



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

OPNAVINST 7130.8A  
N82  
6 June 2012

OPNAV INSTRUCTION 7130.8A

From: Chief of Naval Operations

Subj: GUIDANCE FOR THE EXECUTION OF PROGRAM FUNDS FOR SHIP  
MAINTENANCE

Ref: (a) OPNAV N821 memo 5220 of 15 June 2007, Guidance for  
the Preparation and Submission of Deferred Ship  
Maintenance Data Requirements (NOTAL)

Encl: (1) Shipyard Quarterly Reports  
(2) Ship Maintenance Execution Thresholds

1. Purpose. To provide procedures for the execution of program funds for ship maintenance. The required actions and reports will encompass the four public shipyards that perform depot level maintenance on Navy ships - Norfolk Naval Shipyard, Puget Sound Naval Shipyard, Portsmouth Naval Shipyard, and Pearl Harbor Naval Shipyard. In addition, the required actions and reports must reflect metrics on availabilities that are conducted at private shipyards.

2. Cancellation. OPNAVINST 7130.8.

3. Discussion

a. The intent of this instruction is to ensure visibility is maintained with regards to: 1) shipyard quarterly reports (quarterly performance data, public shipyard and regional maintenance center workforce levels, quality of work metrics), 2) ship maintenance execution thresholds (cost dollars and mandays) and schedule, and 3) monthly deferred maintenance reporting requirements.

b. Successful ship maintenance is a derivative of many factors, including sound operational decisions, flexible and responsive organizational structures, and good business and financial practices. When combined, these attributes optimize program management and produce positive results.

c. Fleet ship maintenance managers are currently permitted to prioritize workload during execution to meet the fleet commanders' needs. Often this will involve deferring work on lesser priority work and move funding to cover shortfalls on other higher priority availabilities. The effects of these types of actions during the year of execution are not readily visible to decision makers involved in the budget process. This instruction will identify reporting requirements for these effects. Some will be in the form of periodic data submissions while others will involve requests that afford senior Navy leadership a role in the decision making process for significant changes to the budgeted ship maintenance plan.

#### 4. Action

a. Due to the high level of interest in deferred ship maintenance, both internal and external to the Department of the Navy, the reporting requirement outlined in reference (a) has been updated to provide a continuous track of deferred ship maintenance for use by various organizations within the Department of the Navy. This reporting process encompasses two phases. The first phase is an annual reporting requirement, utilizing OPNAV 7130/3 FY Ship Maintenance Threshold Action Request, for prior and current year deferred ship maintenance, both executable and not executable. The second phase, utilizing OPNAV 7130/2 Performance/Workforce Level Quarterly Report, is in the form of monthly update reports that will be prepared and submitted to the Office of Budget (FMB) during the course of the execution year. Using the annual report as a baseline, the monthly report will reflect changes in the total ship maintenance requirement, funding and shortfall as they occur during the execution year. Each updated monthly report will serve as the baseline for changes in the subsequent monthly report. The reporting process will be per reference (a).

b. The execution reporting procedures outlined in enclosures (1) and (2) and in reference (a) are required.

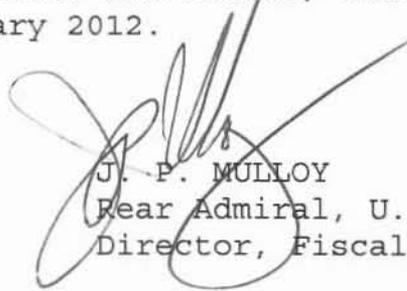
#### 5. Forms and Report Controls

a. OPNAV 7130/2 Performance/Workforce Level Quarterly Report and OPNAV 7130/3 FY Ship Maintenance Threshold Action Request are available for download from Naval Forms OnLine: <http://navalforms.daps.dla.mil/web/public/home>.

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b. Reporting requirements contained within this instruction are exempt from report control per Secretary of the Navy (SECNAV) Manual (M-) 5214.1 of December 2005.

6. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed per SECNAV M-5210.1 of January 2012.



J. P. MULLOY  
Rear Admiral, U.S. Navy  
Director, Fiscal Management

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Shipyard Quarterly Reports

1. Performance Data. To ensure total cost visibility and performance accountability, each naval shipyard shall submit quarterly performance data using OPNAV 7130/2 Performance/ Workforce Level Quarterly Report. Submissions are due to Naval Sea Systems Command (NAVSEASYS COM) Naval Shipyards Financial Management Division (04XF) by close of business (Eastern Standard Time) on the 24<sup>th</sup> of the month after the end of each quarter (e.g., 24 January, 24 April, etc.). Once validated and approved by NAVSEASYS COM, this data will be forwarded to Operations Division (FMB1). Costs and obligations should be reported cumulatively per quarter. The end of year performance data will be used to calculate performance metrics for the naval shipyard exhibit submitted to Congress in the Operation and Maintenance, Navy (O&M,N) volume II Data Book.

a. Direct Civilian Labor. Includes actual direct civilian salary and benefits costs plus direct overtime cost.

b. Direct Military Labor. Total military salary cost times percentage of military mandays spent on direct work.

c. Direct Material. Actual material (piece-part) costs.

d. Direct Contracts. Includes all contract labor costs.

e. Other Direct Costs. Includes direct costs not included in direct material and direct contracts. Examples include travel costs and equipment rental costs.

f. Overhead Civilian Labor. Includes actual overhead civilian salary and benefits costs, overhead transportation incentive program costs.

g. Overhead Military Labor. Total military salary cost less that reported as direct military labor.

