

Chapter 1 – SUPSHIP Mission and Organization

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References

- (a) NAVSEAINST 5450.36B, Mission, Tasks, and Functions of the Supervisors of Shipbuilding, Conversion, and Repair
- (b) NAVSEAINST 5450.28F, NAVSEA Shore Activities and Detachments; Establishment, Disestablishment, or Modification
- (c) U.S. Navy Regulations
- (d) Federal Acquisition Regulations (FAR)
- (e) DoD Directive 5000.1, Defense Acquisition System
- (f) DoDINST 5000.2, Operation of the Defense Acquisition System
- (g) SECNAVINST 5400.15C, Department of the Navy Research and Development, Acquisition, Associated Life Cycle Management, and Logistics Responsibilities and Accountability
- (h) Fleet Modernization Program (FMP) Manual, SL720-AA-MAN-010 & 20
- (i) OPNAVINST 4700.7L, Maintenance Policy for U.S. Naval Ships
- (j) Joint Fleet Maintenance Manual (JFMM), COMFLTFORCOMINST 4790.3
- (k) NAVSEAINST 5730.1E, Legislative and Congressional Matters
- (l) NAVSEAINST 7500.1B, Audits of NAVSEA by External Audit Organizations (EAOS)

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Chapter 1 – SUPSHIP Mission and Organization

1.1 SUPSHIP Mission, Functions, and Organizational Relationships

1.1.1 General

The Supervisors of Shipbuilding, Conversion and Repair (SUPSHIPS) are echelon 3 shore commands reporting to Commander, Naval Sea Systems Command (NAVSEA).

1.1.2 SUPSHIP Mission

As detailed in [NAVSEAINST 5450.36B](#), reference (a), the mission of the SUPSHIPS is to administer and manage execution of Department of Defense (DoD) contracts awarded to assigned commercial entities in the shipbuilding and ship repair industry.

1.1.3 SUPSHIP Functions and Tasks

SUPSHIPS are responsible for the following functions and tasks:

- a. Serve as DoD's designated Contract Administration Office (CAO) responsible for performing Contract Administration Services (CAS) for all DoD contracts awarded to assigned contractors.
- b. Enforce contract requirements, ensuring contractors and the government satisfy their contractual obligations.
- c. Work with contractors and government activities to facilitate greater quality and economy in the products and services being procured.
- d. Manage the complexities and unique demands of ship construction and nuclear ship repair projects by performing the following non-CAS functions for Navy Program Executives Officers (PEOs), the Fleet, and NAVSEA headquarters:
 - (1) Project Management: Coordinate response to non-contractual emergent problems; coordinate activities of Pre-Commissioning Crews, Ship's Force and other government activities; communicate with customers and higher authority regarding matters that may impact project execution.
 - (2) Technical Authority: Serve as NAVSEA's waterfront Technical Authority responsible for providing government direction and coordination in the resolution of technical issues.
 - (3) Contract Planning and Procurement: Participate in acquisition planning and assessment of contractor qualifications.

- e. Apply a standard methodology for determining overall physical progress of Navy Ships under contract.
- f. For each shipbuilding program, apply risk assessment methodology for determining the allocation and effective mix of SUPSHIP resources.

1.1.4 Standard SUPSHIP Organization

SUPSHIPS are field activities of NAVSEA, operating under the direction of the Deputy Commander, Logistics, Maintenance and Industrial Operations (NAVSEA 04). Policy, guidance, and resourcing is provided by Director, SUPSHIP Management Group (NAVSEA 04Z).

Figure 1-1 illustrates the typical SUPSHIP organization. An organization chart for each SUPSHIP is provided as Appendices [1-A \(Bath\)](#), [1-B \(Groton\)](#), [1-C \(Gulf Coast\)](#), and [1-D \(Newport News\)](#). Deviations in the organization structure above the division level must be submitted to NAVSEA 04Z for approval; changes below the department level do not require NAVSEA 04Z approval. The SUPSHIP must maintain a current copy of the local organization manual and provide subsequent changes to NAVSEA 04Z that include a detailed organization chart for each department down to the division level. Double billing of personnel is permitted and should be used to meet specific operating conditions within existing personnel allowances and budgets. The duties of an absent department head or office head will be performed by the officer or civilian designated by the department or office head.

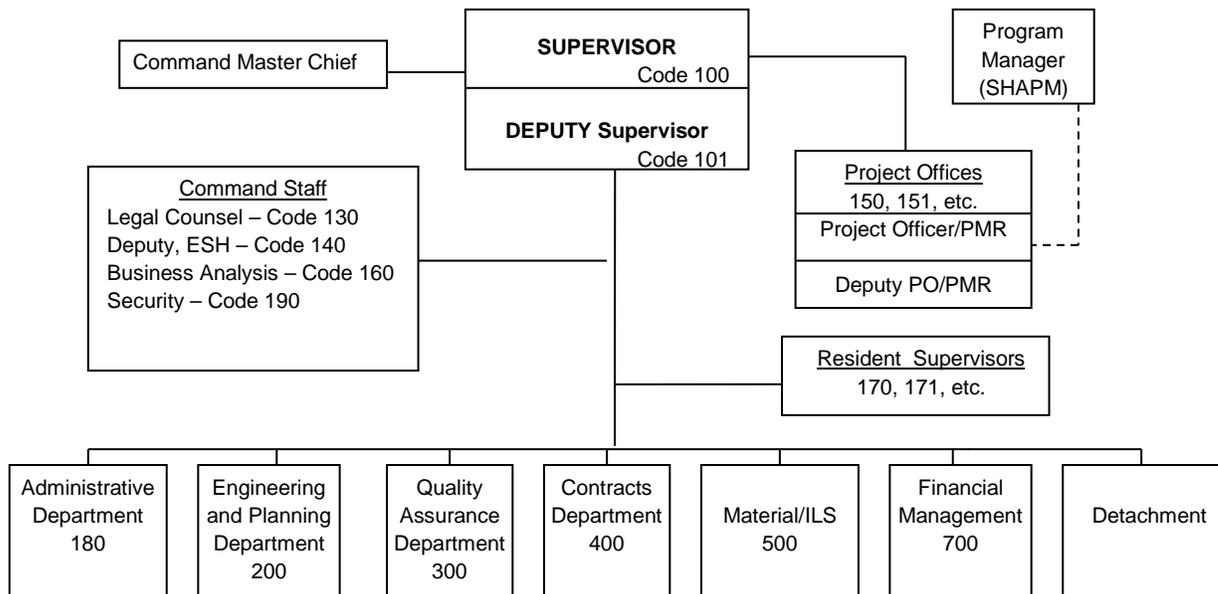


Figure 1-1. Typical SUPSHIP Organization

1.1.5 SUPSHIP Detachments, On-Site Offices and Project Management Offices

1.1.5.1 SUPSHIP Detachment

A detachment is established in an outlying private shipyard or in a geographic area where the workload warrants local performance of specific functions that may include contractual, design, inspection, administrative or coordinating functions. A detachment is established and disestablished in accordance with the requirements of reference (b), [NAVSEAINST 5450.28F](#), NAVSEA Shore Activities and Detachments; Establishment, Disestablishment, or Modification. When a Supervisor desires to establish or disestablish a detachment, the supporting documentation required by the governing instruction must be provided to NAVSEA 04Z. A detachment within NAVSEA is designated as a Category 1 or Category 2 detachment based on the specific traits of the organization as outlined in the above NAVSEA instruction. The detachment typically has 100 or less full-time permanently assigned personnel, an Officer in Charge may be assigned, and the activity may be listed in the Standard Navy Distribution List (SNDL).

The organization of a detachment generally parallels the standard organization of the SUPSHIP for those functions that can be performed more effectively and economically at the detachment's location. The Supervisor will determine the functions that should be assigned to the detachment. Detachments may be authorized to correspond directly with NAVSEA and contractors on matters relating to assigned responsibilities only when authorized in writing by the Supervisor.

1.1.5.2 On-Site Office

The term "on-site office" is used within NAVSEA to identify a small remotely located element that is established for the purpose of improving organizational efficiency. The Supervisor will recommend establishment of an on-site office using the criteria outlined in [NAVSEAINST 5450.28F](#). Typically, an on-site office will consist of either 1 to 10 full-time permanently assigned personnel, or with 11 – 50 full-time permanently assigned personnel, and the office is expected to exist no more than 48 months.

1.1.5.3 Project Management Office

The Supervisor may establish a project management office that does not require compliance with [NAVSEAINST 5450.28F](#). This office will normally be located at a commercial shipyard or contractor's facility under the cognizance of the SUPSHIP that has been assigned as the Administrative Contracting Office (ACO) or when the SUPSHIP is required to perform contract administration as a component of the overarching DOD/DCMA Contract Administration Service (CAS) organization. They are established when a contractor's worksite is too far from the main SUPSHIP offices to be economically supported. The office will be staffed to perform the management, inspection, and related functions associated with SUPSHIP's assigned contract administration functions. Authority to send or receive formal correspondence must be specifically approved by the Supervisor.

1.1.6 SUPSHIP Council

The SUPSHIP Council is chartered by NAVSEA to forge a partnership between PEOs and NAVSEA 04, to foster an open and honest exchange of ideas and concerns relative to SUPSHIPS, and to provide a forum where the PEOs can provide advice and advocacy in support of the SUPSHIPS. NAVSEA 04 chairs the council meetings with support provided by NAVSEA 04Z. Membership includes representatives from PEO Ships, PEO Subs, and PEO Carriers.

1.1.7 SUPSHIP Board of Directors (BOD)

The SUPSHIP Board of Directors is comprised of the Supervisors from each SUPSHIP, NAVSEA 04Z, and is chaired by NAVSEA 04. The purpose of the meetings is to address topics of common interest to the SUPSHIP enterprise and to support strategic planning initiatives. Subject matter experts and other NAVSEA or SUPSHIP representatives may be invited on an ad hoc basis to address topics of interest as called out in the pre-meeting agenda.

A video teleconference (VTC) is conducted each month with NAVSEA 04Z and the SUPSHIP Supervisors and Deputies to provide “quick look” updates and make operational decisions.

1.1.8 Standard SUPSHIP Organization - Functional Descriptions by Department

This section presents a generic SUPSHIP organization and addresses those functions that typically comprise SUPSHIP staffing. Organizational structure may vary, however, and as identified in sections 1.1.4, 1.1.5 and Chapter 4, Supervisors have some discretion in utilizing authorized end strength and Full Time Equivalent (FTE) employee manning controls to structure an organization that best supports the mission of the command and its assigned workload.

1.1.8.1 Command and Administration Staff

1.1.8.1.1 Supervisor of Shipbuilding, Conversion and Repair

[U.S. Navy Regulations](#), reference (c), imposes responsibilities and grants authorities to commanding officers. As a commanding officer, the Supervisor is accountable for executing these responsibilities, in addition to ensuring the proper execution of the SUPSHIP mission. Typical duties include:

1. Administering Department of the Navy and other Department of Defense shipbuilding, design, conversion, and facility contracts at assigned private shipyards.
2. When authorized by NAVSEA 02, procuring and administering modernizations, refits, major repairs, activations, and inactivations performed on naval vessels at assigned private shipyards.

3. Performing Contract Administration Services (CAS) for all Department of Defense contracts awarded to contractors when assigned by Defense Contract Management Agency (DCMA) in accordance with the Federal Directory of Contract Administration Components directing plant cognizance oversight.
4. Carrying out prescribed mobilization logistic planning functions.
5. Providing technical guidance in the above matters, as requested, to all naval activities in the naval region, to the area coordinator, and to the Military Sealift Command (MSC).
6. Assuring timely submission of special interest Situation Reports (SITREPS) and Bell Ringers that report on high interest issues, VIP visits, or activity that may create news media inquiries.
7. Performing other tasks as directed by NAVSEA 04/04Z.

