



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, DC 20350-2000

OPNAVINST 4400.11
N41
2 Jun 2016

OPNAV INSTRUCTION 4400.11

From: Chief of Naval Operations

Subj: HUSBANDING SERVICE PROVIDER PROGRAM POLICY

Ref: (a) FMO Husbanding Service Provider FIAR Guidebook
(NOTAL)
(b) NAVSUPINST 4205.3E
(c) Defense Federal Acquisition Regulation Supplement
(d) DoD 7000.14-R, Department of Defense Financial
Management Regulations, Volume 5, Chapter 9, May 2014
(e) Federal Acquisition Regulations

1. Purpose. To prescribe oversight, coordination, and direction for Department of the Navy's (DON) business process for acquiring husbanding services during port visits per references (a) through (e); and to codify a repeatable, holistic process that is independent of person, provides a clear governance, and has checks and balances with an inspection and feedback process.

2. Background

a. To enable a persistent forward presence, the Navy relies on a network of organic, host nation, and contractor provided support in conducting port visits around the globe. The critical nature and visibility of contractor support, associated expenditures, and visibility of these requirements necessitates that the Navy apply an inspectable approach to all facets of husbanding service provider (HSP) support including qualification and training of personnel, requirements generation, contract award, execution, and payment. Successful management and oversight responsibilities will ensure the Navy procures, and contractors provide, only required goods and services according to the terms and conditions of the contract at a fair and reasonable price.

b. A coordinated effort to reduce vulnerabilities across multiple commands is required to establish and monitor internal controls and take corrective actions in response to qualitative and quantitative metrics that measure the health of the HSP program.

3. Scope and Applicability. The provisions of this instruction are applicable to:

a. Navy commands and activities

(1) performing administrative, personnel, or operational training functions (including financial resourcing) for deployed units requiring HSP support;

(2) assessing or mitigating cyber vulnerabilities of HSP contractors or systems;

(3) performing assessment or inspection functions over HSP processes;

(4) providing training pipelines and formal instruction regarding HSP acquisition and services;

(5) exercising operational control of Navy's deployed units including scheduling of port visits, and vetting and approval of unit requirements;

(6) awarding, executing, and administering HSP contracts and procedures for HSP contractor payment; and

(7) interacting with HSP contractors.

b. Deployed Navy units generating requirements and receiving goods and services provided through HSP contract support.

4. Policy

a. Process. DON performs Navy husbanding and port services in a controlled, consistent and well-documented manner utilizing

internal controls and end-to-end business processes to prevent fraud, waste, and abuse. Port visit requirements will be planned and administered in compliance with references (a) and (b). The goal is to achieve appropriate support to the government.

b. Guidance. The Deputy Chief of Naval Operations for Logistics and Fleet Readiness (CNO N4) will establish guidance and controls by which echelon 2 commands who perform the functions listed in subparagraph 3a will monitor, measure, and report effectiveness in the management of financial improvement and audit readiness, acquisition regulations, and compliant HSP processes. Effective oversight and management of HSP processes will detect and mitigate vulnerabilities that may lead to occurrences of or willful participation in activities of fraud, waste, and abuse.

5. Responsibilities

a. Deputy Chief of Naval Operations for Manpower, Personnel, Training, and Education (CNO N1)

(1) Ensure HSP training curriculum is established and maintained at Surface Warfare Officers School, Naval Submarine School, Navy Supply Corps School, and all command pipeline courses. The appropriate resource sponsor will provide funding to support this training.

(2) Coordinate with fleets to ensure pre-deployment training is consistent with schoolhouse curriculum ensuring alignment and accuracy of material.

b. Deputy Chief of Naval Operations for Information Warfare (CNO N2N6)

(1) Develop and implement solutions to ensure cybersecurity and cyber resilience of Navy systems to protect information and communications between contracting personnel, Navy commands, and HSP contractors.

(2) Coordinate with Naval Supply Systems Command (NAVSUPSYSCOM) to ensure contract language affords the highest level of cybersecurity required for transacting business with international contractors.

c. CNO N4

- (1) Oversee the Navy's HSP processes and governance.
- (2) Establish Navywide policies for the control, use, and accountability of HSP support.
- (3) Establish required internal controls, metrics, and reporting requirements.
- (4) Monitor the performance of operational and supporting commanders in their support and execution of established HSP process controls.
- (5) Incorporate HSP program and annual ethics training into the appropriate curriculum via Naval Education and Training Command.
- (6) Maintain appropriate documentation to demonstrate compliance with established regulations governing HSP.
- (7) Retain a list provided by Commander, U.S. Fleet Forces Command (USFLTFORCOM) and Commander, Pacific Fleet (COMPACFLT) of subject matter experts that the Naval Inspector General (OPNAV N09G) will draw from for inspection team augmentation process.
- (8) Establish appropriate oversight of the Navy's HSP program within the CNO N4 code.

d. OPNAV N09G

- (1) Evaluate and document compliance with HSP policies during regularly scheduled echelon 2 command inspections that do not duplicate existing inspections or assessments (i.e., supply management inspection, supply management certification, procurement performance and management assessment program).
- (2) Ensure that inspection teams are staffed with personnel qualified to make informed assessments and recommendations.

