



DEPARTMENT OF THE NAVY
COMMANDER
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CNRMCIINST 4280.1
2 Jul 15

CNRMCI INSTRUCTION 4280.1

From: Commander, Navy Regional Maintenance Center

Subj: MASTER AGREEMENT FOR REPAIR AND ALTERATION OF VESSELS;
MASTER SHIP REPAIR AGREEMENT (MSRA) AND AGREEMENT FOR
BOAT REPAIR (ABR)

Ref: (a) DoD Federal Acquisition Regulation Supplement, Part
217, Subpart 217.71, entitled Master Agreement for
Repair and Alteration of Vessels

Encl: (1) Master Ship Repair Agreement (MSRA) Eligibility
Requirements
(2) Agreement for Boat Repair (ABR) Eligibility
Requirements

1. Purpose. To revise policy, guidelines, and procedures governing the issuance of the MSRA and the ABR to firms meeting the eligibility requirements prescribed in enclosures (1) and (2) respectively.

2. Cancellation. NAVSEAINST 4280.2C of 27 November 1996.

3. Background. NAVSEAINST 4280.2C refined the minimum eligibility qualification requirements for obtaining/retaining an MSRA and/or ABR that had been set forth by NAVSEAINST 4280.2A of 4 September 1984. The instruction identified managerial, technical and facilities characteristics which a ship/boat repair contractor must possess and maintain to ensure that the repair effort on a naval vessel is accomplished satisfactorily. The basic eligibility requirement to obtain an MSRA under NAVSEAINST 4280.2C was the ability to accomplish required docking of FFG-7 vessels which will no longer be a requirement. Instruction also required Naval Sea Systems Command (NAVSEA) approval for MSRA and ABR holders. Future requests for approval are to be submitted to Commander, Naval Regional Maintenance Center (CNRMCI) Code 400. Notification of Recertification, if required, will be issued by CNRMCI. Therefore this instruction revises the standard for obtaining an MSRA and ABR.

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4. Discussion

a. The type of work that comprises ship repair, and the conditions under which it is performed, require that (NAVSEA) contract only with ship repair companies that are fully capable of conducting all aspects of shipboard work. By its nature, shipboard repair work is complex and demanding. The compact arrangement of machinery and systems aboard ship, the sophistication of systems installed in naval vessels, and the Navy's absolute requirement for reliable operation, create a unique repair environment that demands specialized expertise and capability. Further, naval ships are designed and built with a high degree of interaction among components and systems. Repairs or modifications to a single system or component may have wide-spread effects on the operation of many other systems or components that are physically remote from the one being repaired. A thorough understanding of these effects and the ability to manage shipboard work as an integrated package are absolutely essential.

b. Successful accomplishment of ship repair work requires careful coordination of a work force possessing a wide mix of skills and trades. Even relatively minor repairs may entail the following, but not limited to:

- (1) Advance planning
- (2) Engineering
- (3) Material identification and procurement
- (4) Material management
- (5) Work site preparation
- (7) Rip-out and removal of interferences
- (8) Handling, removal and disposal of hazardous materials/wastes
- (9) Removal, disassembly, repair and reassembly
- (10) Reinstallation and test
- (11) Restoration and test of interferences
- (12) Work site restoration

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- (13) Quality assurance
- (14) Integrated system testing
- (15) Updating of documentation
- (16) Safety requirements
- (17) Physical and information assurance security requirements
- (18) Maintenance support computer software and hardware

c. Timeliness, safety and quality control are of utmost importance in the conduct of ship repair in order to return the ship to a mission-ready state, as well as to provide maximum assurance that it will remain so while deployed until the next scheduled maintenance period.

d. The two-tier vessel repair certification process was established to ensure the Navy receives a satisfactory repair effort and to promote an active, competitive private sector industrial base to repair Navy vessels. The two agreements utilized are formally titled as follows:

- (1) Master Ship Repair Agreement (MSRA).
- (2) Agreement for Boat Repair (ABR).