1.1.8.1.2 Deputy Supervisor

The Deputy Supervisor is responsible to the Supervisor for overall coordination and direction of the business operations of the office. Typical duties include:

1. Representing the Supervisor in dealing with contractors, ship's force, Type Commanders (TYCOMs), area coordinators, NAVSEA, and other organizations.
2. Participating in strategic planning for the command and SUPSHIP enterprise.
3. Coordinating and directing, as appropriate, the activities of the Project Offices, other staff offices, and departments of the office so as to ensure consistency of decisions, methods of operations, and distribution of effort within the organization.
4. Acting as the Supervisor in the absence of the Supervisor.
5. Performing other duties in connection with the SUPSHIP function as directed by the Supervisor.

1.1.8.1.3 Project Office

The primary function of a Project Office is the overall coordination of SUPSHIP activity with respect to an assigned project. Project Offices are normally established for each major new construction program and may be established for CNO-assigned complex modernization or refit availabilities. The Project Office is staffed by personnel assigned by the Supervisor, and will typically include personnel from business review, engineering, quality assurance, contracts, and material departments. Military assistants may also be assigned. The Project Office should ideally be located at the contractor's worksite. To the maximum possible, personnel assigned to the project should be physically located within the Project Office.

The Project Officer is administratively assigned to the SUPSHIP and reports directly to the Supervisor. The Project Officer, through a matrix organizational relationship, tasks the

functional organization through the functional managers by identifying requirements and setting priorities. The functional organization retains responsibility for the technical adequacy and timeliness of the work. The Project Officer may be double billeted as the Program Manager Representative (PMR) reporting directly to the Program Manager (PM) in addition to the Supervisor.

The primary duty of the Project Officer is to act as the on-site representative of the Supervisor. A detailed discussion of the Project Management organization is contained in Chapter 5 and usually includes the following duties:

1. Functioning as the primary SUPSHIP point of contact on all matters regarding the assigned project.
2. Focusing management attention on problems, bringing unresolved problems to the attention of the Supervisor and PM, and coordinating SUPSHIP corrective action.
3. Coordinating the exchange of correspondence and information between the contractor and the government.
4. Providing SUPSHIP representation at all meetings pertaining to the assigned project.
5. Processing all proposed or approved changes, including Engineering Change Proposals (ECP) and INSURV Trial Cards.
6. Coordinating the preparation of correspondence and reports relative to the assigned project.
7. Establishing procedures for the coordination of the ship's testing program, trials, and INSURV.
8. Coordinating the development of procedures for monitoring, reviewing, and approving data prepared in support of the assigned project.
9. Monitoring progress in accordance with the SUPSHIP developed physical progressing measurement plan and the contractor's Earned Value Management System (EVMS).
10. Coordinating the activities of the Pre-Commissioning Unit (PCU).
11. Preparing reports as required by NAVSEA and the PM on the current status of the assigned project.
12. As directed by NAVSEA, coordinating delivery of the vessel and the signing of Defense Form DD-250, Material Inspection and Receiving Report.

1.1.8.1.4 Counsel

The primary function of the Counsel is to provide legal advice and services to the Supervisor. The Counsel is assigned to a SUPSHIP office by the NAVSEA Office of Counsel (NAVSEA

00L) and is under the management control of that office. A full-time Counsel is assigned to SUPSHIPS. Typical duties are:

1. Providing legal review and advice to all activity personnel on procurement matters.
2. Reviewing, drafting, and interpreting legal documents.
3. Participating in the investigation and settlement of claims.
4. Coordinating the standards of conduct program.
5. Acting as the Supervisor's counsel before all boards, commissions, and courts at hearings inquiring into his/her official duties and actions.

1.1.8.1.5 Manager for Environmental, Safety, and Health (ESH)

Chapter 12 addresses the SUPSHIP ESH duties and responsibilities in more detail. The primary functions and responsibilities of the Deputy for Environmental, Safety, and Health (ESH), if these functions are combined, include:

1. Providing advice and guidance to the Supervisor and serve as SUPSHIP's single point of contact on all environmental, safety, and health matters.
2. Administering and coordinating the SUPSHIP ESH Program and internal policies in accordance with pertinent NAVSEA Instructions (NAVSEAINSTs) as outlined in Chapter 12, ESH.
3. Evaluating the contractor's ESH and fire protection programs for contractual compliance and its effect on Navy workplaces.
4. Developing and maintaining internal instructions defining ESH responsibilities and rights of SUPSHIP personnel.
5. Serving as the point of contact for all State and Federal Environmental Compliance and Occupational Safety and Health Administration (OSHA) officials' visits to Navy workplaces at the contractor's facility, and acting as a representative of the Supervisor on committees established by the Regional Commander.

1.1.8.1.6 Security Officer

This function is addressed in greater detail in Chapter 13. The Security Officer functions shall be assigned only to a fully-qualified security officer designated in writing and accountable to the Supervisor. The function shall be assigned as the primary duty and other duties may be assigned as additional duties. The assigned Security Officer will administer the SUPSHIP security program as outlined in Chapter 13. Duties include:

1. Conducting formal evaluations of the contractor's physical security and force protection programs when required by contract.

2. Maintaining visitor control within the SUPSHIP facilities.
3. Implementing emergency disaster control procedures and coordinating Heavy Weather Planning and Evacuation Plans and industrial mobilization plans.
4. Coordinating with the Deputy for ESH on security aspects of all State or Department of Labor OSHA inspections of contractor workplaces.

1.1.8.1.7 Deputy EEO Officer

The primary function of the Deputy Equal Employment Opportunity (EEO) Officer is to be the principal advisor and consultant to the Supervisor on EEO matters. All SUPSHIP offices with 100 or more civilian personnel must have a Deputy EEO Officer, but those with less than 500 personnel may assign the function as collateral duty to an assigned civilian employee.

Typical duties are:

1. Serving as advisor and consultant on EEO matters to the Supervisor, Federal Women's Program Coordinator, Spanish Speaking Program Coordinator, EEO Committee Chairman, and EEO Counselors.
2. Developing command policy, instructions, and notices on all aspects of the EEO program and the annual Affirmative Action Plan.
3. Representing the Supervisor at meetings and conferences pertaining to EEO.
4. Participating in the development of EEO training for supervisors and EEO committee members, and the development of the upward mobility and summer employment programs.
5. Participating in the Position Management Program.

1.1.8.1.8 Civilian Personnel Office

The primary function of the Civilian Personnel Office is to serve as the principal advisor to the Supervisor in the field of civilian personnel management. In cases where civilian personnel services are provided by an outside support activity and in cases where a Deputy Supervisor is assigned, the Civilian Personnel Office shall be a staff office. Some civilian personnel duties may be assigned to the Administration Department. In other cases, the Administration Department may be assigned the total function. Typical duties are:

1. Providing advice and guidance to supervisors and employees on civilian personnel matters that include the advertisement for job opportunities and employment of personnel.
2. Planning, organizing, and managing all aspects of employment, employee relations, employee services, employee training, wages, and classification.

1.1.8.1.9 Business Review Staff

The primary function of the Business Review Staff/Command Evaluation and Review Office is to provide advice and specialized services to the Supervisor in the areas of business review, management controls, financial management, contract involvement, industrial engineering, and management information systems. The Business Review/Command Evaluation and Review Office may perform functions which cut across departmental lines or are beyond the capability of the department that would normally perform the function. Any function requiring special attention may be shifted from the functional organization and temporarily assigned to the Business Review Staff/Command Evaluation and Review Office for development and initial implementation. The function is then returned to the functional organization for long term execution. Typical duties are:

1. Reviewing contractor's financial management structure, methods, and administration of Cost Accounting Standards.
2. Operating and maintaining the SUPSHIP Management Information Center, if established.
3. Reviewing contractor's management structure, methods, and administration, as well as reviewing and analyzing contractor performance trends.
4. Validating the contractor's Earned Value Management System (EVMS) as discussed in Chapter 7.
5. Evaluating contractor cost and schedule performance.
6. Monitoring contractor costs and overhead elements.
7. Developing and maintaining a working relationship between the Defense Contract Audit Agency (DCAA) and other government activities to ensure that various audits and reviews of the contractor's operation are conducted in a timely manner as part of an integrated plan to protect the interest of the Government.
8. Managing the claims prevention program.
9. Assisting the contract specialist, contracting officer, claims team, or NAVSEA in resolving claims.
10. Providing technical advice to the Supervisor relative to business/management requirements and/or data which will affect cost, investment, or profit.
11. Assisting in conduct of pre-award surveys.
12. Coordinating management information systems requirements and Information Technology (IT) applications of these systems.

13. Developing SUPSHIP procedures for progressing, reviewing, approving, and consolidating progress determinations made by other organizational elements, as well as for a continuing evaluation of the total progress of each contract.
14. Preparing and analyzing internal (SUPSHIP) workload against the external (contractor) workload, determining resources required to accomplish that workload, identifying resources shortfall/excess, and evaluating ability to accomplish planned workload.

1.1.8.1.10 Command Evaluation and Review Staff

The primary function of the command evaluation and review staff is to conduct reviews, studies, analyses, or evaluations of the activity operations of the Supervisor. Although audit is not a stated mission of the Command Evaluation and Review function, the Supervisor may authorize the performance of audits when deemed appropriate. Typical duties include:

1. Preparing an annual evaluation and review plan for approval by the Supervisor and updating the plan when required.
2. Conducting special studies, reviews, analyses, evaluations, and investigations of activity operations as directed by the Supervisor or approved in the annual plan, and forwarding reports directly to the Supervisor.
3. Serving as the focal point and liaison for action related to audits, surveys, inspections, and reviews conducted by external audits and investigation agencies such as the Naval Audit Service, Government Accountability Office (GAO), Department of the Defense, Assistant Inspector General for Auditing, Naval Inspector General, and the NAVSEA Inspector General.
4. Overseeing and coordinating the management control program for the activity.
5. Following up on audit recommendations of internal and external organizations to ensure and document that action taken has corrected the deficiencies.
6. Administering the local fraud, waste and abuse hotline.
7. Conducting investigations, maintaining case files, preparing reports, and verifying that corrective actions are taken in cases of waste, fraud, inefficiencies, and related improprieties.
8. Validating all commercial activities studies that are not required to be validated by the Naval Audit Service.
9. Developing and supervising programs and procedures for verifying labor and material cost distribution.
10. Reviewing and evaluating the IT Programs to ensure adequacy of internal controls.

1.1.8.1.11 Personnel Management Staff

Duties of the Personnel Management Staff include:

1. Developing and preparing organizational charts and function statements.
2. Coordinating the Position Management program.
3. Conducting analyses of staffing, workload forecasts, and manpower utilization.
4. Maintaining an on-board count and statistics.
5. Maintaining civilian ceiling and high grade control.
6. Administering special personnel programs, such as Summer Youth, intern and cooperative education programs.
7. Administering military personnel matters.
8. Scheduling and making travel arrangements.
9. Coordinating the training program.
10. Administering the Incentive Awards program.
11. Administering the Public Affairs program.

1.1.8.1.12 Administrative Services Staff

The Administrative Services staff duties include:

1. Receiving and routing internal and external communications.
2. Maintaining a central correspondence, directives, and records file.
3. Providing centralized reproduction and printing services.
4. Performing paperwork management functions.
5. Preparing and maintaining property records for office equipment and providing for their maintenance and repair.
6. Providing activity labor and transportation services.
7. Coordinating use, care and maintenance of IT equipment.
8. Providing centralized clerical services.
9. Coordinating significant visits, clearance requests and special events.

1.1.8.2 Engineering Department

The primary function of the Engineering Department is to provide engineering, technical and design services. The Chief Engineer is a Technical Warrant holder and is accountable to NAVSEA 05 for the resolution of technical issues. Refer to SOM Chapter 8, Field Engineering Technical Authority, for a more detailed discussion. The SUPSHIP Engineering Department interfaces directly with naval architects and engineers in the contractor's design and building programs. In SUPSHIPs, where several very large new construction contracts and a significant workload are administered, a waterfront project engineering organization may be established.

