



DEPARTMENT OF THE NAVY  
NAVAL SEA SYSTEMS COMMAND  
WASHINGTON, DC 20362-5101

IN REPLY REFER TO  
NAVSEAINST 5310.9B  
OPR 01M4  
4 JUL 89

NAVSEA INSTRUCTION 5310.9B

From: Commander, Naval Sea Systems Command

Subj: EFFICIENCY REVIEW (ER) POLICIES AND RESPONSIBILITY

Ref: (a) OPNAVINST 5310.22A  
(b) OPNAVINST 5310.14B  
(c) OPNAVINST 1000.16F  
(d) OPNAVINST 4860.7B  
(e) SECNAVINST 12510.9  
(f) Navy Shore Manpower Requirements Handbook of 28 Nov 88

Encl: (1) Efficiency Review Report Format  
(2) Claimant Efficiency Review Five Year Schedule Format

1. Purpose. To revise policy and guidance, and assign command responsibility for the development, implementation and administration of Navy Shore Manpower Requirements Program per references (a) through (f) with special emphasis on conducting Efficiency Review (ER) studies. This is a major change to the basic instruction.

2. Cancellation. NAVSEAINST 5310.9A of 4 April 1985.

3. Scope. This instruction contains background and policies necessary for the determination of Navy Shore Manpower Requirements based upon Efficiency Review (ER) Most Efficient Organization (MEO) development. Applicability covers Naval Sea Systems Command Headquarters and all NAVSEA shore activities and detachments.

4. Discussion

a. By memorandum of 26 January 1988, SECNAV approved a new decentralized Efficiency Review Program. The Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN(M&RA)) has overall management responsibility. CNO (OP 01) will provide policy and management control of Navy's manpower requirements which will include approval of all ER Most Efficient Organizations (MEO), staffing standards, manpower models and manpower documents.

b. A credible ER program is essential for COMNAVSEASYSKOM to identify and justify shore manpower requirements to accomplish its mission. The long term goals of the ER program are to ensure efficient staffing of shore activities and document manpower requirements.

The program is expected to pay for itself with identified and implemented efficiencies and savings. The ER study is a review of processes, procedures, organization, mission and functions, resources, facilities, and equipment to identify specific improvements required to enhance operations, improve performance, achieve efficiencies, increase readiness and minimize cost.

c. The ER study encompasses all authorized military billets, full time and part time civilian positions, contractor (full time equivalent contract manyears), non-budget (manyears for such manpower resources as transient, non-appropriated funded, reserves on active duty for training, military students, marines, borrowed, etc.). In addition, mobilization requirements will be developed or validated.

d. Where manpower requirements have been determined under the Commercial Activities (CA) program, or CA coverage is planned within 24 months, the identified requirements will be incorporated in the ER study as part of the total MEO requirements.

e. A wide variety of analytical techniques can be employed in determining manpower requirements. Work measurement techniques and method studies should be utilized in developing the MEO. The "Navy Manpower Requirements Handbook" developed by the Navy Manpower Analysis Center, Norfolk, VA provides information needed to conduct ER studies and describes reporting formats. Additional accepted industrial engineering tools and techniques should be used as appropriate. Management Information Systems (MIS) currently in place can be used (if they meet the requirements of references (a) through (d)).

f. Total Quality Management (TQM) is a quality focused management philosophy for providing the leadership, training, and motivation to continuously improve organization process(es) by the application of modern process control techniques and is naturally related to the ER program and should be used during all phases of the ER study. TQM focuses on quality in all facets of governmental operations, whereas the ER is a requirements based program with emphasis on determining efficient staffing and documentation of manpower requirements.

