

SEP 2000?

NAVSEA  
4400  
Serial SEA 04/022

NAVICP  
4400  
Serial 84/33

MEMORANDUM OF AGREEMENT  
BETWEEN  
THE NAVAL INVENTORY CONTROL POINT  
AND  
THE NAVAL SEA SYSTEMS COMMAND

Subj: MAINTENANCE PLANNING & MATERIAL SUPPORT FOR SHOP 31 CORPORATE COMPONENT REPAIR PROGRAM FOR SSN-688 CLASS DEPOT MAINTENANCE AVAILABILITIES

1. Purpose. This Memorandum of Agreement (MOA) provides overarching terms of agreements and responsibilities among primary activities responsible for planning and accomplishing maintenance actions and providing supply support for SSN-688 class submarine DMPs, EROs and EOHs.
2. Background. The significantly large number of scheduled SSN-688 class submarine DMP/ERO/EOH maintenance availabilities commencing FY-00 has raised concern regarding the level of material support available to the shipyards in order to execute these availabilities. In an effort to ensure the successful execution of these availabilities, shipyard Inside Machine Shops (Shop 31) developed recommendations that will eliminate, as much as possible, Shop 31 work from the 688 Class Engineered Refueling Overhaul (ERO) and Depot Modernization Period (DMP) availability's critical path. The Shop 31 Corporate Planning Team concluded that a group of components common to all DMP and ERO availabilities should be repaired prior to an availability vice the current practice of remove/repair/reinstall during an availability. Repair of these components prior to an availability provides an opportunity to level the Shop 31 workload, maintain critical trade skills, and share work among the Naval Shipyards with the objective of removing Shop 31 from the availability critical path.
3. Parties to this Agreement. The signature parties to this agreement are the Naval Sea Systems Command (NAVSEA 04 and NAVSEA 92) and the Naval Inventory Control Point at Mechanicsburg, Pennsylvania. Participating organizational activities include: NAVSEA, SUBMEPP, NAVICP-M, Portsmouth Naval Shipyard, Norfolk Naval Shipyard, Puget Sound Naval Shipyard and Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility. All participants, along with their primary areas of responsibility, are described in paragraph 5.
4. Concept of Operations. Selected Shop 31 components will be established within the wholesale supply system to support SSN-688 class maintenance availabilities. These components will be managed by NAVICP-M and repairs funded by NAVICP's Navy Working Capital Fund (NWCF). Maintenance schedules for these components will be established by the Submarine Maintenance Engineering Planning and Procurement (SUBMEPP) Activity. 100% of "A" condition Shop 31 components will be pre-staged at each shipyard prior to the start of each maintenance availability. Initial investment to establish these quantities will be reduced by

utilizing carcasses located at each shipyard and other Navy sources vice procurement. Required component inventory levels will be determined by NAVICP and will be based upon:

- a. Maintenance schedules published by SUBMEPP
- b. Timely removal/turn-in of retrograde carcasses off of hulls by the performing shipyard Project Teams
- c. Established Designated Overhaul Point (DOP) and negotiated repair turn-around times (RTATs)

Unit prices for Shop 31 component repair items will be established based on the cost necessary to achieve the required component inventory levels and will contain NAVICP's "lowest tier" Cost Recovery Rate. The lowest tier cost recovery rate may vary slightly from year to year. The projected lowest tier rate for FY01 is 13%. NAVSEA 04 may elect to reduce the component unit prices through up-front funding of the initial procurements necessary to establish the required inventory levels. Funded requisitions will be submitted to NAVICP to obtain RFI Shop-31 components utilizing standard requisitioning procedures. Detailed operating procedures for the Shop 31 Corporate Component Repair Program will be described in a separate joint NAVSEA/NAVICP instruction.