The primary function of the Engineering Department can be further categorized into the following functions:

- engineering systems management
- naval architecture
- hull structure engineering
- mechanical and marine engineering
- electrical engineering
- combat systems planning
- engineering oversight of the contractual products including contract line items produced by the contractor's design and technical staff
- support for the SUPSHIP Waterfront Team

These Engineering Department functions can be achieved by:

1. Implementing the Configuration Management, Data Management, ILS, and Value Engineering programs.
2. Performing technical data quality assurance actions, including review and approval of Contract Data Requirements List.
3. Maintaining the technical library and plan files.
4. Reviewing and approving contractors' detailed drawings, manufacturers' drawings, technical manuals, and test memoranda.
5. Reviewing and evaluating all requests for deviations and waivers.
6. Supervising and directing the development and review of engineering specifications.
7. Performing engineering shipchecks.
8. Developing supplementary ship alteration drawings as appropriate.

9. Providing engineering and technical feasibility studies.
10. Evaluating and recommending action on contractors' or government agencies' proposed Engineering Change Proposals.
11. Conducting tests and inspections of equipment.
12. Coordinating the administration of field service engineers and technicians.
13. Assisting in the conduct of the pre-award and post-award surveys and conferences assessing contractor capabilities.
14. Conducting technical inspections during production processes in assigned engineering areas.
15. Performing quality assurance actions as required in accordance with SOM Chapter 9, Contract Administration Quality Assurance Program.
16. Participating in the planning and execution of shipboard tests and trials, including preparations for INSURV, and providing test results and certification of installations as required.
17. Evaluating the contractor technical performance and notifying NAVSEA of deficient areas.
18. Coordinating and monitoring planning, scheduling, and supply aspects of equipment/systems during the planning stage of a construction program or CNO-scheduled availability.
19. Coordinating and monitoring scheduling, supply, and production aspects of equipment/systems installation during the production phase.
20. Resolving waterfront technical issues arising from the hull/structure, propulsion, auxiliary systems, and combat systems tests and their interfaces.
21. Providing technical guidance and assistance to other SUPSHIP departments and divisions as related to engineering matters.
22. Providing technical support for the administration and correction of INSURV cards.
23. Serving as the point of contact for respective engineering discipline matters.

1.1.8.3 Quality Assurance (QA) Department

The primary function of the Quality Assurance (QA) Department is to provide assurance that the contractor is complying with the technical requirements of the contract, specifications, drawings, and military standards, and that the SUPSHIP departments are complying with mandatory directives. The Contract Administration Quality Assurance Program is addressed

in Chapter 9. Project Quality Assurance Managers may be assigned by ship type, ship class, or ship contract. The Project Quality Assurance Manager will be under the administrative supervision of the Project Officer and under the technical supervision of the Quality Assurance Officer. Typical divisions and duties within the QA department may include:

1.1.8.3.1 Nuclear QA

Responsible for:

1. Developing, coordinating, and auditing a systematic, comprehensive surveillance and inspection program for confirming the acceptability of the contractor's nuclear and SUBSAFE procedures and work products.
2. Assuring the overall acceptability of the contractor's systems for controlling the quality of nuclear work.
3. Establishing and maintaining aggressive and effective actions to assure contractor correction of specific defects and their underlying causes in nuclear work.
4. Reviewing and monitoring the contractor's performance of nondestructive testing (NDT) and inspections of nuclear work.
5. Auditing the contractor's nuclear procurement Quality Assurance Program.
6. Conducting nuclear quality assurance training.
7. Monitoring and auditing SUPSHIP departments to assure satisfactory review, evaluation, and verification of the contractor's nuclear work.

Note: The head of Nuclear QA has direct access to the Supervisor for nuclear quality assurance matters.

1.1.8.3.2 Assurance Engineering

Duties include:

1. Developing QA Department instructions, audit plans, and quality assurance management information methods.
2. Analyzing and determining the acceptability of the contractor's quality management program/inspection system, including surveillance per ISO 9000 Series and Quality Data Evaluation.
3. Monitoring and auditing SUPSHIP departments and contractor's quality management programs and providing a statistical measure of conformance to SUPSHIP quality assurance policy.

4. Analyzing results of quality assurance actions, directing adjustment in monitoring levels by SUPSHIP personnel, and preparing appropriate management reports.
5. Developing and coordinating quality assurance indoctrination and training programs.
6. Investigating quality problems and recommending corrective action.
7. Coordinating the command's corrective action program.

Note: In those SUPSHIP QA offices which have personnel designated for nuclear oversight responsibilities, some of these functions may be performed by those personnel.

1.1.8.3.3 Process Control

Duties include:

1. Performing surveillance inspection of special processes, such as NDT and metal joining processes, to include objective quality evidence.
2. Monitoring the contractor's system for certifying and qualifying personnel, equipment, and procedures for special processes.
3. Performing evaluations of contractor's process verification system in accordance with ISO 9000 in relation to Product Verification Inspections.
4. Assuring that SUPSHIP personnel performing nondestructive testing are properly trained and have been qualified and certified to perform the respective inspections.
5. Acting as the primary authority within the SUPSHIP for nondestructive testing and metal joining processes.
6. Coordinating and monitoring the actions of other departments for NDT and metal joining processes to assure that all areas and phases of these processes receive appropriate attention.
7. Reviewing contractor's welding and NDT testing procedures and test data.

Note: In the SUPSHIP QA offices which have personnel assigned for nuclear oversight requirements, some of these functions may be performed by those personnel.

1.1.8.3.4 QA Procurement

QA Procurement duties include:

1. Establishing and maintaining a Procurement Quality Assurance Program at the prime and subcontractor levels.
2. Planning, developing, implementing, and evaluating QA programs.

3. Designating Government Source Inspections at the subcontractor level.
4. Performing and overseeing receipt inspections in the prime contractor's plant.
5. Performing unsatisfactory material reporting.
6. Conducting/managing vendor evaluation audits, NAVSEA Unified Vendor Evaluation Program (NUVEP), and SUPSHIP vendor/subcontractor history programs.
7. Reviewing selected purchase orders to determine if the requisite quality requirements are invoked on the subcontractor.
8. Participating in selected and special product oriented surveys at the subcontractor level.
9. Where required, keeping the Nuclear QA office informed of matters related to nuclear procurement quality and assisting in audits of this area when requested.

Note: In some SUPSHIP QA offices a number of these functions may be performed by personnel responsible for nuclear oversight.

1.1.8.3.5 Project Quality Assurance Managers

Project quality assurance managers are responsible for:

1. Planning, developing, and directing the Quality Assurance Program on the assigned contracts. This includes the development of surveillance inspection plan, quality audits, procedure and technical review, procedure evaluation, product verification accept/reject criteria, sampling plans for quality data verification, standard attributes back-up data, and corrective action plan.
2. Determining resources required for the project assigned.
3. Supporting and responding directly to assigned project officers.
4. Providing project related quality data to personnel evaluating Assurance Engineering.

1.1.8.4 Contracts Department

The primary function of the Contracts Department is the procuring contract office (when directed) and contract administration services as a component of the DoD Contract Administration Service (CAS) organization. The procurement function may be combined with the contract administration functions as a best business practice. Typical divisions and duties within the divisions of the Contracts Department include:

1.1.8.4.1 Procurement

The Procurement Division is responsible for:

1. Accomplishing or assisting with procurement functions as directed by NAVSEA 02. This may include ship construction, modernization, refit, and major repair contracts, and entails participating in specification preparations, bid or proposal evaluations, DCAA audit coordination, pre-award surveys, business clearance evaluations, assessment of the contractor's Earned Value Management System (EVMS), and review of data in Contractor Performance Assessment Reporting System (CPARS).
2. Providing centralized contract documentation, preparation, and support services for all assigned procurements, and maintaining official contract files in accordance with Federal Acquisition Regulations (FAR) or subordinate directives.
3. Preparing and issuing reports for procurement actions.
4. Negotiating Forward Pricing Rate Agreements for application to change action initiated under contracts for construction, conversion, modernization, and repair of ships and submarines.
5. Monitoring contractor Small Business and Minority Business Enterprise programs.

1.1.8.4.2 Contract Administration

Contract Administration responsibilities include:

1. Administering all contractual aspects of assigned contracts in accordance with the FAR, reference (d), [Part 42](#), and as discussed in Chapter 3, Contracting and Contract Administration.
2. Processing proposed Engineering Change Orders and Headquarters and Field Modification Requests (HMR, FMR) for new construction contracts.
3. Performing actions in preparation for negotiations on all proposed contract changes and modifications, and requests for contract changes and modifications.
4. Negotiating equitable price and other contractual adjustments resulting from changes.
5. Obtaining Audit Advisory Reports (AAR) and Technical Analysis Reports (TARs) as required.
6. Reviewing for approval of all proposed contractor subcontracts required by the terms of assigned contracts to be submitted for advance consent.
7. Performing contract administration services for all DOD contracts awarded to contractors' facilities assigned in accordance with DCMA administered Federal Directory of Contract Administration Service Components for plant cognizance.
8. Certifying contractor invoices or vouchers for payment.

9. Administering a claims avoidance plan and when required expediting the submission and settlement of claims.
10. Adjudicating final contract settlements and expediting contract closeout.
11. Administering job order or contract terminations.
12. Monitoring the Property Administration Program as outlined in Chapter 11.
13. Maintaining official contract files in those SUPSHIPS without a Procurement Division.
14. Providing support, including on-site personnel when required, for the project offices.

1.1.8.4.3 Proposal Evaluation

Proposal Evaluation functions include:

1. Reviewing and evaluating the contractor's proposals and furnish comments to the procuring and administrative contracting officers for purposes of negotiations.
2. Preparing Technical Advisory Reports (TARs).
3. Preparing Field Pricing Reports.
4. Performing price and cost analysis and developing independent estimates as may be required for adjudication.
5. Reviewing the contractor work scope of proposed changes and reaching a work scope understanding.
6. Determining the effect of changes in delivery schedules and the attendant disruptive effects of proposed work scope changes.
7. Developing and maintaining a data bank of historical cost information.

Note: The Proposal Evaluation Division should remain as independent as possible with respect to function.

1.1.8.5 Budget and Finance Department

The Comptroller or Budget Officer is directly accountable to the Supervisor for all budget and financial management matters. Refer to Chapter 4 of the SOM for a more detailed description of the financial management applicable to the SUPSHIPS. Typical duties include:

1. Providing necessary budget, accounting and comptrollership functions, including procedures, policies and methods, for all appropriated funds and ensure compliance with all DOD and Navy instructions and regulations.
2. Maintaining appropriate memorandum records for funds allocated to SUPSHIPS.

3. Monitoring accounting records maintained by the designated Authorized Accounting Activity (AAA), reconciling SUPSHIP memo records with AAA records, and obtaining from the AAA such accounting data required to provide good financial management.
4. Establishing and maintaining an integrated financial management system to provide financial data to management based on past experience, current trends, future plans, and projected workload.
5. Certifying availability of funds for all procurement documents, requisitions, etc.
6. Performing internal financial contract audits.
7. Providing management technical guidance in the financial area.
8. Coordinating and administering the preparation, justification, submission, and execution of SUPSHIP budget.
9. Promulgating departmental operating limitations in such areas as travel, overtime, training, or any other area deemed necessary by the Supervisor.
10. Preparing financial and budget reports.

1.2 U.S. Navy New Construction – Acquisition Organizational Relationships

1.2.1 General

The following sections discuss the Navy organization that is responsible and accountable for the acquisition and conversion of ships, submarines, boats, and craft, and the organizational structure of the SUPSHIP as a component of the DoD and Navy Contract Administration Service (CAS).

1.2.2 Secretary of the Navy

The [Secretary of the Navy](#) is responsible for the oversight of the construction, outfitting, and repair of naval ships, equipment, and facilities. The authority for construction and outfitting of naval vessels and life cycle management is exercised through the [Assistant Secretary of the Navy \(Research, Development and Acquisition\)](#). [Appendix 1-E](#) provides a simplified organization chart for the Secretary of the Navy.