## 5. Policies

a. The Commander, Naval Sea Systems Command (COMNAVSEA) supports the Chief of Naval Operations (CNO) in the Efficiency Review (ER) effort of examining manpower and material resources, existing processes, procedures and organizational structures to promote efficiency and effectiveness. Accordingly, ER studies will be conducted "top down" at each NAVSEA shore activity once

every five years (activity is defined as the combination of Parent Unit Identification Code (PUIC) and all associated component Activity Unit Identification Codes (AUIC)), and ER Generated MEOs will have been implemented at all COMNAVSEA activities by FY 1994. Current activity resources will have to be relied upon to perform ER studies, as additional dedicated resources from higher authority are not forthcoming. Activities should attempt to utilize current staff and adapt existing management procedures to satisfy the ER requirement. When economically feasible, ERs may be performed under contract.

b. A Five-Year ER Schedule, updated annually, will be required to facilitate the reporting process. To ensure 100 percent coverage, activities which have associated component AUICs will be scheduled for ER study simultaneously with the parent activity. Component activity study results will be included with the parent activity's report. Individual ER studies will be scheduled in accordance with the annual five-year schedule.

c. The MEO is the result of the ER study and portrays manpower requirements at that particular time. Additionally, a single point staffing standard can be developed which can be used for planning out-year requirements. Development of a single point staffing standard will not be required as part of the ER study; however, activities are encouraged to develop and include single point staffing standards in the ER report. The manpower equation developed from a single point staffing standard depicts the relationship between workload and man-hours and can be used to determine manpower requirements as workload fluctuates. Volume III of reference (f) provides guidelines for single point development.

d. Upon implementation of ER studies, COMNAVSEA will effect resource adjustments (both increments and decrements) to satisfy manpower requirements of activity MEOs. Approved MEO requirements that cannot be funded will be given full consideration in the Planning, Programming and Budgeting System (PPBS) process. Appreciable ER savings will be fully supported in the Program Objective Memorandum (POM) by both NAVSEA and OPNAV as compensation for valid and justified incremental increases for emergent program requirements. Net ER identified savings will be retained for reapplication to new requirements within NAVSEASYSKOM during the execution years (until subsequent POM and budget reviews by higher authority).

e. Tracking ER driven military manpower adjustments, officer and enlisted authorization files in the Navy Manpower Data Accounting System (NMDAS) will be updated in accordance with reference (c).

f. In executing civilian manpower budget levels, the procedures associated with "Managing to Payroll" as defined in reference (e) apply. Managers may deviate from the civilian position requirements baseline established by the MEOs, provided that equivalent activity civilian payroll levels are adhered to, as recorded in the Civilian Personnel Resource Reporting System (CPRRS). Navy Civilian Personnel Data System (NCPDS) and staffing plans will be maintained to track on-board civilian positions versus planned positions under Managing to Payroll.

#### 6. Responsibilities and Actions

a. SEA 01M4. The Manpower Engineering Branch (SEA 01M4) is responsible for the management of the ER program and is assigned overall responsibilities for developing, directing, implementing, and maintaining the ER program for the command as follows:

(1) Develop policy as appropriate and provide management control over program operations; act as NAVSEA point of contact on ER matters, establish lines of communication with higher authorities, other commands and NAVSEA shore activities through the shore activity managers.

(2) Provide activity profile package prior to ER study. The profile will be based on data extracted from the Navy Manpower Data Accounting System (NMDAS) and the Navy Manpower Requirements System (NMRS). An activity analysis summary of ER issues, authorization and requirements listing, an applicable staffing standard summary, and a summary of previous ER study results will be included in the package.

(3) Consolidate and submit NAVSEA Five-Year ER Schedule identifying by month and year schedule start and completion dates and estimated ER cost in dollars and manyears of effort for NAVSEA activities. Submit schedule to CNO (OP 123) via Navy Manpower Analysis Center (NAVMAC).

(4) Track current status of all ER studies in process. Maintain library of completed ER studies.

(5) Consolidate and submit Annual ER Summary Report to CNO OP 12 (NAVSEA ER plans, progress, and savings).

(6) Provide technical review and quality control of all ER study reports.

(7) Forward completed ER reports to CNO OP 123 via NAVMAC.

