

Department of the Navy
Operation and Maintenance, Marine Corps
BSM1 Sustainment, Restoration and Modernization
FY 2005 President's Budget Submission
Exhibit OP-5

I. Description of Operations Financed:

This sub-activity group funds Facilities Sustainment, Restoration, and Modernization (FSRM) for the Expeditionary Forces Activity Group.

Sustainment provides resources for maintenance and repair activities necessary to keep an inventory of facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, and emergency response and service calls for minor repairs. Sustainment also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repair and replacement of heating and cooling systems, replacement of tile and carpeting, and similar types of work

Restoration includes repair and replacement work to restore facilities damaged by lack of sustainment, excessive age, natural disaster, fire, accident, or other causes.

Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members).

II. Force Structure Summary:

This sub-activity group funds Facilities Sustainment, Restoration, and Modernization (FSRM) functions for Marine Corps Bases at Camp Lejeune, Camp Pendleton, Marine Air-Ground Combat Center, Twentynine Palms and Camp Butler; Marine Corps Air Stations/Facilities Cherry Point, Beaufort, New River, Yuma, Miramar; MCB Hawaii, Iwakuni, Futema, Camp Allen; and Marine Corps Logistics Base Albany, Georgia, and Barstow, California.

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III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group Total

	FY 2003	Budget	FY 2004	Current	FY 2005
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
	523,079	498,007	498,173	498,142	451,012

B. Reconciliation Summary

	Change	
	<u>FY 2004/2004</u>	<u>FY 2004/2005</u>
Baseline Funding	498,007	498,142
Congressional Adjustments - Distributed	3,800	0
Congressional Adjustments - Undistributed	-1,515	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments - General Provisions	-2,119	0
Subtotal Appropriation Amount	498,173	0
Across-the-board Reduction (Rescission)	0	0
Emergency Supplemental Appropriations Act (P.L. 108-106)	3,000	0
Program Changes (Current Year to Current Year)	-31	0
Subtotal Baseline Funding	501,142	0
Less Emergency Supplemental Funding	-3,000	0
Reprogrammings	0	0
Price Change	0	7,110
Functional Transfers	0	0
Program Changes	0	-54,240
Normalized Current Estimate	498,142	0
Current Estimate	0	451,012

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C. Reconciliation of Increases and Decreases

1. FY 2004 President Budget Request.		498,007
2. Congressional Adjustment (Distributed).		3,800
a) Adobe Road Twenty-Nine Palms	3,800	
3. Congressional Adjustment (Undistributed).		-1,515
a) Unobligated Balance	-1,515	
4. Congressional Adjustment (General Provision).		-2,119
a) Sec. 8126: Efficiencies/Revised Econ. Assumptions	-2,119	
5. FY 2004 Appropriated Amount.		498,173
6. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106).		3,000
a) Supplemental funding for hurricane relief.	3,000	
7. Program Decreases FY 2004 (Technical Adjustments).		-3,732
a) Technical adjustment between Base Support (BSS1) and Sustainment, Restoration and Modernization (BSM1).	-3,732	
8. Program Increases FY 2004 (Emergent Requirement).		3,701
a) Increase for Sustainment funding to reach 98% of model goal.	3,701	
9. Baseline Funding (subtotal).		501,142
10. Revised FY 2004 Current Estimate.		501,142
11. Less: Emergency Supplemental Funding.		-3,000
a) Supplemental funding for hurricane relief.	-3,000	
12. Normalized Current Estimate for FY 2004.		498,142
13. FY 2005 Price Change.		7,110
14. Program Growth in FY 2005.		32
a) Increase to Sustainment, Restoration and Modernization to support at Blount Island.	32	
15. One Time FY 2004 Costs.		-3,995
a) Reduction for one-time FY 2004 Congressional increase for Adobe Road Twenty-Nine Palms.	-3,800	
b) Civilian personnel adjustment - extra work day.	-195	

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16. Program Decrease in FY 2005.		-50,277
a) Funding reduced to 95% of the sustainment model requirement.	-50,277	
17. FY 2005 Budget Request.		451,012

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IV. Performance Criteria and Evaluation Summary :

Activity: Facilities Sustainment

Activity Goal: To provide operationally effective facilities that adequately support missions, training, and personnel while obtaining the optimum expected service life from the facilities inventory thereby minimizing costs over a full service life cycle.

Description of Activity: Provides resources for maintenance and repair activities necessary to keep an inventory of facilities in good working order. Includes regularly scheduled maintenance and major repairs or replacement of facility components that are expected to occur periodically throughout the life cycle of facilities.

Categories: Preventive maintenance, minor repairs, and periodic (scheduled and predictable) replacement of major components including roofs, exterior and interior walls and finishes, stairways, doors, and air conditioning, heating, plumbing, electrical, and fire protection systems.