1.2.3 Assistant Secretary of the Navy (ASN), Research, Development and Acquisition (RD&A)

The Navy Acquisition Executive responsibilities assigned to [ASN \(RD&A\)](#) are contained in:

- [DoD Directive 5000.1](#), the Defense Acquisition System, reference (e)

- [DoDI 5000.2](#), Operation of the Defense Acquisition System, reference (f)
- [SECNAVINST 5400.15C Chg-1](#), Department of the Navy Research and Development, Acquisition, Associated Life Cycle Management, and Logistics Responsibilities and Accountability, reference (g)

ASN (RD&A) delegates this authority to the Systems Commanders, including Commander, Naval Sea System Command (COMNAVSEASYSKOM) and Program Executive Offices (PEOs) relative to RD&A matters. [Appendix 1-E](#) shows the organizational structure of the Office of ASN (RD&A).

1.2.4 Chief of Naval Operations (CNO)

The [Chief of Naval Operations](#) (CNO) is responsible to the [Secretary of the Navy](#) (SECNAV) for the readiness, use, and logistics support of all U.S. Naval Forces (sea, air, and land) in both peace and war. As the military chief of the Navy, the CNO is the principal advisor to SECNAV and the executive branch of the Government on naval military matters. The CNO formulates detailed strategic plans to carry out the missions assigned to the Navy. These plans generate broad requirements for ships, weapons systems, and associated equipment that are, in turn, assigned to the Systems Commands (SYSCOMs) for further implementation. The CNO organization justifies and supports requests to Congress for the necessary funds to carry out specific ship construction, repair, and conversion programs. Acting in staff capacity in the office of CNO, the Ships Characteristics Improvement Panel (SCIP) supports the Resources and Requirements Review Board (R3B) and determines the characteristics of the ships demanded by the Navy's military missions. These characteristics are subsequently translated into requirements for the construction of mission specific ships, which are then assigned to NAVSEA for acquisition. After assignment to NAVSEA, proposed changes to ship operational requirements (military characteristics) must be approved by the CNO. The CNO must also approve changes to technical specifications, except for the correction of errors and inconsistencies, which would:

- Increase the end cost of a ship project in a particular year above the end cost shown in the latest approved Ship Cost Adjustment (SCA) report
- Delay delivery of a ship beyond the contract delivery date or the most recent NAVSEA estimated delivery date, if later than the contract date

CNO is assisted by a staff in the Office of the Chief of Naval Operations (OPNAV). NAVSEA 04Z works with the Director of Warfare Integration (N8F) under the [Deputy CNO for Integration of Capabilities and Resources \(N8\)](#) to obtain funding and civilian manpower for the SUPSHIPS' operations. This is the same CNO staff code with primary responsibility for funding new construction programs.

Additionally, the [OPNAV staff](#) includes sponsors who consolidate budget submissions from the Fleet and assist in the overall development and administration of the Navy's maintenance and modernization budget for specific ship types, or "platforms," including associated logistics. The platform sponsors are major participants in the development of the Navy's

Fleet Modernization Program (FMP). Policies and procedures for modernization policy are established in the [Fleet Modernization Program \(FMP\) Manual](#), SL720-AA-MAN-010 & 20, reference (h). Ship maintenance and repair policy is provided in [OPNAVINST 4700.7L](#), Maintenance Policy for U.S. Naval Ships, reference (i), and the [Joint Fleet Maintenance Manual \(JFMM\)](#), COMFLTFORCOMINST 4790.3, Volumes I thru VII, reference (j). [Appendix 1-E](#) shows a portion of the CNO organization and the relationship to SECNAV and the Systems Commanders (SYSCOMs).

1.2.5 Systems Commands (SYSCOMs)

The Navy has established five SYSCOMs with specific responsibilities to support acquisition, modernization and readiness of the operational Fleet.

- [Naval Sea Systems Command](#) (NAVSEA)
- [Naval Air Systems Command](#) (NAVAIRSYSCOM)
- [Space and Naval Warfare Systems Command](#) (SPAWARSYSCOM)
- [Naval Supply Systems Command](#) (NAVSUPSYSCOM)
- [Naval Facilities Engineering Command](#) (NAVFACENGCOM)

NAVSEA is the SYSCOM that is accountable for the operations of the SUPSHIPS.

1.2.6 Naval Sea Systems Command (NAVSEA)

NAVSEA is the coordinator of shipbuilding for the Department of the Navy and acts as the coordinator for shipbuilding, conversion and repair for other DoD Agencies. [Appendix 1-F](#) outlines the structure of the NAVSEA corporate leadership.

NAVSEA has two distinct roles, each with a different direct reporting responsibility:

1. NAVSEA, under ASN (RD&A), is the Navy Department's central activity for designing, engineering, integrating, building, and procuring U.S. Naval ships, submarines, and other sea platforms including shipboard weapons and combat systems. As the technical authority and operational and safety assurance certification authorities for ships and ship systems, COMNAVSEA, through the NAVSEA Chief Engineer (NAVSEA 05, NAVSEA CHENG), supports programmatic authorities (PEOs, NAVSEA 07, NAVSEA 21, and the TYCOMS) in their role of providing for life cycle management of Navy ships, submarines, craft, and boats.

COMNAVSEASYSCOM is Head of Contracting Activity (HCA) with delegated authority in Federal Acquisition Regulations (FAR) to enter into and administer contracts for materials and services under the responsibility of NAVSEA. COMNAVSEASYSCOM has delegated this contractual authority to the Deputy Commander for Contracts (NAVSEA 02). FAR specifically states that only those individuals who have been qualified in accordance with the Defense Acquisition

Workforce Improvement Act (DAWIA) and who have been authorized by NAVSEA 02 and remain within the limits of their written delegated authority can legally commit the Government to any contractual action. This accountability is discussed in detail in Chapter 3. NAVSEA is responsible for the research, design, development of contractual and detailed design, logistics planning, technical evaluation, acquisition, contracting, production, construction, manufacture, inspection, testing, fitting out, supply, inventory management, and basic outfitting of naval material.

2. Under CNO, NAVSEA's mission functions include the provision of material support to the Navy and Marine Corps for ships and craft, shipboard weapons systems and components, ammunition, guided missiles, mines, torpedoes, and all other surface and underwater ordnance expendables. Material support encompasses the complete life cycle from research and design through test and evaluation to technical responsibility for modernization, maintenance strategies, and Fleet support for Commander, United States Fleet Forces Command (USFF), Regional Maintenance Centers (RMCs) for each geographic region, and the Surface, Submarine and Navy Air Type Commanders (TYCOMs). NAVFACENGCOM, SPECWARFARE and Military Sealift Command are accountable for the material support of their assigned craft and ships.

NAVSEA's basic mission for ships and submarine repair and modernization is to provide engineering and technical support, contracting authority, quality assurance, and environmental, safety, and health oversight. Additionally, NAVSEA maintains the Fleet Maintenance Program (FMP) Management Information System (FMPMIS) and develops documentation for all authorized alterations that are to be accomplished following ship delivery to the Fleet. NAVSEA also authorizes and funds all major alterations not authorized and funded by the ship or submarine Type Commander (TYCOM). [JFMM](#) addresses maintenance, alteration, conversion, and modification of ships, craft, and boats assigned to the operating forces that may be carried out by assignment of work to Naval Shipyards (NSYs) or by procurement of services and support from private industry through the SUPSHIPS or Regional Maintenance Centers (RMCs).

1.2.7 Deputy Commander, Nuclear Propulsion Directorate NAVSEA 08/Director of Naval Nuclear Propulsion Program

The Director of Naval Nuclear Propulsion Program reports to the CNO and the U.S. Department of Energy on all Navy nuclear propulsion matters. This position is also aligned with NAVSEA in a technical and programmatic oversight role for nuclear propulsion. A Naval Reactors Representative is assigned to each public and private shipyard performing naval nuclear propulsion plant work. The representative is accountable to perform an independent review and surveillance of all shipyard work and technical actions relating to naval nuclear propulsion. The representative has free access to all elements of the shipyard and SUPSHIP offices, with direct access to the Supervisor, for matters either directly or indirectly involved with naval nuclear propulsion. The representative's review and surveillance do not change or diminish the responsibilities of the SUPSHIP.

1.2.8 Program Executive Office (PEO)/Program Offices

The PEOs, shown in [Appendix 1E](#), report to ASN (RD&A) and receive administrative, technical and programmatic support from the SYSCOMS. NAVSEA and the SUPSHIPS manage a significant number of acquisition programs that are assigned to the PEOs and various Headquarters elements. The PEOs are tasked with acquisition and Life Cycle Management (LCM) of their assigned ship and submarine programs.

Within each PEO office, an individual is assigned as the Program Manager (PM) with an assigned program management staff that is responsible for a specific ship class. The ship class PM office provides centralized management for the assigned ship or submarine class. During the design and construction process, the PM may be represented by an on-site Program Managers Representative (PMR) who reports to both the PM and Supervisor.

1.2.9 Logistics, Maintenance and Industrial Operations Directorate (NAVSEA 04)

NAVSEA 04 closely supports the requirements and functions of the CNO's [Director for Material Readiness & Logistics \(N4\)](#), [Commander Fleet Forces Command \(CFFC\)](#), Atlantic and Pacific Fleet Maintenance Officers, and ship and submarine customers. The Directorate develops policy and infrastructure associated with ship maintenance, logistics support, environmental and safety programs, and related efforts. NAVSEA 04 also provides management and leadership for the SUPSHIPS and Naval Shipyards. [Appendix 1G](#) outlines the NAVSEA 04 organization.

1.2.10 Director, SUPSHIP Management Group (NAVSEA 04Z)

NAVSEA 04Z is accountable to NAVSEA 04 as depicted in [Appendix 1G](#). The Director and the NAVSEA 04Z staff provide headquarters management and supervision for SUPSHIP corporate operations, lead the strategic planning initiatives for both Headquarters and the SUPSHIPS, provide financial management oversight and manage the SUPSHIP budgets and manpower requirements, and represent programmatic issues with other NAVSEA codes, PEOs, and ASN(RDA). Additionally, the NAVSEA 04Z staff is the headquarters advocate for issues that emerge in each of the SUPSHIPS. The NAVSEA 04Z organization and responsibilities are shown in Figure 1- 2.