e. The MSRA is issued to those firms that have the facilities, management, organization and production capabilities to perform an entire complex repair and alteration package. The firm must be capable of performing the duties outlined in Enclosure 1, paragraph 1. The letter requirement, when evaluated during an onsite survey, is viewed generically as having the appropriate mix of capabilities to perform structural, electrical, electronic, machinery and piping work. Since the scope of work will vary from repair package to repair package, an MSRA does not automatically certify that a contractor can accomplish a specific work package. The Procuring Contracting Officer (PCO) may determine that a complete Pre-Award Survey is required prior to award of a job order to verify a contractor's managerial capabilities, financial status, and production capacity, percentage of work subcontracted and/or facilities capabilities and capacities among other factors.

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f. ABR holders must demonstrate managerial capabilities to schedule and to control boat/craft repairs. They must have the technical and production capabilities to repair steel, aluminum, and fiberglass hulled vessels. Specifically, an ABR holder must have the management, production, organization and facilities to accomplish the scope of work defined for MSRA above. The ABR was established for those contractors who can perform boat/craft repair and overhaul work as well as non-complex work on Navy ships. The scope of work may encompass Chief of Naval Operations (CNO) Availabilities, Fleet Availabilities, boat/craft overhauls and dockside repairs, as well as selective shipboard component repairs. As with an MSRA, the qualification requirements are generic. Therefore, depending upon the specific solicitations requirements, a Pre-Award Survey may be required prior to the award of a job order.

g. Neither the MSRA nor the ABR is to be used to evaluate the qualification requirements for submarine repair work.

h. Remote Site Performance Plans. To enable an MSRA and/or ABR holder to work in a site other than their home location, the MSRA and/or ABR holder must submit a remote site performance plan acceptable to CNRMC. The plan must address: management of the effort, production control, hazardous waste and material control, technical support, material procurement and control, subcontracting, safety, security, and quality control. The plan must also include a hazardous waste generator number issued to the MSRA and/or ABR holder for that specific remote site.

5. Policy

a. Master Ship Repair Agreement

(1) MSRA eligibility requirements are set forth in enclosure (1).

(2) The certification of MSRA contractors and the issuance and control of all MSRAs shall be accomplished by CNRMC and forwarded to NAVSEA 02 for final approval. Upon final approval, NAVSEA 02 will issue an Agreement Number.

(3) The management of the MSRA Certification Process shall be in CNRMC.

(4) The planning, scheduling and coordination of surveys, as well as the responsibility for being Certification Team Leader, shall be accomplished by CNRMC in concert with

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local Regional Maintenance Centers (RMC).

(5) Active MSRA holders will be recertified as required based on unsatisfactory Contractor Performance Assessment Reporting System (CPARS) ratings. In the event of an unsatisfactory performance rating the MSRA holder will be notified that recertification will be required by CNRMC.

(6) All MSRA holders will also automatically be issued an ABR.

b. Agreement for Boat Repair

(1) The ABR eligibility requirements are set forth in enclosure (2).

(2) All contractors who do not qualify for the MSRA in accordance with enclosure (1) will be considered for the ABR in accordance with the eligibility requirements of enclosure (2).

(3) ABR contractors may request a resurvey to obtain the MSRA under the provisions of enclosure (1) should their capabilities/facilities be upgraded to the levels prescribed therein.

(4) All ABR holders will be recertified as required based on unsatisfactory CPARS ratings. In the event of an unsatisfactory performance rating the ABR holder will be notified that recertification will be required by CNRMC.

6. Responsibilities

a. Master Ship Repair Agreement, Agreement for Boat Repair or Both.

(1) Commander, Navy Regional Maintenance Center

(a) Ensure that all private shipyards, in their respective area of cognizance, making application for an MSRA and/or ABR understand the requirements of this instruction.

(b) For all new applicants, contact the cognizant Defense Contract Management Agency (DCMA) and request that a formal financial capability evaluation is conducted which at a minimum should provide an evaluation of the firm's accounting system, their ability to segregate costs, a Z-Score, current and

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acid test ratios, credit availability and whether accounts payable are aging.

