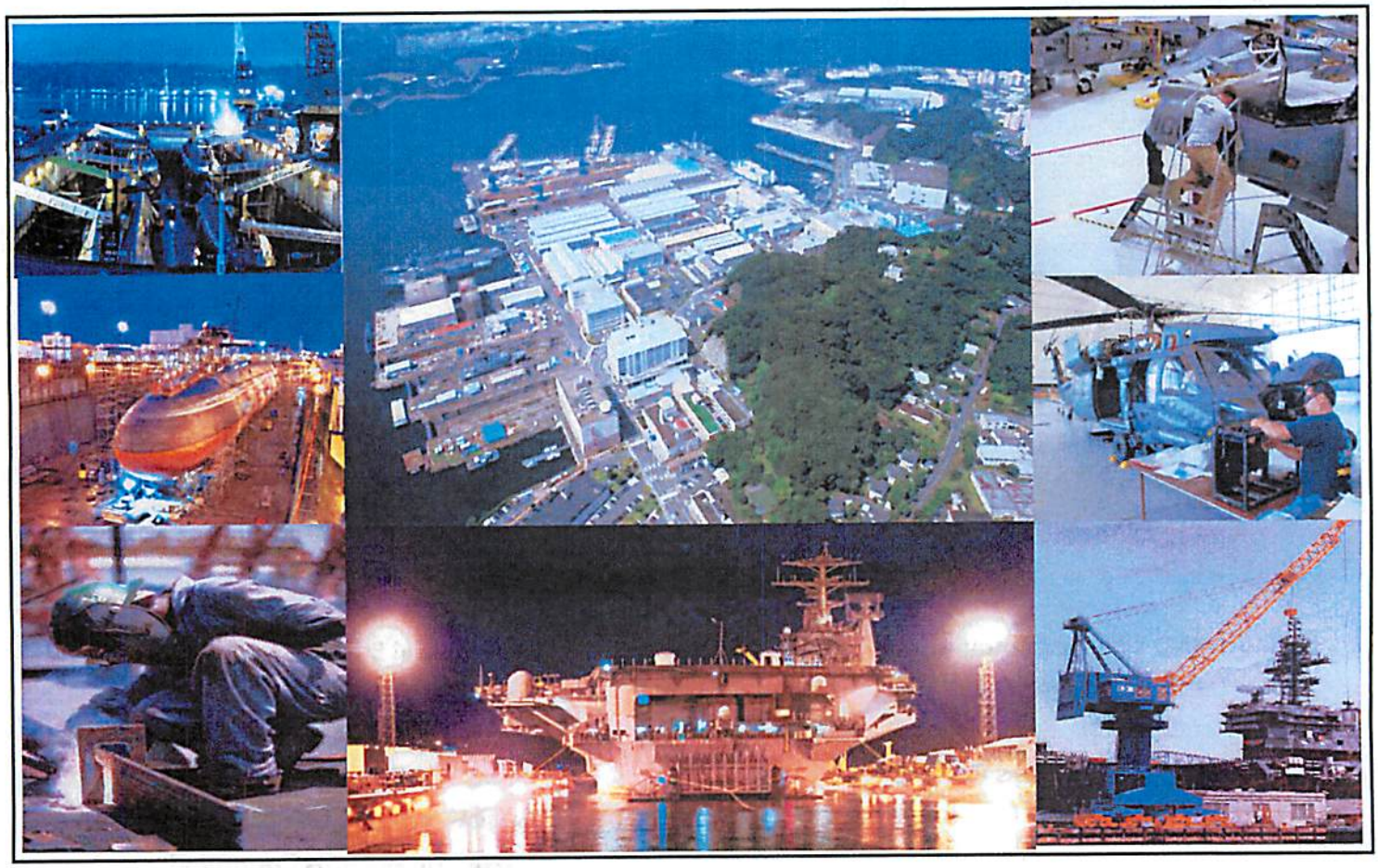
The United States Navy

Depot Maintenance Strategic Plan



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PREFACE

As the Navy continues into its second century of excellence, challenges to support readiness and sustainment goals will increase as we address the draw down from two wars, the strategic shift to the Pacific, and national security imperative of lower defense spending to renew the nation's economic strength. The Navy is called upon to continue to maintain weapons systems past their intended life while reconfiguring its depots to meet the maintenance needs of new systems designed for the evolution to the next generation of warfare. This strategic plan is designed to provide broad guidance for maintenance activities that when accomplished, deliver a unique mix of value to the war fighter, positively affecting readiness and operations. It is intended to guide decision makers and to provide a flexible means to monitor progress against strategic goals that transform Navy's depot maintenance organizations for the future.

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Mission

The mission of Navy Depot Maintenance is to provide a high state of readiness for combat-ready equipment in support of national security objectives and to sustain Navy Fleet readiness through effective maintenance and timely modernization of ships and aircraft.

Vision

The vision for the Navy maintenance depots is a modern infrastructure and skilled workforce ready to meet the challenges of greater operational readiness and of maintaining new technologies and equipment that sharpen the Fleet's war fighting advantage against evolving threats.

Introduction

The Navy is aligning to meet new demands created by shifts in global threats to our nation and its allies. In the Defense Strategic Guidance "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense", the President addresses this strategic shift and provides a set of precepts that will guide defense decisions. With the drawdown in Iraq and Afghanistan, the United States will focus on a broader range of challenges and opportunities, including the security and prosperity of the Asia Pacific. The CNO laid out the Navy's strategy to address this shift in "Operate Forward: Strategic Maritime Crossroads" (Figure 1). At the same time, renewing the nation's economic strength through deficit reduction is a national security imperative that will pressurize defense spending. The Navy recognizes the need to realign its resources and requirements to meet these new challenges. It needs to be prepared to maximize depot maintenance efficiency on a more technologically advanced force, employing multiple options to ensure our Navy is where it matters, when it matters. The Navy Depot Maintenance Strategic Plan and the corresponding strategic goals established by the Systems Commands are transforming the industrial enterprise into a flexible and dynamic partnership between organic Navy facilities, commercial suppliers, and other Department of Defense (DoD) depots. The Navy Enterprise structure leverages the synergy between the various commands as the Navy reacts to threat conditions and sets priorities for Naval preparedness and planning. In this new partnership, Navy, Marine Corps, and Joint force mission requirements drive the depth, breadth, and "mix" of depot maintenance capabilities.