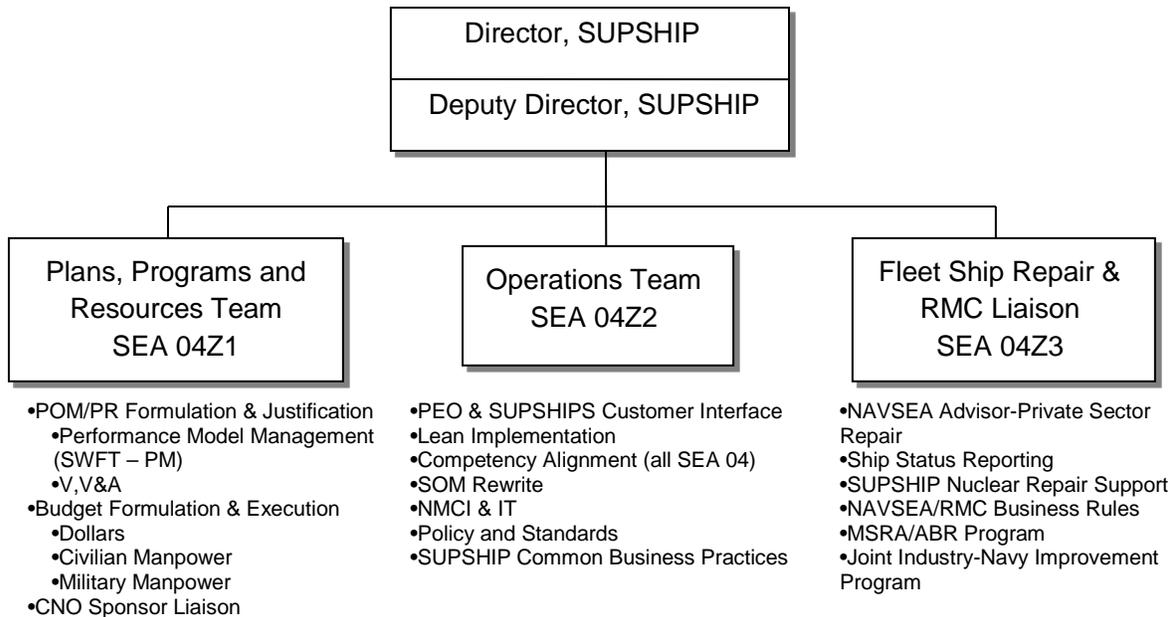


Figure 1-2. SUPSHIP Management Group (NAVSEA 04Z)

1.3 Additional Organizations in Navy Acquisition Programs

1.3.1 The Atlantic and Pacific Fleets

Fleet activities provide input to the development of ship characteristics and become involved in trials, delivery/redelivery, and guarantee periods of ships and submarines. Upon acceptance of the new construction ship, submarine or craft, the designated Fleet command becomes the operator and maintainer while assigned to that command. Commander Fleet Forces Command (CFFC) is responsible for the Atlantic Fleet operations as Commander, U.S. Atlantic Fleet, and as senior commander for providing direction and policy for maintenance and modernization of United States Fleet Forces. Commander, U.S. Pacific Fleet is responsible for fleet units operating in the Pacific Area of Responsibility (AOR). The Fleet and NAVSEA develop maintenance strategies, procedures, and processes for new ships that are integrated into the Joint Fleet Maintenance Manual (JFMM) using the concept of Continuous Maintenance (CM). Warfare specific Type Commanders (TYCOMs) have been established for each Fleet for surface ships, aircraft and aircraft carriers, submarines, and special warfare to manage the maintenance and upkeep of all assigned ships. The Fleet Commanders determine ship schedules, including Post Shakedown Availabilities (PSAs) and, within guidelines published by the CNO, approve changes in scheduled availability dates for assigned ships. Through their respective TYCOMs, the Fleet Commanders provide funding for advance planning and execution of CNO scheduled ship maintenance availabilities.

1.3.2 Type Commanders (TYCOMs)

In support of new construction, TYCOMs have a primary mission to provide input to the development of ship characteristics and participate in trials, delivery, and guarantee periods of newly delivered ships. The JFMM Volume I addresses the Fleets' role in new construction.

Warfare specific TYCOMs are assigned in both Fleets for surface, air, and sub-surface assets. One of the two Fleet Commanders is the lead TYCOM for each specific warfare platform. These TYCOMs are assigned to the Fleet Commanders as shown below:

- Commander U.S. Fleet Forces Command (CFFC) (Commander U.S. Atlantic Fleet)
 - Commander Naval Air Force U.S. Atlantic Fleet
 - Commander Submarine Forces (Commander Submarine Force U. S. Atlantic Fleet)
 - Commander Naval Surface Force U. S. Atlantic Fleet
- Commander U.S. Pacific Fleet
 - Commander Naval Air Forces (Commander Naval Air Force U.S. Pacific Fleet)
 - Commander Submarine Force U. S. Pacific Fleet
 - Commander Naval Surface Forces (Commander Naval Surface Force U. S. Pacific Fleet)

There are two other major commands that are also responsible for the maintenance of assigned ships and craft. They are Commander Naval Mine Warfare Command (COMMINEWARFARE) and Commander Naval Special Warfare Command (COMSPECWARFARE). They function in a role similar to the TYCOMs.

Within guidelines established by the CNO and Fleet Commanders, the TYCOMs, in concert with the numbered Fleet Commanders (COMSECOND FLT, COMTHIRD FLT, etc.), recommend schedules for ships maintenance or modernization availabilities. In this regard, the TYCOM is the most important activity involved in scheduling ship and submarine refits, modernization, and major repair planning activities that directly involve the ship or the ship's crew. Ships and submarines are assigned to the numbered operational Fleet Commanders for pre-deployment workup and during deployments.

1.3.3 Naval Supervising Activities (NSAs)

As defined in [JFMM, volume 2, paragraph 2.1.1](#), the Naval Supervising Activity (NSA) is responsible for execution of assigned ship repair and modernization availabilities. In addition to the SUPSHIPs, the Naval Shipyards (NSYs), Regional Maintenance Centers (RMCs), and

Ship Repair Units (SRUs) are all considered qualified to be NSAs. SUPSHIPS may remain the NSA for a Post Shakedown Availability (PSA) or fill a support role to another NSA where repair work and in some cases alterations may be accomplished concurrently with any guarantee or deferred work from the construction phase.

As defined in the JFMM, the duties and responsibilities of the Naval Supervising Authority are:

- a. The Naval activity responsible for the verification of work being accomplished on U.S. Naval ships. The Naval Supervising Authority (NSA) shall be assigned by the Fleet Maintenance Officer for Chief of Naval Operations (CNO) availabilities. The NSA will ensure that all work under their cognizance is authorized and completed in compliance with applicable technical requirements and maintenance policy. The NSA must possess a Naval Sea Systems Command (NAVSEA) technical warrant.
- b. In availabilities with multiple NSAs, the Fleet Maintenance Officer designated NSA (the lead NSA) will be responsible for all work accomplished by all activities and act as the single point of contact. These responsibilities include, but are not limited to:
 - (1) Coordinates with other NSAs
 - (2) Acts as single point of contact for the Lead Maintenance Activity (LMA) and shipboard personnel
 - (3) Collects all necessary paperwork to document the completion of milestones, key events, end of availability, and availability departure report

1.3.3.1 Naval Shipyards (NSYs)

The public shipyards report to NAVSEA 04X for business and technical matters and Additional Duty (ADDU) to the Maintenance Officers at Fleet Forces Command and Commander Pacific Fleet. The Naval Shipyards are strategic industrial assets with mobilization responsibilities associated with national tasking. They maintain core ship conversion, modernization and repair industrial capabilities that are integrated into the overall U.S. maritime industrial base that support our national strategies for forward force projection. The core capabilities include extensive nuclear and non-nuclear ship engineering disciplines and production capabilities. The industrial facilities and equipment are employed to perform scheduled maintenance on all classes of ships in the USN and MSC force. Naval Shipyards are also assigned responsibilities as Planning Yards (PY) for designated ship classes and provide engineering expertise and technical support for the Fleet Modernization Program.

1.3.3.2 Regional Maintenance Centers (RMCs)

The RMCs function under the guidance and policies of CFFC. They are also responsible to the TYCOMS for work item screening, planning for continuous maintenance, and managing the Fleet maintenance and repair availabilities for ships and submarines in their assigned geographic region in accordance with the JFMM. Additionally, some SUPSHIPS have Memorandums of Agreement or Concepts of Operations with RMCs in their geographic

region. For example, SUPSHIP Bath has a Memorandum of Agreement with the Southwest Regional Maintenance Center (SWRMC) to provide support to SUPSHIP Bath Detachment, San Diego for their new construction programs. Similarly, SUPSHIP Groton has a Memorandum of Agreement (MOA) with Regional Support Group Groton that has established procedures for providing services to that organization. In instances where SUPSHIPS or RMCs will be receiving technical, administrative or programmatic support from the other, NAVSEA 04Z shall assist in negotiating any agreements or concepts of operations between the two.

Functions that have been performed by SUPSHIP organizations in select geographic regions have been integrated into the respective RMC as approved by NAVSEA and CFFC. There is a shared level of responsibility in NAVSEA 04Z to maintain an interface with Fleet Maintenance Organizations.

In addition to the U.S.-based RMCs, there is one RMC located overseas; RMC Japan. Headquartered in Yokosuka, with a detachment in Sasebo, this echelon 3 repair facility is led by a contingent of U.S. military and civilian personnel, with the majority of the workforce consisting of Japanese employees. RMC Japan is a depot-level repair activity with extensive industrial capabilities, including six dry docks, one of which is capable of accommodating aircraft carriers.

1.3.4 Submarine Maintenance Engineering Planning and Procurement (SUBMEPP)

Submarine Maintenance Engineering Planning and Procurement (SUBMEPP) provides submarine maintenance and modernization support for NAVSEA and the Fleet. SUBMEPP and its functional responsibilities are a component of Portsmouth Naval Shipyard.

1.3.5 NAVSEA Shipbuilding Support Office (NAVSHIPSO)

With respect to new construction and under the direction of NAVSEA, the NAVSHIPSO prepares schedules showing when materials and components are required for the timely and orderly completion of new construction contract work. NAVSHIPSO schedules are initially established and revised as necessary in collaboration with NAVSEA, other Navy material commands, SUPSHIP, design activities, and shipbuilding contractors.

1.3.6 Naval Inactive Ship Maintenance Facilities (INACTSHIPFAC)

SUPSHIP work may be required to support the inactivation of ships scheduled for retention at INACTSHIPFACs. The work involved is the inactivation effort beyond the capability of ship's force and includes such tasks as hull blanking, gas freeing of tanks, hydro blasting CHT systems, and towing preparations.

The TYCOM normally authorizes the work and NAVSEA funds such work. In some cases, inactive ships may be reactivated for delivery to foreign governments. This work is normally authorized and funded by NAVSEA or higher authority.

1.3.7 Defense Finance and Accounting Service (DFAS) Offices

Accounting and disbursing operations in the continental United States (CONUS) and Hawaii are consolidated at designated Defense Finance & Accounting Service (DFAS) Centers and Operating Locations (OPLOCs).

All contracts, agreements, and orders citing Navy appropriations and funds paid by DFAS disbursing offices will show the appropriate paying office.

1.3.8 Defense Contract Audit Agency (DCAA)

Contract auditing is a function of DCAA. The DCAA has subordinate field offices including district/regional, branch, procurement liaison, contractor residency, and contract audit coordination offices. The DCAA office performs two basic functions:

- Advising on the allowability of costs under cost-reimbursement type contracts
- Providing advisory audit reports to assist in pricing actions under all types of contracts

The specific assistance DCAA auditors render in connection with payments, termination settlement proposals, adjudication of claims, and pricing of certain negotiated changes is discussed in the appropriate chapters of this manual. The DCAA plays an important role in the award and administration of contracts. Their role is that of an advisor, with SUPSHIP retaining responsibility for subsequent contractual actions. The SUPSHIP has full responsibility for contract administration and must therefore make final decisions regarding advice provided by DCAA; however, departure from DCAA recommendations must be fully justified.

1.3.9 Defense Contract Management Agency (DCMA) - Components

Within an assigned area, a DoD Contract Administration Service (CAS) component is responsible for the field administration of all contracts placed by DoD activities. The [Federal Directory of Contract Administration Services Components](#) lists all DCMA components engaged in the performance of contract administration services, together with their geographic or plant cognizance assignments, and the services they perform.

As members of the DoD CAS organization, SUPSHIP CAS responsibilities for specific contractor plants are identified in the Federal Directory of CAS components.

The SUPSHIP may require performance of certain contract administration functions, such as performance of quality assurance, source inspection, etc., at a subcontractor's plant under the cognizance of another DCMA component. These services, when required, are requested in accordance with FAR [42.2](#) and FAR [42.3](#).

In vessel acquisition procurements, the DCMA Component usually is responsible for:

- Administering DoD contracts for components to be provided as Government - Furnished Material (GFM) to vessel acquisition contractors
- Performing source inspection, progressing, and expediting actions in connection with GFM services and technical data
- Acting as disposal officer in the sale of terminal inventories

1.3.10 Military Sealift Command (MSC)

As a major command in the operating forces of the Navy, MSC maintains a force composed of strategic sealift ships which provide defense-related requirements for worldwide dry cargo, Petroleum, Oil, and Lubricants (POL), and special purpose ocean transportation. MSC supports special mission and scientific support ships for DoD and other Government agencies, Fleet auxiliaries providing underway replenishment, and other services to the United States and allied fleet operating forces.