(c) Provide team members in support of MSRA/ABR certification, recertification and remote site plan surveys.

(2) CNRMC Code 200

(a) Plan, schedule, coordinate and conduct MSRA/ABR certification, recertification and remote site plan surveys, including liaison with the cognizant RMC to obtain survey team members.

(b) Notify cognizant RMC's of pending survey schedules so they may provide adequate notice to the contractors of the site survey date.

(c) Document the site survey findings, develop the survey team recommendation, draft the formal survey report and forward it to CNRMC Code 400.

(d) Maintain the necessary documentation and backup data to support survey team recommendations in the event of contractor debriefings, media inquiries or Congressional correspondence.

(3) CNRMC Code 400

(a) Review all MSRA and ABR surveys to ensure consistent application of the eligibility criteria, provide a recommendation, and forward approved or rejected/cancelled package to NAVSEA 024.

(b) If the recommendation is to cancel an existing MSRA/ABR, obtain concurrence from NAVSEA 024.

(c) Conduct debriefings with MSRA/ABR applicants on survey results and respond to media and Congressional inquiries on the MSRA program non-contractual issues.

(d) Act as the point of contact and liaison with other agencies such as Maritime Administration, Military Sealift Command, Coast Guard and the Army for MSRA and ABR non-contractual issues.

(4) Contract Management Division (NAVSEA 024)

(a) Review all approved or rejected/cancelled MSRA

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and ABR applications and the recommendations forwarded by CNRMC and provide concurrence.

(b) If the recommendation is to cancel an existing MSRA and ABR, obtain NAVSEA 02 concurrence prior to forwarding the package to NAVSEA 00 for approval.

(c) As Contracting Officer, issue all MSRAs and/or ABRs that have been jointly approved by CNRMC and SEA 024 and issue correspondence on recertifications and denials.

(d) Act as the point of contact and liaison with other agencies such as Maritime Administration (MARAD), Military Sealift Command (MSC), Coast Guard and the Army for MSRA and ABR contractual issues.

7. Format of the MSRA and the ABR. The format and content of all Master Agreements for Repair and Alteration of Vessels will be in accordance with Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Information (PGI) Subpart 217.71.


W. J. GALINIS

Copy to:

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Master Ship Repair Agreement (MSRA) Eligibility Requirements

1. MSRA contractors are required to be capable of performing 55% of the work package on a Selected Restricted Availabilities (SRA) of vessel with these minimum characteristics: length, 387.6 feet, (118.1 meters); beam, 57.7 feet, (17.6 meters); displacement, approximately 3,400 MT full load; and draft, 14.1 feet, (4.3 meters), within their own facilities, utilizing their own shops and work force. Further, the firms must be capable of subcontracting for those elements beyond their managerial, technical, or physical capability or capacity, while ensuring adequate oversight of subcontracted effort. MSRA contractors must also be capable of assuming full responsibility for the integrated scheduling, cost and quality and timeliness of subcontractor performance.

2. Therefore, the MSRA contractor must be a company recognized as engaged in ship repair work. The MSRA contractor must possess an organization capable of the full scope of planning, estimating, engineering, quality control, shipboard/off ship production and component/system testing and trials.

3. Such an organization includes established organizational elements as set forth below. These characteristics will be evaluated to determine a firm's eligibility for an MSRA:

a. Administration/Management Control. Established organization geared toward ship repair at all levels of size, value and complexity, and toward technology innovation and process improvement. The contractor must have clear lines of authority, delegation of responsibility and mid-level managerial positions in place. The contractor must also have competent and experienced employees with ship repair experience and the capability to develop and integrate planning, estimating and scheduling functions. Defined managerial responsibilities for production, quality assurance, material procurement/control and subcontractor control.

b. Financial Control (evaluated by DCMA). Segregation of accounting costs. Adequate accounting system. Favorable cash flow-ratios. Availability of a line of credit or other source of financial income to support the work effort. Prompt payment of subcontractors and suppliers.