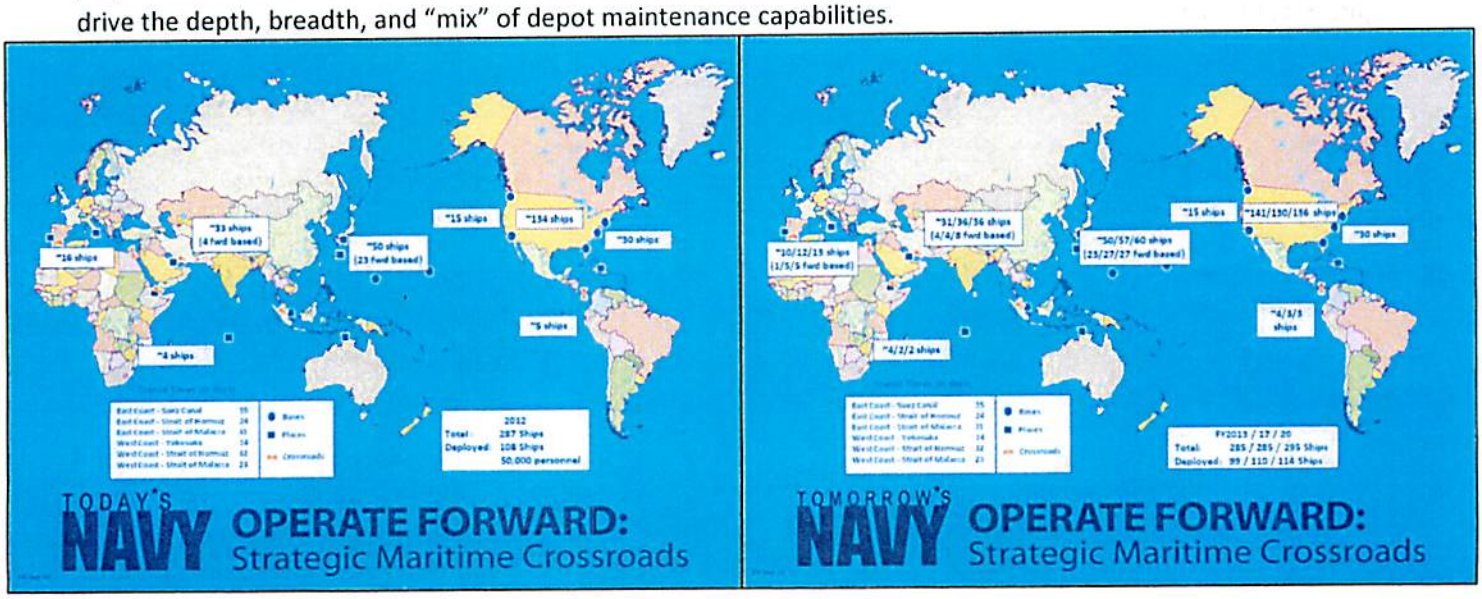


Figure 1: Navy Operating

The Navy utilizes both public and private depots to meet our critical maintenance requirements. The Navy's public depots ensure a ready and controlled source of technical competence and resources necessary to ensure effective and timely response to mobilizations, national defense contingency situations, and other emergency requirements. The private sector provides valuable capability for the Navy to draw upon for additional depot maintenance support beyond the capability of the public sector. Private sector support further aids the Navy in meeting surge requirements and maintain Fleet readiness. The Navy depots, depots of other Services and the private sector operate together to meet our requirements. They all have the same goal: to increase efficiency and effectiveness.

With maintenance activities geographically located to provide worldwide support, the Navy depot maintenance organizational structure provides the flexibility to adjust to the present dynamic strategic environment. Though all Navy SYSCOMs are concerned with maintenance activities, the two SYSCOMs primarily responsible for depot level maintenance are:

Naval Sea Systems Command (NAVSEA)

- *Shipyards*. Portsmouth Naval Shipyard, ME; Norfolk Naval Shipyard, VA; Puget Sound Naval Shipyard and Intermediate Maintenance Facility, WA; and Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility, HI. Function: maintain, modernize, repair, and dispose of Navy ships and related components.

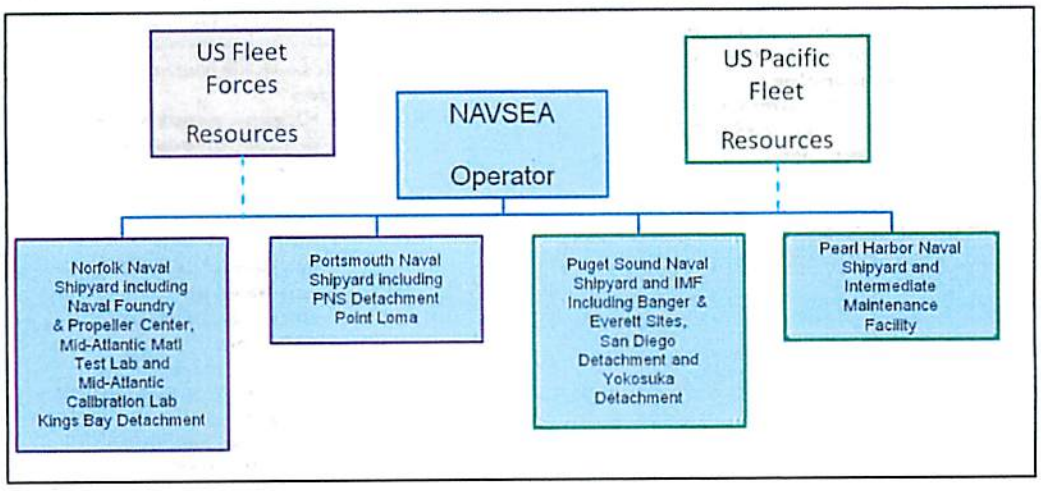


Figure 2: Shipyard Organizational Relationship

The shipyards are unique in that they are resourced by the Fleet and operated by NAVSEA (Figure 2). United States Fleet Forces Command resources the East Coast depots, and United States Pacific Fleet resources the West Coast depots. These are the two organizations responsible for the operational readiness of the surface fleet in their respective areas of responsibility (AORs). In this way, the operational Fleet can manage their readiness without the distraction of managing the depots.

- *Naval Warfare Centers*. Naval Undersea Warfare Center, Keyport, WA. Function: maintain and repair undersea weapons, ordnance, and associated equipment. Naval Surface Warfare Center, Crane Division, IN. Function: maintain and repair Fleet surface weapons, ordnance, and associated equipment.
- *Commander Navy Regional Maintenance Command* (CNRMC). Oversees the planning, contracting and management of private sector depots in their execution of surface ship maintenance.