(8) Coordinate ER training for all NAVSEA.

b. SEA 01M2. The Military Manpower Branch (SEA 01M2) shall maintain ER driven military manpower (officer and enlisted) authorizations files in accordance with reference (c).

c. NAVSEA Directorates will designate an ER Coordinator who will act as the point of contact. Coordinators should have a working knowledge of the ER program. Navy Manpower ER training for activity personnel assigned to conduct ER studies is available at the Navy School of Manpower Management (NSMM) Norfolk, VA, and at selected sites throughout the Navy community.

d. NAVSEA Shore Activity Managers

(1) Provide management direction for ER program operations to cognizant shore activities.

(2) Update and submit changes to the Five-Year ER Schedule for cognizant activities (formatted per enclosure (2)) to SEA 01M4 by 1 July of each year.

(3) Serve as liaison between cognizant shore activities and SEA 01M4. Schedule and task activities to conduct ER Studies. Ensure studies are conducted in accordance with Five-Year ER Schedule.

(4) Review ER studies submitted by activities to ensure all activity functions are adequately described and that studies correctly state manpower requirements necessary to carry out assigned mission. Reports should be formatted per enclosure (1). Forward ER reports to SEA 01M4.

(5) Maintain liaison and monitor activity POA&M to ensure scheduled studies are conducted "as scheduled" and program directives are followed. Forward copy of POA&M and activity monthly status reports to SEA 01M4.

(6) Establish ER training requirements for activity personnel scheduled to conduct ER studies. Submit requirements to SEA 01M4 for actual course dates.

e. NAVSEA Shore Activities

(1) Conduct "top down" ER study in accordance with current directives. The ER study report will include (as a minimum): performance work statements; an implementation plan for achieving the MEO; a schedule and plan for establishing, revising, and maintaining labor and staffing standards (as appropriate); projected changes in the cost of operations at the activity when recommendations are implemented (format provided); a summary of savings identified during the ER (format provided); a narrative justification (by appropriate grouping or billet

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sequence) for assignment of MECs to military billets; and the cost of conducting the ER study (format provided). Enclosure (1) contains a basic ER report format.

(2) One month prior to beginning of study, submit a Plan of Action and Milestone (POA&M) to SEA 01M4 via the shore activity manager. The POA&M shall include: Point of contact (POC) and study participants; study start date and estimated completion date; work measurement and study techniques which will be used; general comments pertaining to the study. In addition, during the course of the study a monthly status report will be required detailing any deviation from the initial POA&M.

(3) Submit completed copies of ER study report to shore activity manager for review.

(4) Complete ER studies as expeditiously as possible. Generally, 3 to 6 months will be required for small and medium size activities, whereas, 6 to 9 months might be required for large activities (shipyards, ordnance and weapons stations, etc.).

(5) Compile a project file consisting of data collection forms and working papers which were utilized and developed during the course of the ER study to assist in the review and approval process and to be retained for future reference. These files are kept by the activity. Back-up data should be organized in such a way that a reviewer can follow and understand the steps taken through all phases of the ER study and clearly understand the findings of the study. NAVSEA and the Naval Audit Service are charged with conducting reviews of the ER process to ensure program integrity is maintained, expected benefits are realized, and the standards and criteria established in the performance work statements are followed.



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Distribution:  
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Distribution:

SNDL C84 COMNAVSEASYSKOM Shore Based Detachments  
FKP COMNAVSEASYSKOM Shore Activities

NAVSEA Special List Y2

Copy to:

SNDL A3 CNO  
FT88 EDOSCOL  
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\_\_\_\_\_  
(date)

EFFICIENCY REVIEW STUDY FORMAT

Efficiency Review Study for \_\_\_\_\_ (Activity), (UIC) (Location)