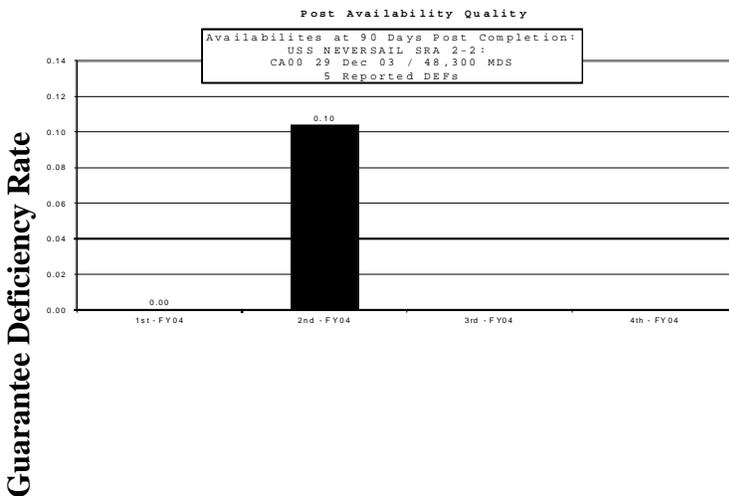
h. Overhead Non-labor. Includes such non-labor costs as overhead travel, telecommunications, office, shop, and furniture purchases less than Other Procurement, Navy (OPN) \$250,000 threshold, and crane maintenance etc.

i. Navy-Marine Corps Intranet (NMCI). Includes all costs for NMCI.

2. Quarterly Workforce Level at Naval Shipyards and Regional Maintenance Centers. Report the civilian and military work years by quarter with explanations for variances. The Performance and Quarterly Workforce Level report formats are contained in OPNAV 7130/2.

3. Quality of Work Metrics. The number of deficiencies submitted by a ship to the executing shipyard following a Chief of Naval Operations (CNO) scheduled availability is the basis of the quality metric (total guarantee deficiencies exceeding 24 man hours of corrective labor divided by each 1,000 man hours of actual availability labor expenditures). Inactivations and reactor compartment disposals (RCDs) are excluded. This metric will also be reported quarterly to NAVSEASYS COM Naval Shipyards Quality and Safety Division (04XQ) within 45 days of the end of each quarter. The below format applies:

**XXYYZZ Naval Shipyard and Intermediate Maintenance Facility**



\* Deficiency Rate: Number of guarantee deficiencies (DEF) (that have budgets or expenditures which exceed 24 man-hours) per 1,000 man-days (MDS) of actual expenditures. Availabilities considered: CNO scheduled availabilities, the 90-day guarantee period ended during the reporting quarter, and XYZNSY and intermediate maintenance facility as the Naval Support Activity. Inactivations and RCDs are not applicable.

Ship Maintenance Execution Thresholds

1. Fleet ship maintenance managers prioritize workload during execution to meet the fleet commanders' needs. Often this will involve deferring work on lesser priority work and move funding to cover shortfalls on other higher priority availabilities. The below threshold requirements are established to ensure leadership involvement with large changes in the budgeted ship maintenance plan.

2. The intent maintains visibility on large changes while continuing to allow fleet commanders to manage routine adjustments in a timely manner. The established thresholds are directly related to availability magnitude. The thresholds for larger availabilities were selected to capture all major changes for carrier and submarine work (e.g., docking planned incremental availability, planned incremental availability, depot modernization period, engineered overhaul, etc...). All calculations were based off the notional work packages for these availabilities. The thresholds for smaller availabilities were selected based on available metrics for surface ship maintenance.

3. The fleets manage the workload at the public shipyards in terms of man days. Therefore, these thresholds will be in man days. For availabilities conducted at all private shipyards, the thresholds will be in dollars.

4. Thresholds for availabilities that require prior approval to exceed:

a. Mission Funded Availabilities

(1) Availabilities greater than 50,000 man days, plus or minus 10 percent of budgeted mandays.

(2) Availabilities less than 50,000 man days, plus or minus 5,000 of budgeted man days.

(3) When an availability is rescheduled and crosses into another years workload.

b. Private Shipyards

(1) Availabilities greater than \$50,000,000, plus or minus 10 percent of cost.

(2) Availabilities less than \$50,000,000, plus or minus \$5,000,000 of the cost.

5. Requests for changes in excess of established thresholds will be submitted to OPNAV Director, Fiscal Management (N82) using OPNAV 7130/3 FY Ship Maintenance Threshold Action Request. Required information will include:

a. Ship name, type of availability, name of shipyard, man days (budget versus required), man day rate, cost (budget versus required), planned start and complete dates, adjusted start and complete dates.

b. Detailed explanation for exceeding threshold to include source of funding (hull, if applicable) and impact if not approved.