Naval Air Systems Command (NAVAIR) /Commander Fleet Readiness Centers (COMFRC)

- *Naval Aviation Fleet Readiness Centers*. Fleet Readiness Center East, Cherry Point, NC; Fleet Readiness Center Southeast, Jacksonville, FL; Fleet Readiness Center Mid-Atlantic, Oceana, VA; Fleet Readiness Center Southwest, North Island, CA; Fleet Readiness Center West, Lemoore, CA; Fleet Readiness Center Northwest, Whidbey Island, WA; Fleet Readiness Center Western Pacific, Atsugi, Japan and Fleet Readiness Center Aviation Support Equipment, Solomons Island, MD. Function: provide maintenance, repair and overhaul of aircraft, engines/modules, components, support equipment and services.

The Naval Aviation depot maintenance process is a shared responsibility between the NAVAIR and the Fleet Readiness Centers (FRCs). NAVAIR leads aviation depot maintenance resourcing, industrial planning and policy. COMFRC leads organic industrial maintenance execution (Figure 3).

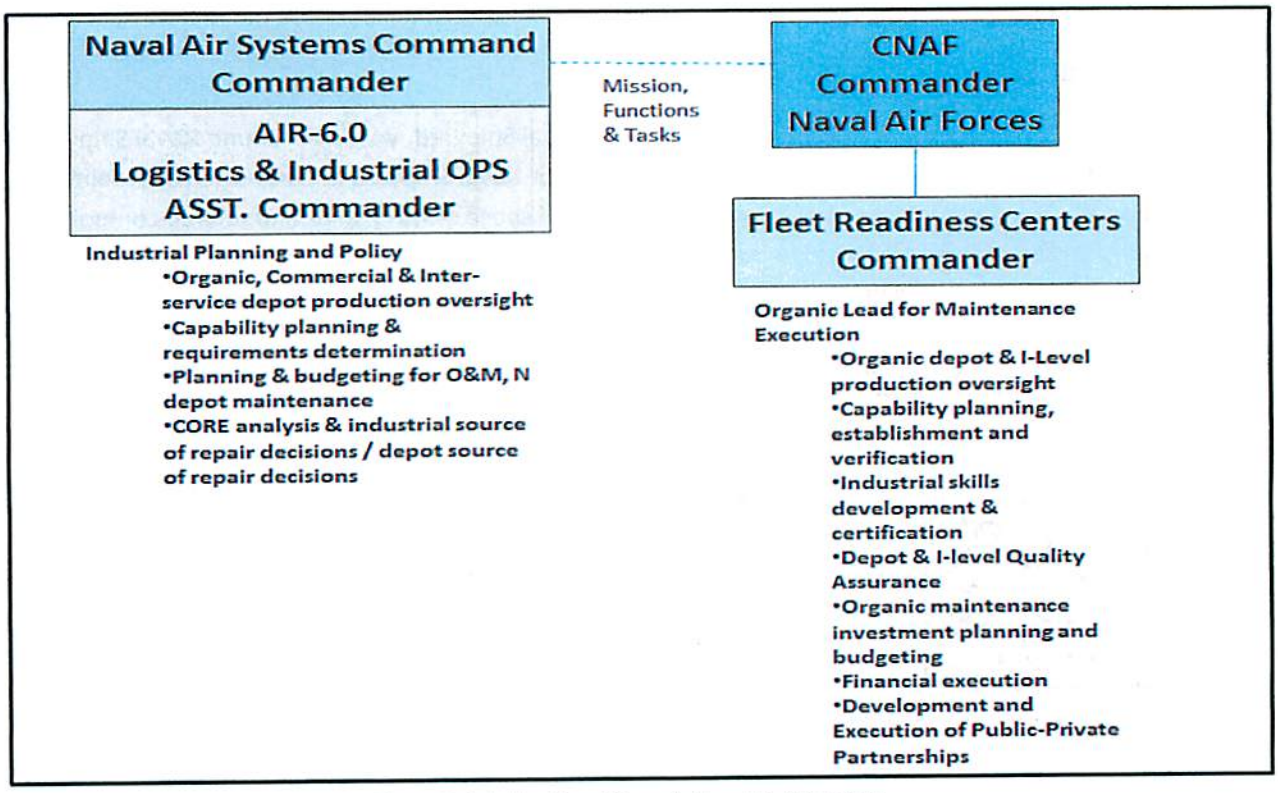


Figure 3: Aviation Depot Organizational Relationship

To realize the opportunities and navigate the challenges ahead, the Navy has a clear plan for how it will organize, integrate, and transform its depot maintenance to support future readiness needs. The depots will provide agile, responsive, and integrated maintenance capabilities aligned with and in support of Navy Enterprises and Joint strategic requirements. As the Navy depots address the needs of the Fleet today, they are taking concrete steps to achieve the future vision of modernized infrastructure and skilled workforce ready to meet the challenges of supporting greater operational readiness. They will be ready to support the new technologies and equipment that sharpen the Navy's war fighting advantage against evolving threats.

The Navy Depot Maintenance Strategic Plan provides an outline for implementing the strategic elements of the vision for the Navy's depots. The plan is organized around the following four strategic elements:

- Transform the depots to align operations and metrics with war fighter outcomes

- Identify and sustain requisite core maintenance capabilities
- Develop and sustain a highly capable, mission-ready workforce
- Ensure an adequate infrastructure to execute assigned maintenance workload

The Navy Depot Maintenance Strategic Plan is derived from and supports the National Defense Strategy, Navy Strategy and the DoD Depot Maintenance Strategy and Implementation Plan. Within the framework and guidelines of the overall Navy Depot Maintenance Strategic Plan, components develop implementation strategies for Systems Commands, shipyards, Fleet Readiness Centers, and Warfare Centers (Figure 4). Each of the System Commands incorporate this strategy into their own strategic documents and associated implementation guidance, such as NAVSEA's Naval Sea Enterprise Shipyard Transformation (One Shipyard, SHIPMAIN, Shipyard Lean Transformation) and NAVAIR's Naval Aviation Industrial Enterprise Transformation (Depot AIRSpeed).