(3) Identify, collect, summarize, and report to Assistant Secretary of the Navy (Financial Management and Comptroller) annually the results of inspections and audits conducted by OPNAV N09G and NAVSUPSYSCOM.

e. NAVSUPSYSCOM

(1) Provide acquisition and contracting policy and oversight for all HSP procurements.

(2) Provide coherent strategic acquisition plans that ensure continued, global contracting support for port visit requirements.

(3) Provide global contracting support coverage for port visits through a system of contract vehicles which maximizes full and open competition, and fair and reasonable pricing.

(4) Ensure a regional fleet logistics center (FLC) is assigned to provide HSP contracting support in a given theater or numbered fleet area of responsibility.

(5) Ensure the global distance support center is able to inform and direct customers regarding HSP contracting support 24 hours a day, 7 days a week.

(6) Ensure assigned contracting officers are properly trained to provide support required in HSP contracting.

(7) Ensure contracting officers validate that all HSP contracting officer representatives (COR) nominees have completed the required training prior to appointment and conduct annual HSP COR functional reviews; and ensure CORs properly evaluate HSP contractor performance for each port visit per the contract quality assurance surveillance plan (QASP) and annually at the contract level in the Contractor Performance Assessment Reporting System (CPARS), when applicable.

(8) Ensure FLC contracting officers perform timely closeout and final reconciliation of task orders.

(9) Retain current port visit data repository capability until September 2017 or such time as a comparable solution is developed and implemented.

(10) Ensure retention of current contract language regarding population of port visit data until such time as a comparable data repository is developed and implemented.

(11) Provide HSP contracting support for Military Sealift Command (MSC) ships in all areas of operation (AOR) except Continental United States and in Caribbean and Central and South American ports.

f. USFLTFORCOM and COMPACFLT (through their assigned type commanders (TYCOM))

(1) Ensure that all forces provided to combatant commanders are trained and proficient in port visit management per specific procedural guidance promulgated by operation orders in the AOR to which they are deployed. All assigned units must receive HSP specific training prior to deployment to include Navy required annual ethics training and guidelines regarding interactions with prohibited sources.

(2) Validate proficiency in and compliance with applicable TYCOM and numbered fleet guidance by assigned units as part of regularly scheduled oversight inspections including supply management and administrative inspections.

(3) Collect, review, and forward monthly monitoring compliance reports regarding port visit planning and execution to include invoice acceptance, certification and payment.

(4) Ensure port visit costs for deploying units are centrally funded and bulk funds are provided to NAVSUPSYSCOM Global Logistics Support (NAVSUP GLS) correlating to the standard contract line item number (CLIN) structure of the HSP contracts.

(5) Ensure receipt inspectors have been trained and designated in writing and are the only personnel authorized to acknowledge receipt of any services.

(6) Conduct certification of HSP invoices for payment after acceptance by applicable fleet, numbered fleet, or MSC COR.

(7) Ensure proper reporting of cyber incidents resulting from business transactions with international vendors.

g. Fleet and Numbered Fleet Commanders. The responsibilities contained in subparagraphs 5g(1) through 5g(10) apply to CORs under fleet and numbered fleet commanders, including Commander, Task Force 80.

(1) Ensure an adequate number of trained personnel are nominated to supporting contracting officers for appointment as CORs for HSP contracts per reference (b).

(2) Ensure staffing levels are maintained utilizing military Selected Reserve or individual augmentees as necessary. It is expected there will be no gaps in COR manning due to civilian vacancies.

(3) Ensure all CORs are nominated and certified utilizing the Contracting Officer Representative Tracking (CORT) tool; complete required initial, annual, and refresher training per reference (b); upload training certificates to their profiles in the CORT tool; and annually file OGE Form 450 Confidential Financial Disclosure Report per Joint Ethics Regulations.

(4) Ensure HSP program managers and CORs have unfettered access to the first flag officer in the chain of command.