NAVSEA is responsible for the design (including incorporation of the ABS Steel Vessel Rules), construction, conversion, and delivery of MSC fleet assets acquired with SCN or other procurement appropriation funds. Accordingly, the cognizant SUPSHIP is assigned the responsibility for overall field administration of shipbuilding and conversion contracts, including the Administrative Contracting Officer function. Depending upon specific agreements between Commander, MSC (COMSC) and COMNAVSEA, MSC may assign Construction Representatives (CONREPs) to the SUPSHIP officer responsible for administration of the contract.

1.3.11 Agencies Influencing Design Considerations

The specifications of some ship, boat, and craft acquisition contracts invoke standards or rules established by the American Bureau of Shipping (ABS), the Public Health Service, the United States Coast Guard (USCG), and other agencies. In such cases, certificates of compliance with these standards must be obtained from the cognizant agency prior to acceptance of the vessel.

As an example, ABS and NAVSEA have worked cooperatively to establish Naval Vessel Rules (NVRs) and other guidelines for application in specific new construction programs (for example, High Speed Vessel Ships). The rules incorporate many portions of the General Specifications for Overhaul of Ships of the U.S. Navy. These rules capture best practices from commercial shipbuilding and integrate them into construction specifications. ABS conducts on-site production surveys to confirm that the vessel is constructed to the requirements necessary to achieve ABS classification. Business rules are established between the SUPSHIP and ABS in accordance with the Acquisition Plan and approved by NAVSEA 04Z during pre-construction planning if NVR's are to be contractually invoked.

In the case of new construction programs for Military Sealift Command (MSC), the design incorporates the ABS Steel Vessel Rules as applicable.

1.3.12 Government Accountability Office (GAO)

The GAO, although not a part of the Navy, is concerned with Government fiscal and contract matters, including DoD. The GAO is entirely separate from the executive branch of the Government and acts as the agent of Congress in investigating all matters relating to Government procurement. SUPSHIP shall notify NAVSEA 04Z and the PEO when representatives of GAO are planning to make a visit to SUPSHIP activities. All communications with GAO on matters involving NAVSEA contracts, whether they are initiated by the field activity or in response to a GAO inquiry, will be processed in accordance with [NAVSEAINST 5730.1E**](#), Legislative and Congressional Matters, reference (k), and [NAVSEAINST 7500.1B**](#), Audits of NAVSEA by External Audit Organizations (EAOS), reference (l).

1.3.13 Foreign Governments

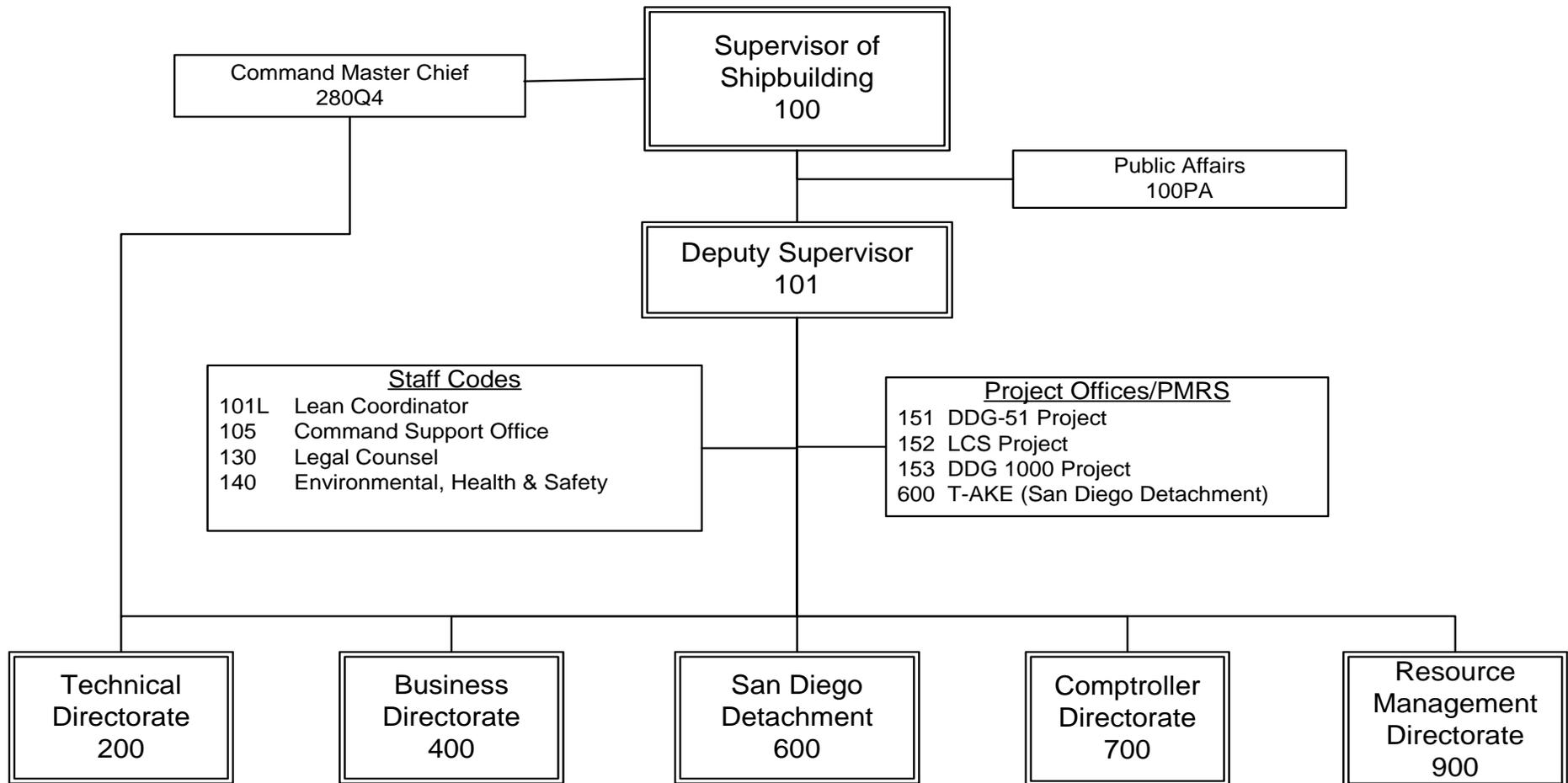
Acquisition of vessels for delivery to foreign governments is made under Navy contracts and is charged to funds provided by the foreign government, usually under the coverage of a Foreign Military Sales (FMS) case.

1.3.14 Private Companies - Demilitarizing and Stripping

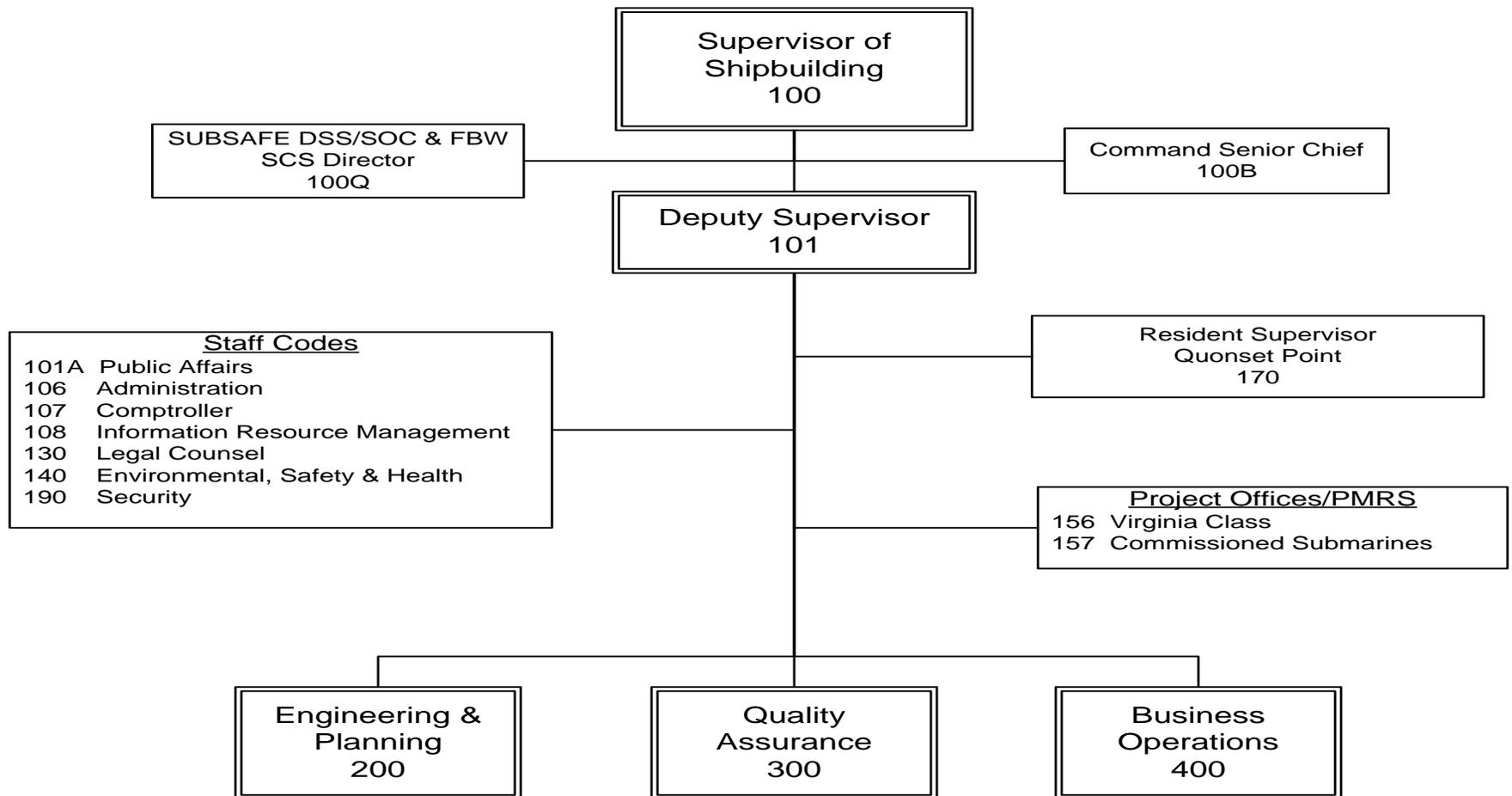
A SUPSHIP may sometimes be required by NAVSEA to arrange for the demilitarization and stripping of ships which are programmed for disposal or for sale to private concerns. In the case of ships programmed for disposal, these functions, when not performed by the activity having cognizance of the vessel, are carried out by the cognizant SUPSHIP. When the ships are sold to private concerns, the work will be performed by the purchasing contractor as a condition of sale. In these cases, the SUPSHIP will be requested to provide surveillance over the work to ensure its proper performance. Of particular concern is the compliance with Environmental Protection Agency (EPA) and Occupational and Health Administration (OSHA) rules and regulations.

