.60	-20.78%

Purpose, Accomplishments, Future Objectives:

The project is a multi-year project that replaces older, fully depreciated manufacturing support equipment at both BEP's facilities. Replacing out of date equipment on a regular basis allows BEP to be more cost effective and efficient in meeting customer requirements for the production of currency notes. New manufacturing support equipment is typically more energy efficient, eco-friendly and reduces machine down time. In addition, new support equipment acquired by BEP has the technical capability of producing the next generation of advanced counterfeit deterrence features for future design enhancements. The performance of this investment will be evaluated through the following two measures: 1. Comparison of productivity of new equipment with existing equipment. 2. Comparison of spoilage rates of new equipment with rates of existing equipment.

BEP anticipates to continue replace equipment to support engraving and research and development areas in both facilities in FY 2020 and 2021. The major equipment replacement include:

FY 2020: rotary screen press, barcoding/RFID implementation and digital quality standards system.

FY 2021: barcoding/RFID implementation and on-line inspection equipment.

Retooling

Description:

Retooling is a multi-year project that replaces older, fully depreciated production equipment at both BEP's facilities. Replacing out of date equipment on a regular basis allows BEP to more cost effective and efficient.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	32.61	44.44	11.44	-33.00	-74.27%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	32.61	44.44	11.44	-33.00	-74.27%

Purpose, Accomplishments, Future Objectives:

Retooling is a multi-year project that replaces older, fully-depreciated production equipment at both BEP's facilities. Replacing out of date equipment on a regular basis allows BEP to be more cost effective and efficient in meeting customer requirements for the production of currency notes. New equipment is typically more energy efficient, eco-friendly, and machine down-time is reduced. In addition, new equipment acquired by BEP has the technical capability of producing the next generation of advanced counterfeit deterrence features for future design enhancements. The performance of this investment will be evaluated through the following two measures: 1. Comparison of productivity of new equipment with existing equipment. 2. Comparison of spoilage rates of new equipment with rates of existing equipment.

FY 2019: Intaglio Press Lines for WCF, Offset Inspection Upgrade, Non-sequential LEPE and \$100 Finishing Line. FY 2020: \$100 Finishing Line, Computer-to-Plate System, Crease Detection System, and new security feature equipment. FY 2021: \$100 Finishing Line, Non-sequential LEPE acquisition.

WCF Facility Expansion

Description:

An expansion to the Western Currency Facility (WCF) in Fort Worth, TX, adding about 250,000 sq. ft. of new space, to support additional production capabilities required for the currency redesign of the \$5, \$10 and \$20 notes.

Investment Obligations: (In Millions of \$):

Type	FY 2019	FY 2020	FY 2021	\$ Change	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	80.41	8.14	4.75	-3.39	-41.65%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	0.00	0.00	0.00%
Total Obligations	80.41	8.14	4.75	-3.39	-41.65%

Purpose, Accomplishments, Future Objectives:

This project is a proposed expansion to the Western Currency Facility (WCF) in Fort Worth, TX. The expansion will add approximately 250,000 square feet to the existing facility which will accommodate additional production capabilities to support the next family of currency design, including space for up to five Hot Foil presses, two LEPEs, tactile feature equipment, undefined future production machineries, reclamation efforts, new plating line, additional vault/ work-in process (WIP) space, enclosed truck cells, production support, and central utility plant upgrade. The expansion will include structural enhancements to provide better protection against severe weather and possible security threats. The scope includes the security-related requirements and construction of an additional parking area to accommodate increased staffing necessary for the new equipment.

The expansion work is expected to be completed in FY 2021 with contract close out occurring in FY 2022. The FY 2021 projected cost for the WCF is \$5 million.