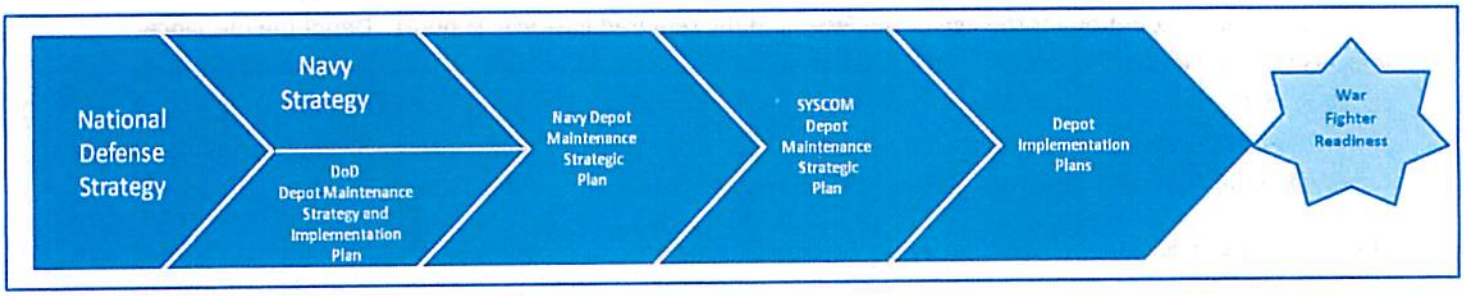


Figure 4: Strategic Plan Implementation

External Factors

As articulated in the National Defense Strategy, the Navy will remain critical to our national security and our nation's economic prosperity. It will continue to be called upon to protect the interconnected systems of trade, information, and security. Operating forward at maritime crossroads across the globe, the Navy will be required to deliver credible capability for deterrence, sea control, and power projection to deter or contain conflict, and fight and win wars. At the same time, it will need to address economic change by being effective and efficient, leveraging new technology and operating concepts. Through effective maintenance, timely modernization, and sustained production of ships, aircraft and expeditionary equipment, the Navy will sustain our Fleet capability. The reach and effectiveness of ships and aircraft will be greatly expanded through new and updated weapons, unmanned systems, sensors, and higher energy efficiency. Unmanned systems in the air and water will employ greater autonomy and be fully integrated with their manned counterparts. The Navy will continue to pursue dominance in the undersea domain using a network of sensors and platforms. Cyberspace will continue to be operationalized with capabilities that span the electromagnetic spectrum. The Navy Depot Maintenance Strategic Plan lays the groundwork for maintaining Fleet readiness in this new and evolving environment (Figure 5).

The Navy's Depot Maintenance Strategic Plan is driven by the need to provide readiness to meet the requirements of the Defense Strategic Guidance. With the drawdown of military conflicts in the Central Command and national strategic realignment, the Navy must address the maintenance requirements for reshaping the forces into an agile, flexible force ready for the full range of contingencies. Depot maintenance needs to support the emerging operational and strategic shifts, and the corresponding changes in Fleet concentration areas as outlined in the CNO Sailing Directions. Additionally, at a time of dramatic fiscal decline, the Navy's depot maintenance infrastructure must provide cost effective maintenance on an ever more technologically advanced equipment base. It needs to reduce the "cost of doing business."

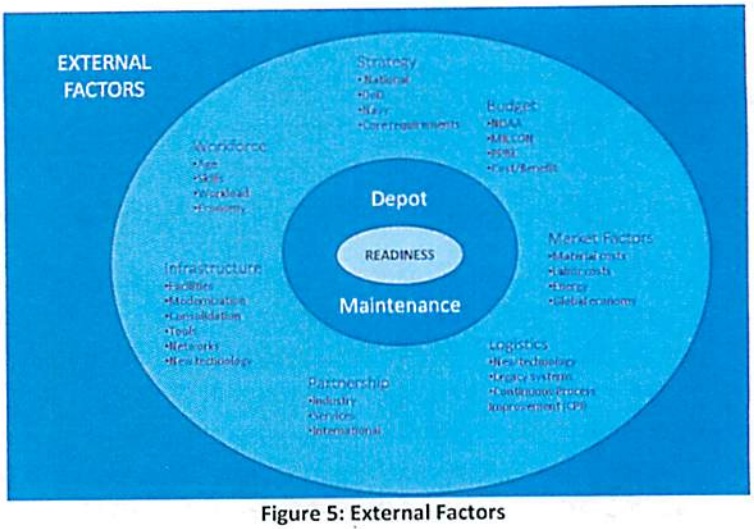


Figure 5: External Factors

At this national strategic turning point, Navy depot maintenance is focused on a logistical transformation to meet the new environment of fiscal uncertainty while maintaining readiness. Logistics are being transformed to meet the challenges of maintaining the new investments focused on intelligence, surveillance, and reconnaissance; counterterrorism; operating in anti-access environments; and cyberspace. At the same time, the depots continue to maintain the legacy systems required to meet strategic objectives while accounting for the age of the Fleet and the required life-cycle support. Depot maintenance impacts the maintenance plans for each equipment type, the Fleet modernization plan, actual and projected operational tempo, and the Planning, Programming, Budgeting, and Execution (PPBE) process. Future logistics is planned based on the Defense Strategic Guidance and must be flexible to meet the evolving budgetary changes as reflected in the PPBE process and in the annual National Defense Authorization Acts.

The Navy's strategic plan is also bound by the legislative requirements set forth in:

- 10 U.S.C. § 2366a/2366b Major Defense Acquisition Programs: Certification
- 10 U.S.C. § 2460 Definition of Depot-Level Maintenance and Repair
- 10 U.S.C. § 2464 Core depot-Level Maintenance and Repair Capabilities
- 10 U.S.C. § 2466 Limitation on the Performance of Depot-Level Maintenance of Materiel
- 10 U.S.C. § 2469 Contracts to Perform Workloads Previously Performed by Depot-Level Activities of the Department of Defense
- 10 U.S.C. § 2472 Prohibition of Management of Depot Employees by End Strength
- 10 U.S.C. § 2474 Centers of Industrial and Technical Excellence: Designation: Public-Private Partnerships
- 10 U.S.C. § 2476 Minimum Capital Investments for Certain Depots

The legislation ensures that DoD maintains a core depot capability to address the maintenance needs of present and future combat critical platforms. The strategic plan long term goals identify core requirements in the program initiation stages and plan for the required infrastructure and skillsets. The Navy accounts for the constraints of adding public and private depot capacity and capability, knowing that it requires long-term planning due to the specialized infrastructure and skill sets, and is impacted by available capital investment funds. In a constrained fiscal environment, a cost-benefit analysis is utilized in examining shifts in capability. In addition to the core capability, depot maintenance accounts for the temporary depot surges due to unforeseen events (e.g., collisions, natural disasters), class deactivation or maintenance due to Overseas Contingency Operations.