** Denotes secure hyperlink requiring NMCI/CAC access

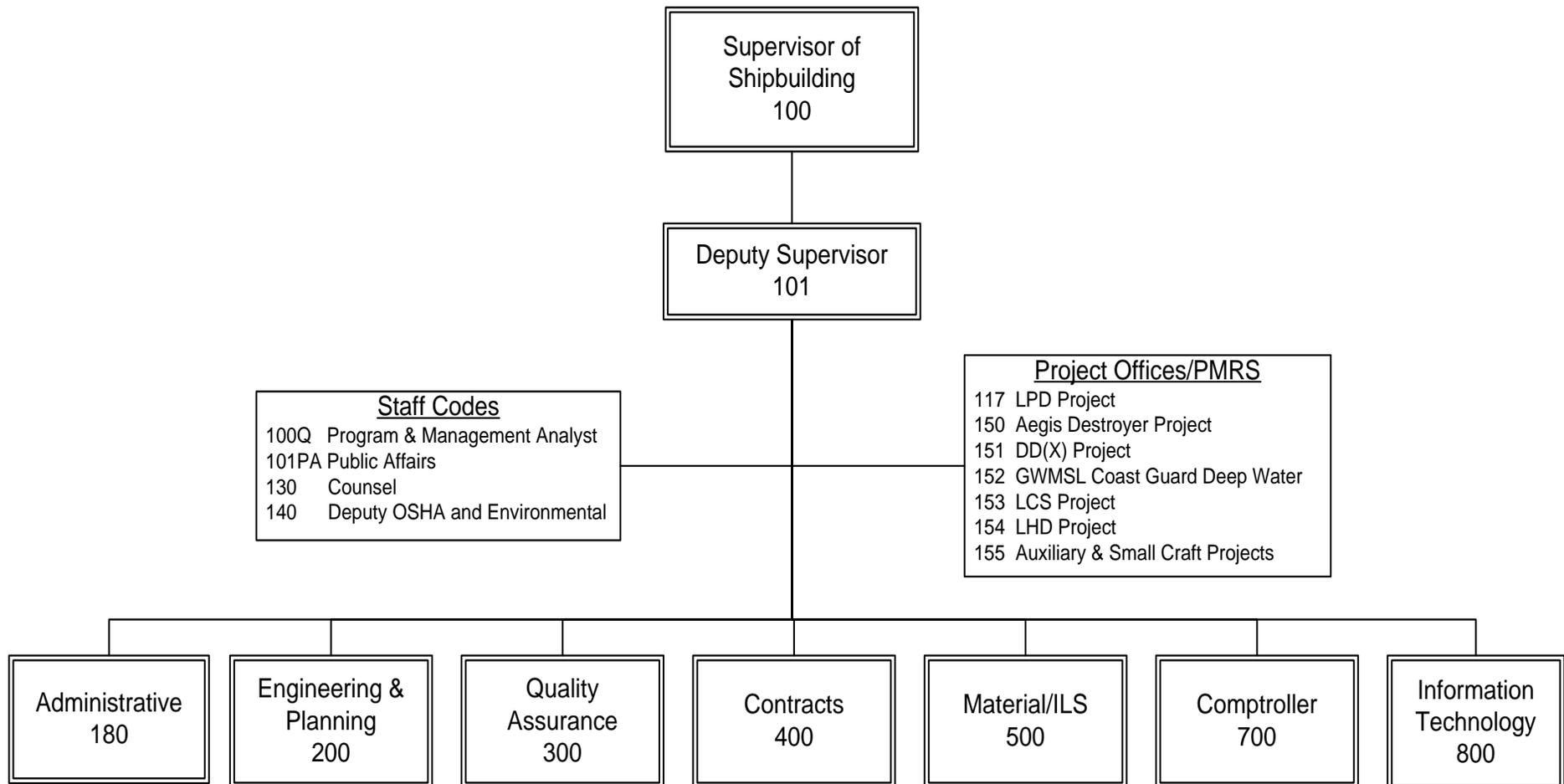
Appendix 1-A: SUPSHIP Bath Organization Chart



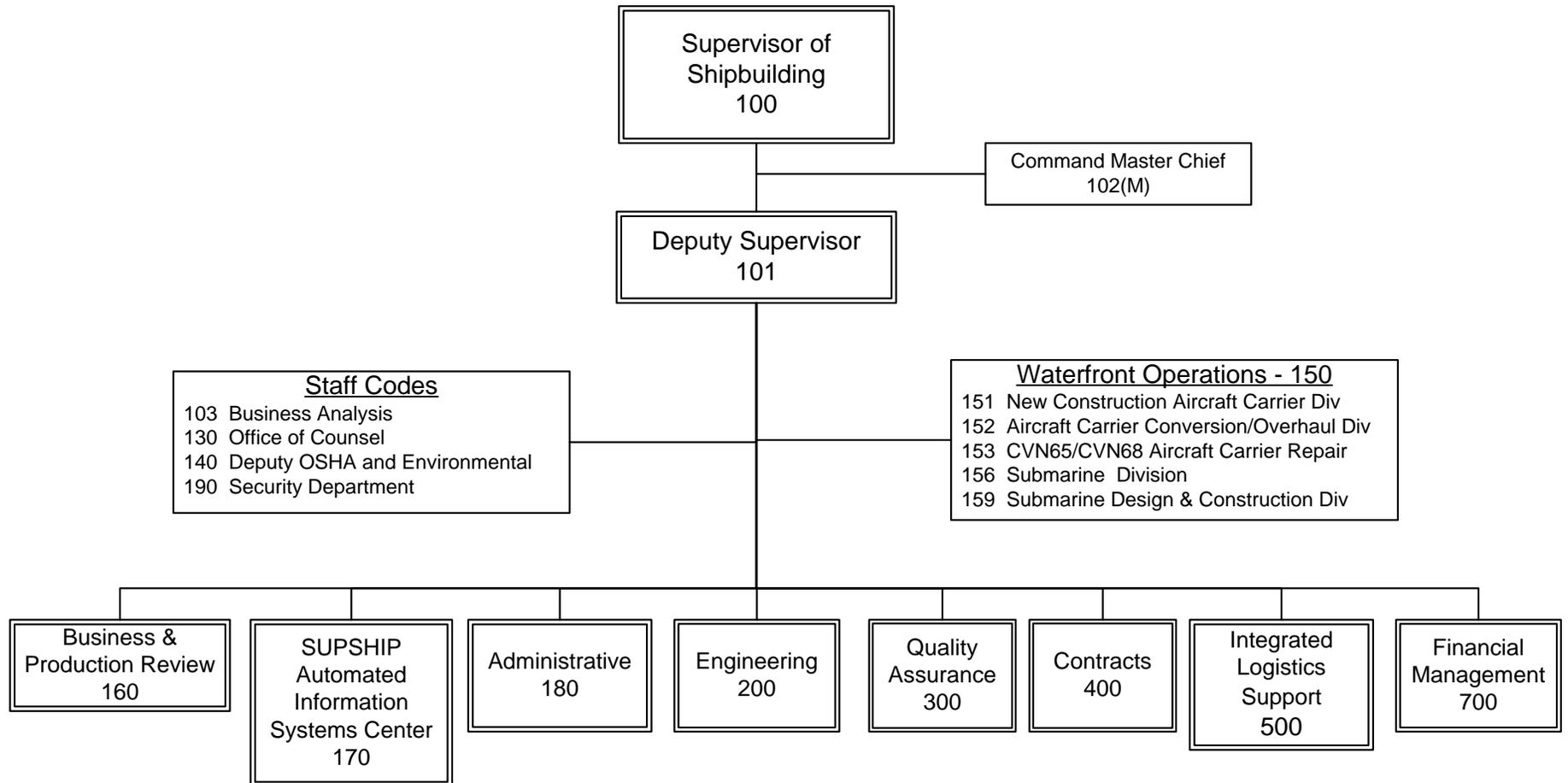
Appendix 1-B: SUPSHIP Groton Organization Chart



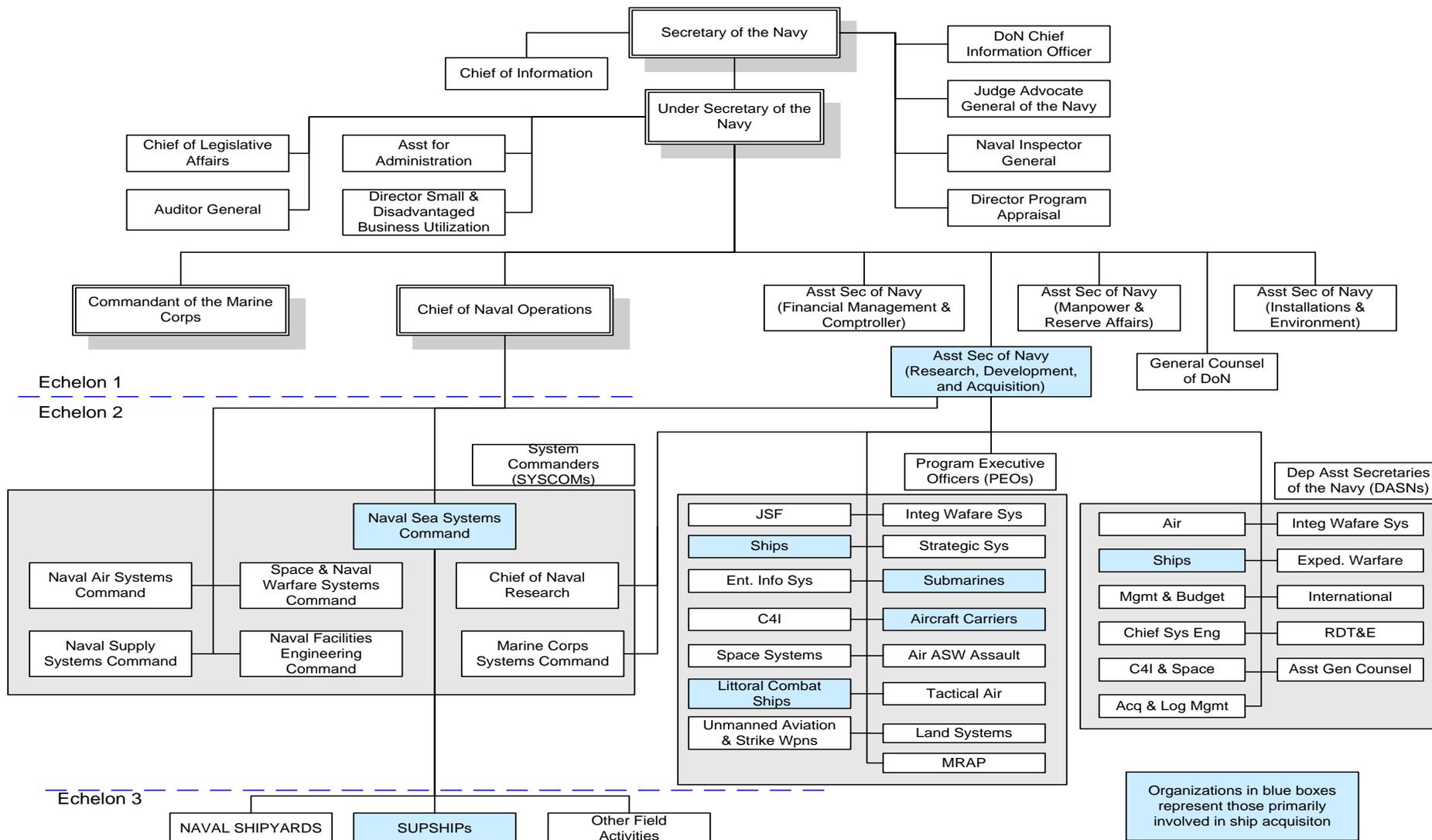
Appendix 1-C: SUPSHIP Gulf Coast Organization Chart