1. MISSION. (Quote mission statement. Provide a broad overview of the entire activity tasking).
2. EFFICIENCY REVIEW SUMMARY. Efficiency Review study results are summarized on the Efficiency Review Impact Summary (page 3), which projects changes in cost of operations when recommendations are implemented and provides man-year and dollar costs of conducting the ER study and developing the ER report.
3. IMPLEMENTATION PLAN
  - a. Military Changes
    - (1) Action: MEO changes are effected by the submission of Manpower Authorization Change Request via the Manpower Claimant Access System (MANCLASS) as part of the ER Report submission.
    - (2) Action Officer: Commanding Officer
    - (3) Completion Date: (state date MPA change request submitted via MANCLASS.)
  - b. Civilian Changes
    - (1) Action: (state changes for civilian positions, include title, pay plan, series, and grade or level). Identify document used to establish civilian position baseline (NCPDS).
    - (2) Action Officer: (identify by title)
    - (3) Completion Date: (date action completed)
  - c. Contract Dollars
    - (1) Action: (List services provided)
    - (2) Action Officer: (identify by title)
    - (3) Completion Date: (date action completed)
  - d. Staffing Standard Schedule
    - (1) OPNAV approved Staffing Standard used in ER development: (State standards if applicable).

Enclosure (1)

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4. JUSTIFICATION FOR MILITARY ESSENTIALITY CODE (MEC) ASSIGNMENT.  
MECs for all billet requirements are as follows:

OFFICER BILLETS

<u>BSC</u> (From MPA)	<u>MEC</u> (OPNAV 1000.16F)	<u>JUSTIFICATION STATEMENT</u> (# from Below)	<u>REQUIREMENT</u> (#)
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ENLISTED BILLETS (use same format as above)

JUSTIFICATION STATEMENTS

1. (list MEC and reason for selection).
2. (etc.)
3. (etc.)

5. PERFORMANCE WORK STATEMENTS (PWSs)

5-1. (List Organization Component)

Tasking Statements

1. (PWS)

Performance Indicators

Indicator: (List work unit)

Standard:

Quantity: (Number accomplished per-day, month, year, etc.)

Quality: (state acceptable limits)

Timeliness: (time to accomplish, if applicable)

5-2. Continue format for each organization component (report/study can be identified by command, department, division, etc.). List PWS, performance indicators, quantity, quality, and timeliness for each command section.

Enclosure (1)

EFFICIENCY REVIEW IMPACT SUMMARY		ACTIVITY / COMPONENT:								
UIC:	PROGRAMMED BASELINE SOURCE IDENTIFICATION (SOURCE / DATE) ----->	OFFICER	ENLISTED		CIVILIAN					
DATE:										
CATEGORY	PROGRAMMED AND MEO BASELINE		PHASING OF MEO IMPACT							
	a. PROGRAMMED MANPOWER	b. MEO (CSR) REQUIRMENT	c. MANPOWER IMPACT	CFY	FY+1	FY+2	FY+3	FY+4	FY+5	FY+6
1. MILITARY OFFICER										
ENLISTED										
SUBTOTAL										
2. CIVILIAN FULL-TIME										
OTHER (FULL-TIME EQUIVALENT)										
SUBTOTAL										
3. OTHER MANPOWER										
CONTRACT										
NONBUDGETFO										
SUBTOTAL										
4. TOTAL MANPOWER										
B, DOLLARS	d. CURRENT DOLLARS	e. MEO DOLLARS	f. DOLLAR IMPACT	CFY	FY+1	FY+2	FY+3	FY+4	FY+5	FY+6
6. MFN DOLLARS										
7. TOTAL CIV. MTP (OC-11 & 12)										
8. CIV. SALARIES (CA COSTING METHOD)										
9. CONTRACT DOLLARS										
10. ANNUAL NONMANPOWER COST / (SAVINGS)										
11. ONETIME NONMANPOWER COST / (SAVINGS)										
12. TOTAL DOLLAR IMPACT (SUM OF 6,8,9,10,11)										
				13. TOTAL ER STUDY COST						
										DOLLARS:

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CLAIMANT EFFICIENCY REVIEW FIVE YEAR SCHEDULE

MC FY ACTIVITY TITLE	AUTC	PUIC	RESPN CODE	SCHEDULED	SCHEDULED	ACTUAL	ACTUAL	OFF	ENL	CIV	-SUB TOTAL	CONTR	EST.	EST.	
				START	COMPLETION	START	COMPT					WK-YR	ER	ER	
				MM/DD/YY	MM/DD/YY	MM/DD/YY	MM/DD/YY					EQUIV	TOTAL	COST	COST
													MYE	\$	MYE

Enclosure (2)