With the Navy depot consolidation in the 1990s, the depots were left with a disproportionately older workforce that is now approaching retirement. Workforce revitalization will reestablish the appropriate demographic balance to ensure that the workforce has the right skill sets and experience to meet the maintenance needs of the Fleet now and into the future. However, the ability to recruit and retain the required skilled labor force is influenced by the economy and the pool of available skilled workforce. The Navy depot maintenance workforce needs to be right-sized with the right skills. The future depot workforce will need to have higher skill sets, be better educated, and more mobile. The workforce needs to be able to effectively function in an environment of advanced information management tools and production techniques.

The ability of the Navy to meet its depot maintenance needs is dependent on capital investment in physical infrastructure and equipment. The resources available are determined by the Federal budget process and by Title 10 U.S.C. § 2476 statutory guidance that requires annual reinvestment of not less than 6% of the average combined workload over the preceding three fiscal years. Capital investment decisions assume that major physical constraints of each shipyard, such as number of drydocks and navigational approaches will remain unchanged. With a capital investment backlog, investments are targeted based on a cost-benefit analysis. The decisions take into consideration compliance with regulatory guidance, such as the Energy Policy Act, Energy Independence and Security Act, Executive Order 13423 "Strengthening Federal Environmental, Energy, and Transportation Management", and Executive Order 13514 "Federal Leadership in Environmental, Energy, and Economic Performance" .

Stakeholders

Stakeholder is an inclusive term that refers to the end-users, entities providing requirements, and the people or entities benefiting from the Navy depot products. Stakeholders further break down into key stakeholders or executing organizations; primary stakeholders or depot customers; and secondary stakeholders or those whose mission benefit in a more general sense from Navy depot maintenance, such as DoD, the Administration and Congress.

During the strategic planning process, the following stakeholders were identified:

Key Stakeholders: OPNAV N4 and N9, Naval Sea Systems Command (NAVSEA) , Naval Air Systems Command (NAVAIR), Commander Fleet Readiness Centers (COMFRC), Space and Naval Warfare Systems Command (SPAWAR), Naval Facilities Engineering Command (NAVFAC) , Naval Supply Systems Command (NAVSUP), and the warfare enterprises (i.e., Undersea Enterprise (USE), Naval Aviation Enterprise (NAE), Surface Warfare Enterprise (SWE), Navy Expeditionary Combat Enterprise (NECE)).

Primary Stakeholders: OPNAV, United States Fleet Forces Command (USFLTFORCOM), United States Pacific Fleet (USPACFLT), Navy Expeditionary Combat Command (NECC), Type Commanders (TYCOMs), and ASN (Financial Management and Budget.

Secondary Stakeholders: Combatant Commands (COCOMs), Department of Defense (DoD), Congress, Administration, taxpayers.

The Navy Depot Maintenance Strategic Plan was developed through close coordination with several of the key stakeholders. Additionally, OPNAV conducted a comprehensive environmental scan prior to developing this Strategic Plan, including the review of higher-echelon guidance such as the Quadrennial Defense Review, the National Military Strategy, the DoD Logistics Strategic Roadmap, the DoD Strategic Management Plan, the DoD Depot Maintenance Core Capabilities Determination Process, the DoD Depot Maintenance Strategy and Implementation Plans and the Chief of Naval Operations Sailing Directions. Together, these strategy documents guided the development of this plan and ensured our priorities are aligned with DON and DoD priorities. OPNAV also reviewed customer and stakeholder strategic plans including those from NAVAIR, COMFRC, NAVSEA, NAVFAC and SPAWAR to ensure that this plan addressed their requirements and goals in supporting depot maintenance and national security interests. The feedback and perspectives of the stakeholders was essential in crafting a results-oriented strategy with measurable performance goals.

OPNAV N43 will annually assess progress on the strategic plan in accordance with the process detailed in the "Metrics and Assessment" section of this plan. On odd numbered years, OPNAV N43 reviews and updates the plan as part of the strategic plan review process. Additionally, OPNAV conducts an assessment and evaluation meeting every other year with the Depot Maintenance Strategic Steering Group (consisting at a minimum of the primary stakeholders). The purpose of the meetings is:

- Examine external factors that impact the strategic plan and associated goals
- Evaluate the strategic plan to ensure alignment to the latest guidance
- Evaluate progress on goals and objectives

Successful localized efforts will be replicated across the organization and added to strategic plan updates, to drive continual improvement and maintain the link between strategy and execution. Major strategic planning efforts will occur as directed by leadership and/or prompted by strategic, global, and/or mission changes.

Metrics and Assessment Tools

In order to determine progress on a strategic plan, it is important to define the parameters or metrics that will be monitored. In this strategic plan, we sought to embrace the spirit of SECDEF's memorandum "Consideration of Costs in DOD Decision-Making" and minimize the administrative burden of the metrics and assessments. OPNAV compared the metrics monitored by SYSCOMs to the plan's goals, strategy and objectives. In all cases, SYSCOM assessment tools monitored metrics relevant to tracking progress on achieving the strategic plan goals. As reflected in Tables 1-4, the Navy strategic plan metrics were chosen based on their ability to measure the progress of the detailed objectives. The metrics selected are quantifiable and sufficient to monitor progress at strategic level and to guide staff level decision making. Since there are no "one size fits all" set of metrics that will address the diversity of depot maintenance activities (i.e., ship, airplane, submarine, ground vehicle, C4ISR) conducted by the SYSCOMs, the metrics are a "recommended" set from which the depots can select the appropriate metrics to monitor progress. All baselines will be indexed to the completed year's President's Budget (PB) and Future Year's Defense Plan (FYDP).

In determining a methodology to monitor progress on the strategic plan goals, a conscious effort was taken to avoid monitoring detailed metrics that were so detailed as to obscure strategic level trends, and to avoid those that would lead OPNAV to make decisions that are best managed by the execution organizations. To assess progress in achieving the strategic plan goals, the depot SYSCOMs will draw upon the recommended set of metrics to document their progress. By October 1 of each year, NAVSEA and NAVAIR will submit an assessment to OPNAV 43 utilizing the format provided in Appendix B, documenting the metrics used to derive their assessment. In November, N43 will meet with the reporting units to review the assessment and any proposed change in metrics for the subsequent year. Initial metrics will be submitted to OPNAV in March following the PB release. Any change in metrics will be approved by N43. With this approach, OPNAV is able to maximize efficiencies and minimize the cost of monitoring the Navy's progress on its Depot Maintenance Strategic Plan.