c. Production Control. A production organization, on board (or ability to obtain) trade mix/skills to perform ship repair work. Control of production efforts. Integration of other key functions with production. Established use of scheduling techniques and methods of progressing. Training available to

trades employees.

d. Production Technical Support. Engineering and design support capabilities (in-house or subcontracted) with sufficient capability to diagnose and evaluate technical problems and issues and to make competent technical recommendations to the Navy for final approval when necessary and appropriate.

e. Material/Procurement Control. A material purchasing department with staff. Procedures for planning, control of material (purchasing, monitoring, receipt, inspection, segregation, issuance, nonconformance, disposition and disposal). An inventory system - for ordering, tagging, warehousing, managing, and accounting for materials. Contractor Furnished Materials (CFM)/Government Furnished Materials (GFM) storage, control and protection. Existing environmentally-controlled warehouse space. Material handling equipment. Familiarity with the Navy logistics support system.

f. Subcontractor Control. Procedures for selecting, scheduling, managing, monitoring and controlling subcontractors.

g. Quality Control/Test and Trials. A quality control organization/department/staff. Quality assurance procedures/manual. Calibration and metrology system availability. Test memo writing capability. Nondestructive Testing capabilities. Welding procedures and welders' qualifications. Ability to perform trend analysis. Potential to meet ISO 9001:2008 Series Standards.

h. Safety/security. Safety Organization/Manager or Engineer. Safety manual/procedures. Safety training. First-aid capabilities or medical services. Fire protection/procedures. Physical yard security/security procedures.

i. Hazardous Material/Waste Control. Proper procedures and facilities to meet the legal requirements for removal, storage and disposal of hazardous waste. Segregated storage. Documentation of licensed subcontractors responsible for control of hazardous waste removal, storage and disposal. Appropriate state/federal agency issued hazardous waste generator number. Disposal records which indicate type of material, date and place of disposal.

j. Facilities. Although facility requirements may vary with the work authorized for a specific ship, the MSRA holder must be a ship repair company that possesses or has available

the following facilities:

- (1) Pier, with services in place in the immediate homeport area which a vessel with the minimum characteristic of length: 387.6 feet (118.1 meters), beam: 57.7 feet (17.6 meters), displacement: approximately 3,400 MT full load, draft: 14.1 feet (4.3 meters) Class size ship can access and be berthed at.
- (2) Structural Shipfitting Shop
- (3) Machine Shop
- (4) Pipe Shop
- (5) Electrical/Electronics Shop
- (6) Carpentry Shop
- (7) Rigging Equipment
- (8) Welding/NDT Shop
- (9) Sheet Metal Shop
- (10) Insulator Shop
- (11) Paint Shop

4. Further, ship repair firms are evaluated on their ability to accomplish:

a. Shipfitting types of work. Rip out, alteration, repair, and installation of ship's hull and superstructure including hull plates, frame structure, metal deck plating and grating, hull fittings such as davits, fairleads, chocks, bollards, watertight doors, hatches, fittings, scuttles, sockets, and deck rails.

b. Sheet Metal work. Rip out, alteration, repair and installation of ventilation ducting, berthing and messing equipment, partitions, racks, shelving and bin storage, galley and refrigerated space equipment, joiner doors and bulkheads.

c. Non-Nuclear Welding. Welding of ferrous and nonferrous material using shielded metal arc, gas metal arc, gas tungsten arc, oxygen-acetylene, and resistance welding equipment as

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appropriate.

d. Pipefitting. Manufacture and replace parts, fabricate piping assemblies, perform hydraulic testing on piping assemblies. Assist in alignment of pipe runs, removal of worn or defective piping components.

e. Outside Machine. Repair, troubleshooting, test, reinstall, and align main propulsion and auxiliary feed pumps, including steering, windlass, capstan, compressors, feed pumps, forced draft blowers, steam turbines, shaft seals, evaporators, turbo generators, tank level indicators, deck machinery, gallery and scullery equipment, and laundry equipment.