#### 5. Responsibilities.

##### a. NAVSEA 04.

- (1) Approve and monitor Shop 31 Corporate Component Repair Program material and repair policies and instructions.
- (2) Assign Designated Overhaul Points (DOPs) for Shop 31 Corporate Component Repair Program assets.
- (3) Provide reimbursable funding in FY00 and FY01 to NAVICP for start-up costs associated with dedicated program and inventory management personnel and travel. These costs will be funded through the cost recovery rate beginning in FY03.
- (4) Ensure that at least 90% of the planned material requirements are drawn from the Shop 31 Corporate Component Repair Program

b. NAVSEA 92. NAVSEA 92 will provide technical and managerial guidance regarding operation of the Shop 31 Corporate Component Repair Program. NAVSEA 92 will establish SUBMEPP as their agent for management of this program. As agent, SUBMEPP will be responsible for the following:

- (1) Develop Shop 31 Corporate Component Repair Program material and repair policies and instructions in partnership with the Shop 31 Working Group.
- (2) Provide monthly report of components added/removed from previously published maintenance availability schedules.
- (3) Provide overall technical and corporate management functions as the Shop 31 Material Corporate Project Manager.
- (4) Prepare and submit management and financial reports as required.

(5) Act as liaison with NAVICP to ensure component delivery schedules support shipyard availability requirements.

(6) Ensure 100% accuracy of Planned Maintenance schedules in advance of requirement for all Shop-31 material so material is available at each availability start. Ensure 100% of changes are submitted for a repair or procurement lead-time in advance of subject requirements.

c. NAVICP.

(1) Provide inventory support and management of all Shop 31 Corporate Component Repair Program assets.(2) Calculate pool sizes and unit prices for all Shop 31 Corporate Component Repair Program assets in accordance with the above concept of operations.

(3) Provide monthly stock status reports for all Shop 31 Corporate Component Repair Program assets.

(4) Determine and utilize the most efficient DOP (assigned by NAVSEA 04) for repair of Shop 31 Corporate Component Repair Program assets.

(5) Ensure 100% of Shop-31 material is available at each availability start.

d. Naval Shipyards.

(1) Participate in the development of Shop 31 Corporate Component Repair Program material and repair policies and instructions.

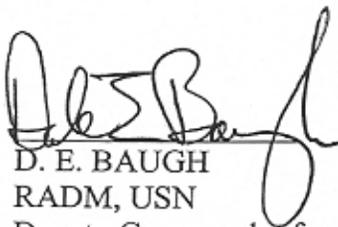
(2) Execute maintenance of Shop 31 Corporate Component Repair Program assets in accordance with NAVSEA/SUBMEPP material and repair policies and instructions.

(3) Accomplish timely component removal, turn-in, and repair in accordance with policies and instructions provided by SUBMEPP/SHAPEC and NAVICP (carcass turn-in, RTAT, repair contracts).

(4) Utilize repair and material handling procedures to ensure continued certification of L1/SS items.

(5) Ensure 100% of Shop-31 NRFI are removed, turned-in to NAVICP and repaired as scheduled so material is available at each availability start.

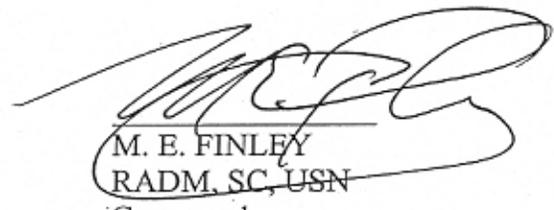
6. Effective Dates. This MOA will take effect when signed and will remain in effect until modified or cancelled upon agreement of all parties.



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DEPARTMENT OF THE NAVY

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IN REPLY REFER TO

4400  
Ser 392/0126  
08 Sep 00

From: Commander, Naval Sea Systems Command  
To: Commander, Naval Inventory Control Point

Subj: MAINTENANCE PLANNING & MATERIAL SUPPORT FOR SHOP 31  
CORPORATE COMPONENT REPAIR PROGRAM FOR SSN-688 CLASS DEPOT  
MAINTENANCE AVAILABILITIES

Encl: (1) Memorandum of Agreement (MOA) Between the Naval  
Inventory Control Point (NAVICP) and the Naval Sea  
Systems Command (NAVSEA)

1. Enclosure (1) is the MOA between NAVICP and NAVSEA which provides agreements and responsibilities among primary activities responsible for planning and accomplishing maintenance actions and providing supply support for SSN-688 Class submarine DMPs, EROs and EOHs.
2. This MOA has been signed by the Naval Sea Systems Command (NAVSEA 04 and NAVSEA 92) and the Naval Inventory Control Point (NAVICP).

*John J. Thomas, Sr.*

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NAVSHIPYD Pearl Harbor and IMF  
NAVSHIPYD Norfolk VA

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Internal Distribution:

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