Additionally, OPNAV N43 Fleet Readiness Division utilizes several assessment tools at the Echelon I level to monitor and forecast the Navy's war fighter readiness. Central to Fleet readiness is the performance of depot maintenance. In general, a negative trend in any of the readiness tools alerts OPNAV to potential issues with depot maintenance.

Depot Maintenance Strategy Focus Areas

The Navy Depot Maintenance Strategic Plan is structured on the DoD depot maintenance strategic elements:

- Logistics transformation
- Core logistics capability assurance
- Workforce revitalization
- Capital investment

Guided by the Navy depot maintenance mission and vision, the plan lays out the short and long term goals, strategy to achieve the goals, and specific objectives in implementing the strategy. Taking into consideration the DoD PPBE planning process and the complexity of the Navy's maintenance depot infrastructure, the short term goals are to be achieved in 3-4 years and the long term goals in 5-7 years. The strategic focus areas, short and long term goals, strategy to achieve the goals, specific objectives in implementing the strategy, metric and assessment tools are laid out in the following four tables.

Table 1: Logistics Transformation Goals and Objectives

Strategic Area 1: Logistics Transformation		
Goals	**Objectives**	**Metrics (Recommended)**
1. Ensure a fully optimized maintenance capability. • 1.1 Short-term: Ensure on-time delivery of ships, aircraft, engines and components to meet fleet entitlements for ready forces. • 1.2 Long-term: Reduce costs and cycle times while maintaining high standards of quality. • 1.3 Long-term: Reduce the depot maintenance component of Total Ownership Cost (TOC) on current and future systems. <u>Strategy:</u> The strategy to achieve logistics transformation is through: • Producing increased readiness and reduced repair cycle times through disciplined application of continuous process improvement techniques, leveraging the best value from within the Navy and commercial industry. (1.1) • Tailoring the infrastructure, logistics processes, and by employing a flexible labor force to maximize the worker on task time, minimize overhead costs and address the tightened budgetary environment. (1.2) • Alignment of acquisition and maintenance on systems by incorporating maintenance considerations in the acquisition process through a total system approach. (1.3)	1.1.1 and 1.2.1 Expand Continuous Process Improvement (CPI) methods and tools to reduce cycle times, address fiscal constraints and improve the efficiency, quality and responsiveness of operations. 1.2.2. Relocate functions within depots to more efficiently meet future requirements. 1.3.1 Early identification of maintenance requirements in the acquisition cycle to effectively plan lean, targeted logistics, maximizing existing infrastructure. 1.3.2 Platform life cycle maintenance engineering, maintenance and modernization planning, and management of maintenance strategies aligned to lower total ownership costs.	• M1: On-Time Delivery (OTD) Percentage (1.1.1) • M2: Ship/Unit Availability (Ao)/Loss Days (1.1.1) • M3: # Planned vs. Actual Mandays, DLHs (1.1.1) • M4: Cost, Schedule Variance (1.1.1) • M5: Function Consolidation and Rationalization (1.2.1, 1.2.2) • M6: Milestone Decision Authority Approvals (1.3.1, 1.3.2) • M7: Platform Planned Service Life (1.3.2) Assessment Tools: • CFRC Production Financial Report (PFR) (M1) • Loss Day Report (M2) • Depot Annual Workforce Assessment /Naval Shipyard Business Plan (M3, M4, M5) • CORE Report (M5) • PIA/IA (M5) • Fund 6 Report (M5) • Early Acquisition Lifecycle Depot Maintenance Planning Tool (ex. PIA/IA) (M6, M7) • Ship and Aircraft Supplementary Data Tables (SASDT)/ Aircraft Program Data File (APDF) (M7)

Table 2: Core Capabilities Assurance Goals and Objectives

Strategic Area 2: Core Capability Assurance		
Goals	**Objectives**	**Metrics (Recommended)**
2. Ensure sufficient public sector industrial capability is established and sustained in order to assure peacetime, surge, and wartime material readiness. • 2.1 Short-term: Maintain the proper balance between public sector and private sector depot maintenance workload. • 2.2 Long-term: Develop and maintain a ready and controlled source of depot-level maintenance and repair capability for current and new programs and future technologies. Strategy: The strategy to achieve public sector industrial capability assurance is: • To be sized (in terms of infrastructure) and shaped (in terms of capability) to support Naval readiness through organizational agility, flexibility, and proximity to the operating forces. (2.1) • To focus on schedule and quality through standardizing processes, sharing resources among public depots, and partnering with the private sector. (2.1) • To fund a sufficient workload at organic facilities to sustain the identified core capabilities. (2.1, 2.2) • To identify and sustain requisite core maintenance capabilities through a planning process that effectively estimates and monitors near and long term workload. (2.2) • To forge strong liaison between maintenance activities and the acquisition community to ensure that maintenance requirements and planning are in synch. (2.2)	2.1.1 Compliance w/ established Depot Source of Repair Decisions, DoD Instruction 4151.20, and legislative guidance (10 U.S.C. § 2366a/2366b, 2464, 2466, 2474, and 2476) 2.2.1 Increase interaction between maintenance community and acquisition community. 2.2.2 Identify core combat critical platforms prior to U.S.C. § 2366a Milestone A. 2.2.3 Identify critical skill/capability/capacity core related shortages within the public sector.	• M1:Current and Projected Public vs. Private Sector Ratios Trends (2.1.1) • M2: # of Core Capability Shortfalls (2.1.1, 2.2.1, 2.2.2, 2.2.3) • M3: # of Programs Achieving Compliance with U.S.C. § 2366a/2366b on First Pass (2.2.1, 2.2.2) • M4: Value ($) of Core Capability (2.2.3) Assessment Tools: • Annual 50/50 Reports (M1) • Biennial Core Reports (M2, M4) • 10 U.S.C. § 2366a/2366b Acquisition Milestones A & B Reports (M3)