f. Pump Repair. Disassemble, overhaul, repair, reassemble, inspect and align all types of pumps (except hydraulic) including centrifugal, gear, rotary and reciprocating pumps and air compressors.

g. Electrical. In work center - recondition motors, rewind armatures and stators, load test motors, repair emergency diesel stators, small boat generators, submersible pumps, starters, signal search lights, Direct Current (DC) power supplies, and overhaul running light panels, Motor Generator (M/G) set control cabinets, reversing controllers, and automatic bus transfers.

h. Outside Electrical. Provide technical assistance, troubleshoot, and test operations of ship's electrical systems and machinery. Inspect, test, and repair onboard ship's electrical equipment such as motors, generators, motor generators, propulsion motors, magnetic clutches, cables, control panels, motor starters, switches, navigation lights, resistor banks, appliances, lighting equipment, and repair starters.

i. Electronic Test, Repair and Alignment. Test and Repair General Purpose Electronic Test Equipment (GPETE), test, disassemble, clean, repair, overhaul, reassemble, calibrate and align communication and radar equipment. Miniature/Microminiature repair and limited automatic circuit card testing.

j. Interior Communication Test and Repair. Troubleshoot, repair and test ship's interior communication systems, alarm systems, machinery control and indicating system, tape recorders and record players, and ship's navigation and control systems.

k. Woodworking and Pattern Making. Manufacture or repair wooden items found aboard Naval vessels. Repair wooden and

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fiberglass hulls and decks, manufacture patterns and boxes.

1. Riggers Support Activity. Operate cranes, booms, deck winches, chain falls, and other rigging and weight handling equipment including rigging booms and securing guys for loading and off-loading equipment, material and boats.

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Agreement for Boat Repair (ABR) Eligibility Requirements

1. To qualify for an ABR, a contractor must be primarily engaged in ship and/or boat/craft repair.
2. The Standard Industrial Classification (SIC) Manual, published by the Executive Office of the President, Office of Management and Budget (OMB) (1987), lists codes "for use in the classification of establishments by type of activity. Each establishment is assigned an industry code on the basis of its primary activity."
3. Prospective ABR contractors must provide sufficient documentation to CNRMC to indicate that they meet the general criteria of one of the following applicable SIC codes (Documentation can include the contractor's listing, including one of the below listed SIC codes, in the latest editions of Standard and Poor's Register of Corporations, Dunn and Bradstreet Reference Book, or any similar publication).
 - a. 3731 Ship Building and Repairing

(1) Establishments primarily engaged in building and repairing ships, barges, and lighters, whether self-propelled or towed by other craft. This industry also includes the conversion and alteration of ships and the manufacture of offshore oil and gas well drilling and production platforms (whether or not self-propelled). Establishments primarily engaged in fabricating structural assemblies or components for ships, or subcontractors engaged in ship painting, joinery, carpentry work, and electrical wiring installation, etc., classified in other industries.
 - b. 3732 Boat Building and Repairing

(1) Establishments primarily engaged in building and repairing boats. Establishments primarily engaged in manufacturing rubber and non-rigid plastic boats are classified in Major Group 30. Establishments primarily engaged in operating marinas and which perform incidental boat repair are classified in Transportation, Industry 7997; and those performing outboard motor repair are classified in Services, Industry 7699.
4. In addition to meeting the general criteria of either SIC codes 3731 or 3732, an ABR contractor must possess, as a minimum, the following capabilities:

Enclosure (2)

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a. Administration/Management Control. An established organization. Clear lines of authority. Qualified employees. Rudimentary capability to develop schedules. Defined managerial responsibilities.

b. Financial Control (evaluated by DCMA). Segregation of accounting costs. Adequate accounting system. Favorable cash flow-ratios. A line of credit or other source of financial income to support the work effort. Prompt payment of subcontractors and suppliers.

(1) Production Control. Production organization. Skilled personnel. Control of production efforts. Integration of key functions with production. Ability to progress job efforts.

(2) Production Technical Support. In-house or subcontracted engineering and design support capabilities.