Appendix 1-D: SUPSHIP Newport News Organization Chart

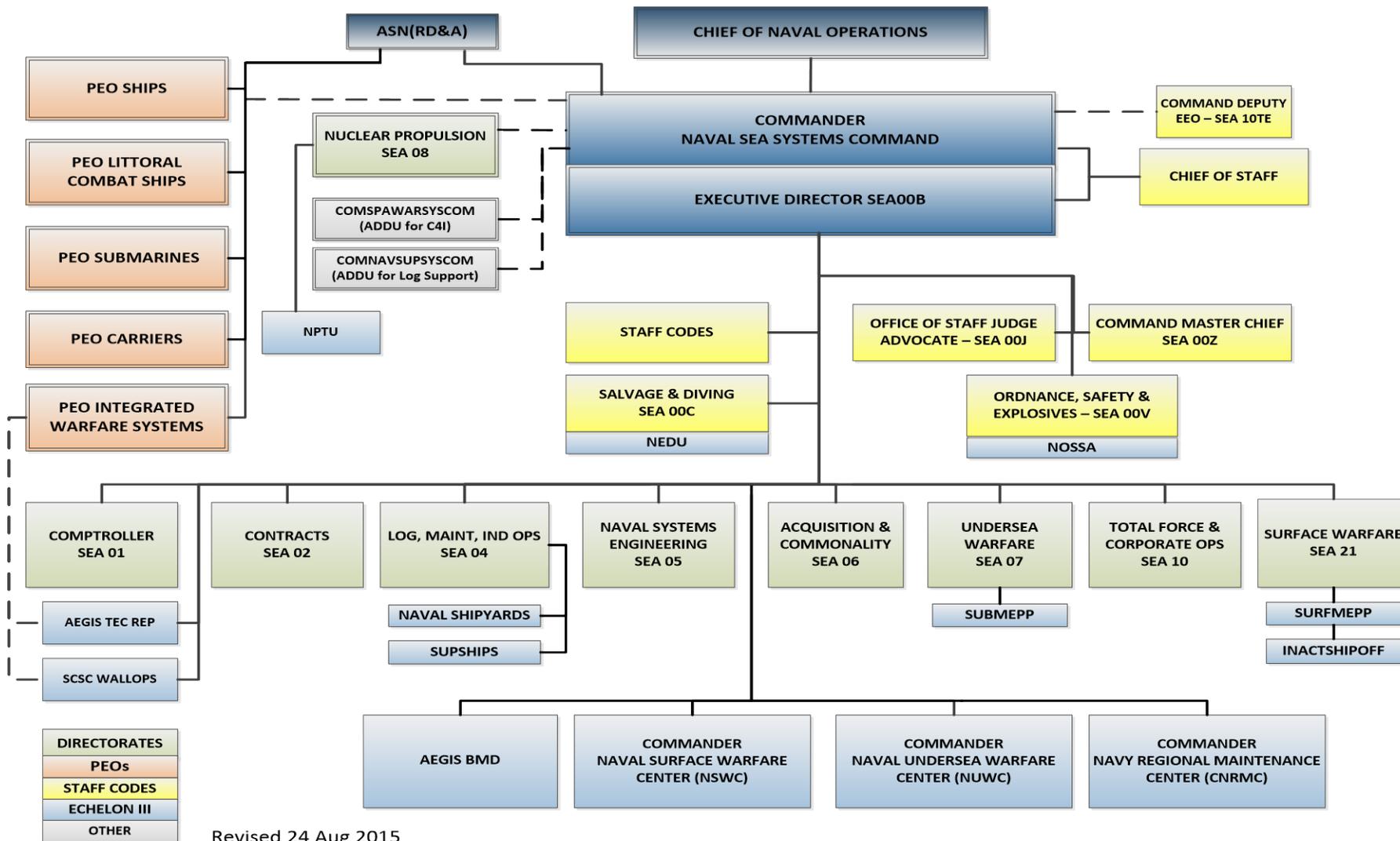


Appendix 1-E: Simplified Navy Organization Chart

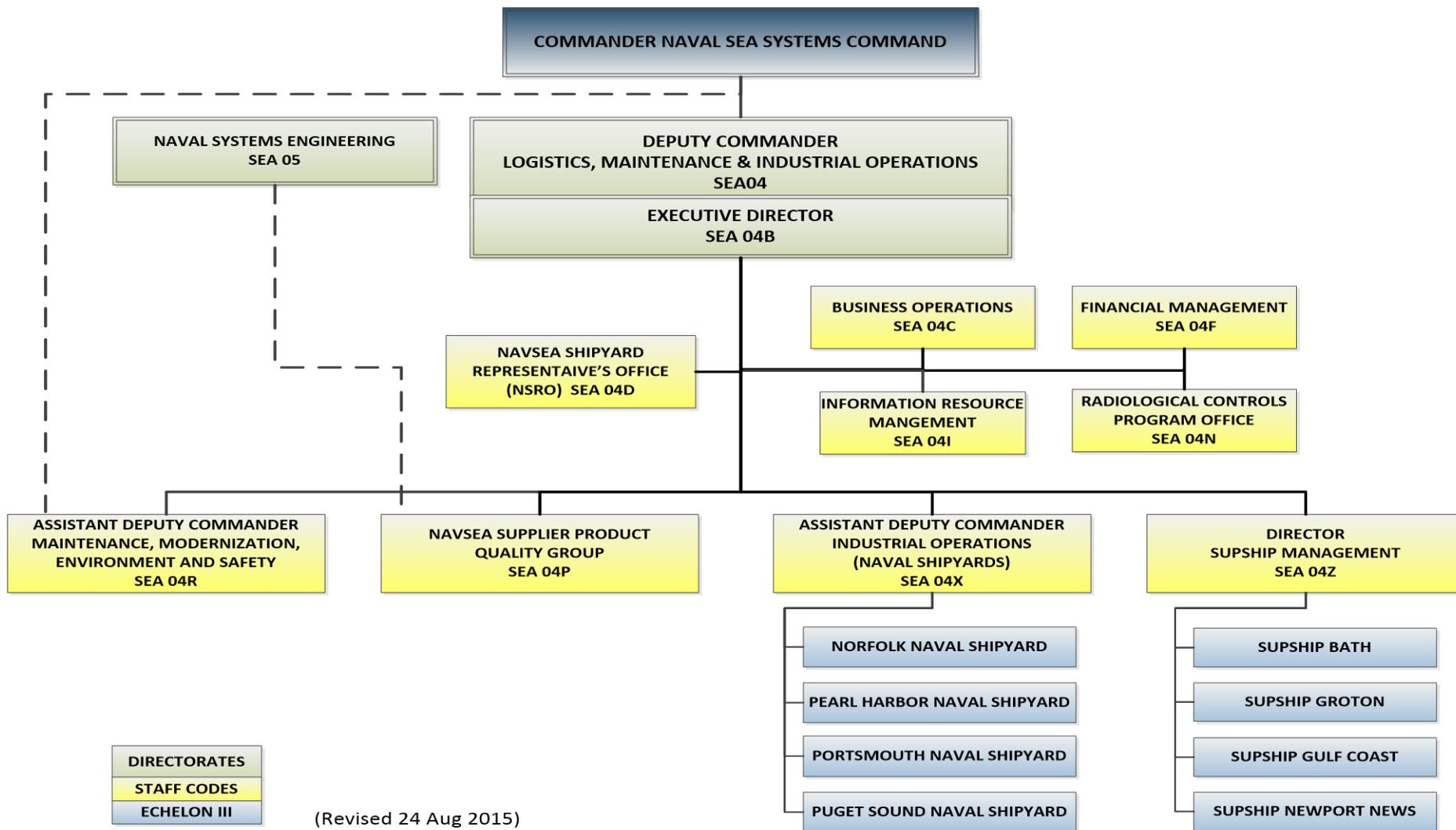


(Revised 31 Jul 2012)

Appendix 1-F: NAVSEA Organization



Appendix 1-G: NAVSEA 04 Organization Chart



Appendix 1-H: Acronyms

AAA	Authorized Accounting Activity
AAR	Audit Advisory Report
ABS	American Bureau of Shipping
ACO	Administrative Contracting Office
ADDU	Additional Duty
AOR	Area of Responsibility
ASN(RD&A)	Assistant Secretary of the Navy (Research, Development and Acquisition)
CAO	Contract Administration Office
CAS	Contract Administration Services
CDRL	Contract Data Requirements List
CFFC	Commander, Fleet Forces Command
CHENG	Chief Engineer
CM	Continuous Maintenance
CNO	Chief of Naval Operations
COMFLTFORCOMINST	Commander, Fleet Forces Command Instruction
COMMINEWARFARE	Commander, Naval Mine Warfare Command
COMNAVSEASYSKOM	Commander, Naval Sea Systems Command
COMSC	Commander, Military Sealift Command
COMSECOND FLT	Commander, Second Fleet
COMSPECWARFARE	Commander, Naval Special Warfare Command
COMTHIRD FLT	Commander, Third Fleet

CONREPs	Construction Representatives
CONUS	Continental United States
CPARS	Contractor Performance Assessment Reporting System
DAWIA	Defense Acquisition Workforce Improvement Act
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DEEOO	Deputy Equal Employment Opportunity Officer
DFAS	Defense Finance and Accounting Service
DoD	Department of Defense
DoD AIG(Audit)	Department of Defense Assistant Inspector General for Auditing
DoDD	Department of Defense Directive
DoDI	Department of Defense Instruction
DSMB	Deputy Strategic Management Board
EAO	External Audit Organization
ECP	Engineering Change Proposal
EEO	Equal Employment Opportunity
EPA	Environmental Protection Agency
ESH	Environmental, Safety and Health
EVMS	Earned Value Management System
FAR	Federal Acquisition Regulations
FMP	Fleet Modernization Program
FMPMIS	Fleet Maintenance Program Management Information System

FMR	Field Modification Request
FMS	Foreign Military Sales
FTE	Full Time Equivalent
GAO	Government Accountability Office
GFM	Government Furnished Material
HCA	Head of Contracting Activity
HMR	Headquarters Modification Request
ILS	Integrated Logistics Support
INACTSHIPFAC	Naval Inactive Ship Maintenance Facility
INSURV	Board of Inspection and Survey
ISO	International Standards Organization
IT	Information Technology
JFMM	Joint Fleet Maintenance Manual
LCM	Life Cycle Manager
MOA	Memorandum of Agreement
MSC	Military Sealift Command
NAS	Naval Audit Service
NAVAIRSYSCOM	Naval Air Systems Command
NAVFACENCOM	Naval Facilities Engineering Command
NAVSEA	Naval Sea Systems Command
NAVSEAINST	Naval Sea Systems Command Instruction
NAVSHIPSO	NAVSEA Shipbuilding Support Office

NAVSUPSYSCOM	Naval Supply Systems Command
NCH	NAVSEA Contracts Handbook
NDT	Non-Destructive Testing
NMCARS	Navy and Marine Corps Acquisition Regulation Supplement
NSAs	Naval Supervising Activities
NSYs	Naval Shipyards
NUVEP	NAVSEA Unified Vendor Evaluation Program
NVR	Naval Vessel Rules
OPLOC	Operating Location
OPNAV	Office of the Chief of Naval Operations
OPNAVINST	Chief of Naval Operations Instruction
OSHA	Occupational Safety and Health Administration
OSHA	Occupational Safety and Health Administration
PCU	Pre-Commissioning Unit
PEO	Program Executive Office
PM	Program Manager
PMR	Program Manager's Representative
POL	Petroleum, Oil and Lubricants
PSA	Post Shakedown Availability
PSA	Post Shakedown Availability
PVI	Product Verification Inspection
PY	Planning Yard

QA	Quality Assurance
R3B	Resources and Requirements Review Board
RMC	Regional Maintenance Center
SCA	Ship Cost Adjustment
SCIP	Ships Characteristics Improvement Panel
SCN	Ship Construction, Navy
SECNAV	Secretary of the Navy
SECNAVINST	Secretary of Navy Instruction
SITREPs	Situation Reports
SNDL	Standard Navy Distribution List
SOM	SUPSHIP Operations Manual
SPAWARSSYSCOM	Space and Naval Warfare Systems Command
SPECWARFARE	Naval Special Warfare
SRU	Ship Repair Unit
SUBMEPP	Submarine Maintenance Engineering, Planning and Procurement
SUBSAFE	Submarine Safety Certification Program
SUPSHIPs	Supervisors of Shipbuilding, Conversion and Repair, USN
SWRMC	Southwest Regional Maintenance Center
SYSCOMs	Systems Commands
TAR	Technical Analysis Report
TYCOMs	Type Commanders
USCG	United States Coast Guard

USFF	United States Fleet Forces Command
VIP	Very Important Person
VTC	Video Teleconference