Table 3: Workforce Revitalization Goals and Objectives

Strategic Area 3 : Workforce Revitalization		
Goals	**Objectives**	**Metrics (Recommended)**
3. To develop and sustain a highly capable, mission-ready workforce. • 3.1 Short-term: Replenish and develop human capital resources. • 3.2 Long-term: Driven by anticipated workload, shape the workforce to the right size with the right skill sets to meet future demand and accommodate workload fluctuation. • 3.3 Long-term: Increase labor efficiency to meet constrained fiscal environment. Strategy: The strategy to achieve workforce revitalization is: • By actively conducting workforce shaping via retention or, when necessary, attrition, minimizing adverse personnel actions. (3.1) • Through an integrated workforce plan that includes hiring, diversity goals, an apprentice program, standardized training, mentoring, leadership development and sharing critical skills across depots. (3.1, 3.2) • Plan for required future skills based on new platforms and the future force composition. (3.2) • Utilize Continuous Process Improvement/Lean Six Sigma labor focused projects to drive greater labor efficiency. (3.3)	3.1.1 Fill gaps in workforce through aggressive retraining initiatives with targeted hiring to maintain critical skills. 3.1.2 Reinforce the Labor-Management Councils efforts in collaborating on implementing and monitoring the revitalization plan. 3.2.1 Revitalization strategy incorporated in Independent Logistics Assessments (ILAs), including apprentice programs for long-term skill revitalization, hiring entry-level engineers and production personnel to rebalance grade distribution, workforce sharing for a more flexible workforce, and focused training and education of workers. 3.2.2 Optimize overtime to more efficient and effective levels of execution and budget for surge. 3.3.1 Reduce indirect costs and hour/task ratios.	• M1: Progress on Workforce Development Plan Milestones (3.1.1, 3.1.2) • M2: Workforce Age Demographics (3.2.1) • M3: # of Successful ILA Maintenance Planning Sections with CORE Identified (3.2.1) • M4: Overtime Ratio (3.2.2) • M5: Overhead Efficiency Ratio (Direct Labor/Total Labor) (3.3.1) Assessment Tools: • Depot Annual Workforce Assessment /Naval Shipyard Business Plan (M1, M2, M3, M4, M5) • Annual Workforce Age Demographic Report (M2, M5) • ILA Reports (M3) • 1397 Report (M5)

Table 4: Capital Investment Goals and Objectives

Strategic Area 4 : Capital Investment		
Goals	**Objectives**	**Metrics (Recommended)**
4. Ensure an adequate infrastructure to execute current and future workload. • 4.1 Short Term: Right size industrial capability to optimize for force structure projections by reducing outdated industrial equipment and achieving facility footprint reduction goals while improving safety. • 4.2 Long Term: Understand future fleet needs and maintenance strategies as they map to required investments to support core capabilities at both Depot and Intermediate maintenance locations. • 4.3 Long Term: realign IT resources and insert technology to streamline business processes, reduce IT costs, generate greater depot maintenance efficiency and improve data collection and analysis. <u>Strategy:</u> The strategy is to achieve effective capital investment is: • Invest in critical infrastructure to support depot-level operations and, ultimately, the war fighter and ongoing combat operations. (4.1) • Insure public sector core maintenance capabilities. (4.2) • Invest in industrial capacity to support cell manufacturing. (4.3) • Infusion of new technology to gain efficiency and capability. (4.3)	4.1.1 Invest in essential facilities to provide mission capability and capacity for current and future workload. 4.1.2 Create economies of scale through group buys of similar depot assets and procurement of commercially available standardized depot equipment. 4.2.1 Investment in sustainment technologies to keep pace with the latest industry standards. 4.2.2 Invest in infrastructure required to support future systems (UVs, cyber, 5th gen aircraft). 4.3.1 Consolidate current depot IT infrastructure into a net centric, shared data environment. 4.3.2 Network assets to optimize the workday and reduce maintenance costs (eTWD, RFID).	• M1: Capital Investment and Sustainment, Revitalization and Maintenance(SRM) levels relative to 6% floor (Title 10 USC 2476) (4.1.1) • M2: Facility Maintenance Backlog Trends (4.1.2) • M3: # of New Sustainment Technologies Implemented (4.2.1, 4.2.2) • M4: Function Consolidation and Rationalization (4.3.1) • M5: IT Roadmap with a Business Plan and Defined Milestones (4.3.1, 4.3.2) • M6: IT Cost Savings (4.3.2) Assessment Tools: • Fund 6 Report (M1, M2, M3, M4) • Annual Naval Shipyard Business Plan (M1, M5, M6) • Biennial Core Reports (M3) • Depot IT Strategic Plans (M5, M6)

Summary

The Navy Depot Maintenance Strategic Plan provides the guidance to assist the Navy depots in improving support to the war fighter through logistics transformation, core logistics capability assurance, workforce revitalization and prudent capital investment. As illustrated in Figure 6, the strategy is a dynamic document that reflects the continuous process of implementation, monitoring, assessment, stakeholder feedback and revision. OPNAV continues to partner with the stakeholders on implementation and assessment. In addition to monitoring metrics, OPNAV conducts regular stakeholder interaction, solicits feedback and adjusts the strategic plan as necessary to meet the Fleet's readiness requirements. The plan is also adjusted as the dynamic national strategic guidance and the external environment evolve. Fulfillment of this plan ensures the next generation of depot-level support delivers 21st-century maintenance capabilities and support to naval combat forces fulfilling their strategic commitments around the world.