(3) Material/Procurement Control. A system for control of material (purchasing, monitoring, receipt, inspection, segregation, issuance, nonconformance and disposal). An inventory system. Adequate warehousing space.

(4) Subcontractor Control. Evidence of ability to control subcontractors.

(5) Quality Control/Test and Trials. An identified quality control system. Quality control procedures/manual. Calibration and metrology system availability.

(6) Safety/Security. Designated safety responsibilities. Safety procedures. Medical, fire and security protection.

(7) Hazardous Material/Waste Control. Proper procedures and facilities to meet the legal requirements for removal, storage and disposal of hazardous waste. Segregated storage. Documentation of licensed subcontractors responsible for control of hazardous waste removal, storage and disposal. Appropriate state/federal agency issued hazardous waste generator number. Disposal records which indicate type of material, date and place of disposal.

(8) Facilities. Dockside facilities such as piers or berthing spaces (owned or having committed access). Shop capabilities in structural, machine, pipe, electrical/electronics and/or carpentry.

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5. Since ABR firms have the potential to perform a diverse scope of repair work, from boat and/or craft overhauls to selected topside repairs to major vessels, ABR firms will be evaluated on their ability to accomplish:

a. Shipfitting types of work. Rip out, alteration, repair, and installation of ship's hull and superstructure including hull plates, frame structure, metal deck plating and grating, hull fittings such as davits, fairleads, chocks, bollards, watertight doors, hatches, fittings, scuttles, sockets, and deck rails.

b. Sheet Metal work. Rip out, alteration, repair and installation of ventilation ducting, berthing and messing equipment, partitions, racks, shelving and bin storage, galley and refrigerated space equipment, joiner doors and bulkheads.

c. Non-Nuclear Welding. Welding of ferrous and nonferrous material using shielded metal arc, gas metal arc, gas tungsten arc, oxygen-acetylene, and resistance welding equipment as appropriate.

d. Pipefitting. Manufacture and replace parts, fabricate piping assemblies, perform hydraulic testing on piping assemblies. Assist in alignment of pipe runs, removal of worn or defective piping components.

e. Outside Machine. Repair, troubleshooting, test, reinstall, and align main propulsion and auxiliary components including steering, windlass, capstan, compressors, feed pumps, forced draft blowers, steam turbines, shaft seals, evaporators, turbo generators, tank level indicators, deck machinery, gallery and scullery equipment, and laundry equipment.

f. Pump Repair. Disassemble, overhaul, repair, reassemble, inspect and align all types of pumps (except hydraulic) including centrifugal, gear, rotary and reciprocating pumps and air compressors.

g. Electrical. In work center - recondition motors, rewind armatures and stators, load test motors, repair emergency diesel stators, small boat generators, submersible pumps, starters, signal search lights, DC power supplies, and overhaul running light panels, Motor Generator (M/G) set control cabinets, reversing controllers, and automatic bus transfers.

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h. Outside Electrical. Provide technical assistance, troubleshoot, and test operations of ship's electrical systems and machinery. Inspect, test, and repair onboard ship's electrical equipment such as motors, generators, motor generators, propulsion motors, magnetic clutches, cables, control panels, motor starters, switches, navigation lights, resistor banks, appliances, lighting equipment, and repair starters.

i. Electronic Test, Repair and Alignment. Test and Repair General Purpose Electronic Test Equipment (GPETE), test, disassemble, clean, repair, overhaul, reassemble, calibrate and align communication and radar equipment. Miniature/Microminiature repair and limited automatic circuit card testing.

j. Interior Communication Test and Repair. Troubleshoot, repair and test ship's interior communication systems, alarm systems, machinery control and indicating system, tape recorders and record players, and ship's navigation and control systems.

k. Woodworking and Pattern Making. Manufacture or repair wooden items found aboard Naval vessels. Repair wooden and fiberglass hulls and decks, manufacture patterns and boxes.

l. Riggers Support Activity. Operate cranes, booms, deck winches, chain falls, and other rigging and weight handling equipment including rigging booms and securing guys for loading and off-loading equipment, material and boats.