(5) Ensure CORs are familiar with all port visit processes, understand the AOR, and are able to assist deployed supply officers (SUPPO) with identifying HSP contract services available.

(6) Vet all logistics requirements (LOGREQ) from assigned afloat units to include approval of any deviation from the standard LOGREQ.

(7) Coordinate with the supporting FLC to acquire contract support.

(8) Perform invoice acceptance functions in invoicing, receipt, acceptance, and property transfer within 7 days of

invoice receipt per reference (c) after matching HSP invoices with shipboard DD Form 250 Material Inspection and Receiving Report and appropriate contract task order.

(9) Review ship provided port visit check lists and DD Form 250 documenting contractor performance, submit QASP reviews following port visits per the contract, and perform annual CPARS assessments for HSP contractors at the contract level.

(10) Ensure CORs are familiar with their responsibilities regarding cyber incident reporting per references (d) and (e).

h. MSC

(1) Provide HSP contracting support for MSC ships in Continental United States and in Caribbean and Central and South American ports.

(2) Ensure contracting officers are properly trained to provide support required in HSP contracting in addition to the standard warranted contracting officer qualifications.

(3) Ensure contracting officers and CORs properly evaluate HSP contractor performance for each MSC port visit per the contract QASP.

(4) Ensure administrative, personnel, and operational training functions, specifically addressing financial matters associated with HSP procurement.

(5) Ensure shipboard crew are specifically trained in port visit and HSP procurement processes and ethics issues associated with procurement and contractor communications.

(6) Ensure an adequate number of trained personnel are nominated to NAVSUP FLC contracting officers to be appointed as CORs supporting MSC requirements under HSP contracts per reference (b).

(7) Ensure unfettered COR access to the first flag officer or Senior Executive Service in the chain of command.

(8) Ensure CORs are familiar with all port visit processes, understand the AOR, and are able to provide guidance to afloat MSC SUPPOs concerning HSP requirements and procedures.

(9) Ensure CORs are nominated and certified utilizing the CORT tool; complete required initial, annual, and refresher training; upload training certificates to their profiles in the CORT tool; and annually file OGE Form 450 per Joint Ethics Regulations.

(10) Ensure port visit costs for MSC afloat units within the 5th, 6th, and 7th Fleets are centrally funded and bulk funds are provided to NAVSUP GLS correlating to the standard CLIN of the HSP contracts.

(11) Ensure CORs perform invoice review in the Financial Management System (FMS) tool after matching HSP invoices with shipboard DD Form 250 and appropriate contract task order.

(12) Ensure certification of funds for payment within the FMS.

(13) Ensure CORs review ship provided port visit check lists and DD Form 250 documenting contractor performance, and submit QASP reviews following port visits per the contract.

6. Action

a. CNO N4

(1) Execute overall HSP program oversight and issue specific actions required to ensure program health.

(2) Coordinate with CNO N2N6, Naval Criminal Investigative Service, NAVSUPSYCOM, and MSC to address cyber concerns regarding HSP contractor vetting and systems vulnerabilities.

b. USFLTFORCOM, COMPACFLT, Numbered Fleets, and TYCOMs

(1) Develop implementing procedures in coordination with other HSP responsibility holders and appropriate commands, and issue or revise procedures as necessary to ensure uniform compliance with this instruction.

(2) Include an annual compliance review of the policies stated in this instruction in conjunction with command inspection programs.

(3) Add HSP to their assessable units lists under the Managers' Internal Control Program.

c. Responsible Echelon 2 Commands. Submit HSP program metrics on a periodic basis to CNO N4 for inclusion in the Business Executive Dashboard.

7. Records Management. Records created as a result of this instruction, regardless of media and format, must be managed per SECNAV Manual 5210.1 of January 2012.

8. Forms and Information Management Control

a. Forms

(1) OGE Form 450 Confidential Financial Disclosure Report is available for download from U.S. Office of Government Ethics Web site:

<https://www.oge.gov/Web/oge.nsf/Resources/OGE+Form+450:+Confidential+Financial+Disclosure+Report>.

(2) DD Form 250 Material Inspection and Receiving Report is available for download from the Department of Defense Forms Management Program Web site:

<http://www.dtic.mil/whs/directives/forms/dd/ddforms0001-0499.htm>.

b. Information Management Control

(1) OMB 0704-0248 has been assigned to the data collected on DD Form 250.

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(2) OPNAV RCS 4400-6 has been assigned to the data collection contained in subparagraph 6c. The RCS is licensed for 3 years from the effective date of this instruction at which point the sponsor may cancel or relicense the collection.



W. F. MORAN
Vice Chief of Naval Operations

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