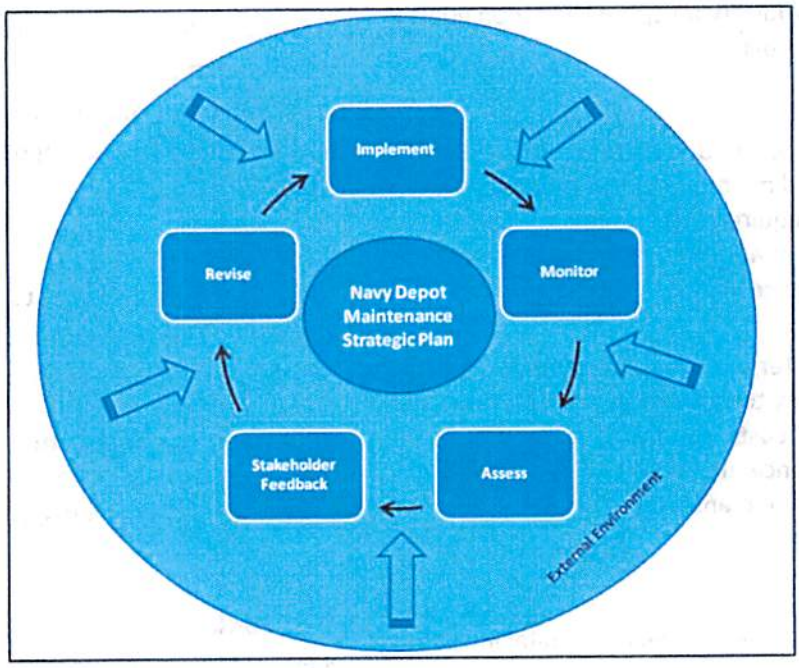


Figure 6: Dynamic Strategic Plan

APPENDIX A

Acronyms

Ao	Operational Availability
AOR	Area of Responsibility
APDF	Aircraft Program Data File
C4ISR	Command, Control, Communication, Computers, Intelligence, Surveillance and Reconnaissance
CEEI	Civil Engineer End Item
CESE	Civil Engineer Support Equipment
CNAF	Commander Naval Air Forces
CNRMC	Commander Navy Regional Maintenance Command
CNO	Chief of Naval Operations
COCOM	Combatant Commands
COMFRC	Commander Fleet Readiness Centers
COTS	Commercial Off the Shelf
CPI	Continual Process Improvement
DLH	Direct Labor Hours
DoD	Department of Defense
DRRS	Defense Readiness Reporting System
eTWD	Electronic Technical Work Document
FMB	Financial Management and Budget
FRC	Fleet Readiness Centers
ILA	Independent Logistics Assessment
IT	Information Technology
MFOM	Maintenance Figure of Merit
MILCON	Military Construction
NAE	Naval Aviation Enterprise
NAVAIR	Naval Air Systems Command
NAVFAC	Naval Facilities Engineering Command
NAVSEA	Naval Sea Systems Command
NAVSUP	Naval Supply Systems Command
NDAA	National Defense Authorization Act
NECC	Navy Expeditionary Combat Command
NECE	Navy Expeditionary Combat Enterprise
OPNAV	Office of the Chief of Naval Operations
OTD	On-time Delivery
PFR	Production Financial Report
PIA/IA	Preliminary Industrial Assessment / Industrial. Assessment
PPBE	Planning, Programming, Budgeting, and Execution
RFID	Radio Frequency Identification
RFT	Ready for Tasking
SASDT	Ship Annual Supplemental Data Tables
SPAWAR	Space and Naval Warfare Systems Command
SWE	Surface Warfare Enterprise
SYSCOMS	System Commands
TYCOM	Type Commanders
U. S. C.	United States Code
USE	Undersea Enterprise
USFLTFORCOM	United States Fleet Forces Command
USPACFLT	United States Pacific Fleet
UV	Unmanned Vehicle
WSS	Weapons System Support

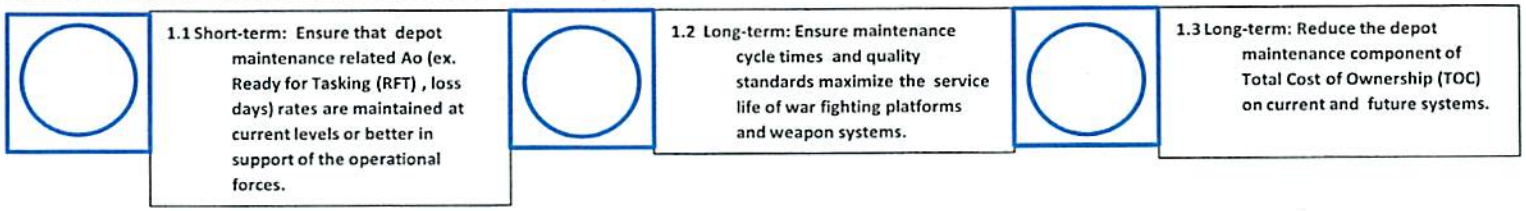
APPENDIX B

Command (ex. NAVSEA)

Fill in Stop Light chart with green, yellow, red to reflect the assessed progress towards the strategic goal. Gradient fills (ex. yellow to green) showing transition can be used when appropriate. Include separate sheets to provide details on the metrics used.

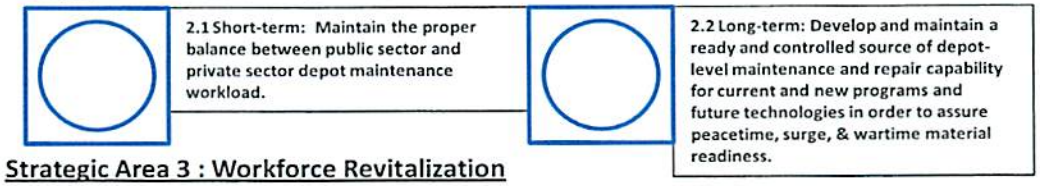
Strategic Area 1: Logistics Transformation

Goal: Ensure a fully optimized maintenance capability.



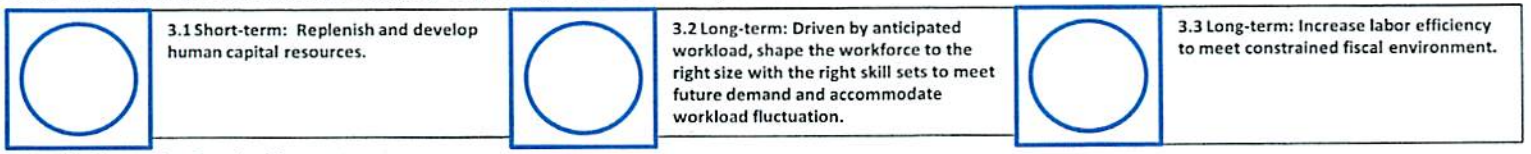
Strategic Area 2: Core Capability Assurance

Goal: Ensure an effective and efficient public sector industrial capability is established and sustained in order to assure peacetime, surge, and wartime material readiness.



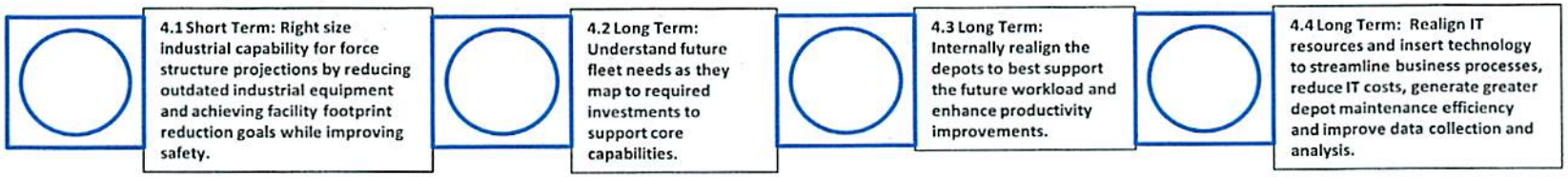
Strategic Area 3 : Workforce Revitalization

Goal: To develop and sustain a highly capable, mission-ready workforce.



Strategic Area 4 : Capital Investment

Goal: Ensure an adequate infrastructure to execute to current and future workload.



Assessed IAW The United States Navy Depot Maintenance Strategic Plan 2013