	<u>FY 2003</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2004</u>	<u>FY 2005</u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
O&M Sustainment Funding	477.3	461.1	489.8	488.3	452.4
O&M-Like Contributions to Sustainment					
Military Personnel Sustainment Funding ^{1/}	1.6	1.6	1.6	1.6	0.9
Host Nation Support Sustainment Funding ^{2/}	38.7	38.7	41.1	41.1	44.1
Total Sustainment Funding	517.6	501.4	532.5	531.0	497.4
Facilities Sustainment Model Requirement	517.6	517.6	542.5	542.5	523.0
Sustainment Rate (% of FSM)	100%	97%	98%	98%	95%

Footnotes:

1/ Use 49% of any military pay appropriations programmed in the facilities sustainment FYDP program elements

2/ Include any sustainment funding received or expected from foreign governments or international organizations

3/ Include any sustainment funding received or expected from state governments or other domestic entities

Explanation of Performance Variances:

Prior Year: Due to Congressional actions after the PB 2003 submission funding was reduced to current levels.

Current Year:

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Activity: Facilities Recapitalization

Activity Goal: To provide operationally effective facilities that adequately support missions, training, and personnel while incorporating technological innovations and emerging standards necessary to properly accommodate a modern military force.

Description of Activity: Provides resources for improving facilities. Restoration includes repair and replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last longer than a normal service life, such as building foundations.

Categories: Restoration and modernization. Restoration restores performance to adequate or original design levels and modernization adds additional performance beyond the original design. Includes major non-periodic (unscheduled or unpredictable) repairs during the life cycle and/or replacement or wholesale renovation at the end of expected service life.

	FY 2003	FY 2003	FY 2004	FY 2004	FY 2005
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
Recapitalizable Inventory (PRV \$M) ^{1/}	18,494	18,494	18,494	18,494	18,494
Restoration and Modernization O&M	8.9	144.8	84.9	84.9	65.4
Contributions to R&M from Other Funding Sources					
MilCon Recapitalization Projects ^{2/}	117.9	138.9	110.8	129.1	169.5
Associated Planning & Design Funds ^{3/}	7.1	7.0	4.3	5.1	11.7
Total Recapitalization Funding	133.9	290.7	200.0	219.1	246.6
Recapitalization Rate (in Years)	138	64	92	84	75
Recapitalization Rate (in %) ^{4/}	49%	105%	72%	79%	89%

Footnotes:

1/ Only include that portion of the plant replacement value that has a continuing mission and must be recapitalized using these fund sources

2/ Recapitalization projects are for renovation/replacement of existing facilities or linked to an offsetting funded demolition or disposal project

3/ Pro rata share of planning and design attributable to recapitalization projects (as opposed to new footprint projects)

4/ Use 67 years divided by computed recapitalization rate in years

Explanation of Performance Variances:

Prior Year: Increases to FSRM during the FY were executed as Restoration and Modernization funding.

Current Year:

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V. Personnel Summary :

	FY 2003	FY 2004	Change	FY 2005
End Strength	ES	ES	FY 2004 to	ES
			FY 2005	
Direct Hire, U.S.	744	731	0	731
Indirect Hire, Foreign National	1,335	0	0	0
TOTAL CIVPERS	2,079	731	0	731
TOTAL MILPERS	0	0	0	0
	FY 2003	FY 2004	Change	FY 2005
Workyears	WY	WY	FY 2004 to	WY
			FY 2005	
Direct Hire, U.S.	890	720	4	724
Indirect Hire, Foreign National	1,300	0	0	0
TOTAL CIVPERS	2,190	720	4	724
TOTAL MILPERS	0	0	0	0

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VI. Summary of Price and Program Growth (OP-32):

	FY-03 Program Total	FY-04 Price Growth	FY-04 Program Growth	FY-04 Program Total	FY-05 Price Growth	FY-05 Program Growth	FY-05 Program Total
BSM1							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	21,372	-2,440	-234	18,698	282	0	18,980
0103 Wage Board	32,018	-492	-5,887	25,639	38	590	26,267
TOTAL 01 Civilian Personnel Compensation	53,390	-2,932	-6,121	44,337	320	590	45,247
03 Travel							
0308 Travel of Persons	601	9	-46	564	9	0	573
TOTAL 03 Travel	601	9	-46	564	9	0	573
04 WCF Supplies & Materials Purchases							
0401 DFSC Fuel	241	13	0	254	14	0	268
0412 Navy Managed Purchases	14,408	-2,637	0	11,771	694	0	12,465
0415 DLA Managed Purchases	5,890	-171	0	5,719	51	0	5,770
0416 GSA Managed Supplies and Materials	153	2	0	155	2	0	157
0417 Local Proc DoD Managed Supp & Materials	458	6	0	464	6	0	470
TOTAL 04 WCF Supplies & Materials Purchases	21,150	-2,787	0	18,363	767	0	19,130
06 Other WCF Purchases (Excl Transportation)							
0633 Defense Publication & Printing Service	8	0	0	8	0	0	8
0635 Naval Public Works Ctr (Other)	13,808	218	0	14,026	122	0	14,148
TOTAL 06 Other WCF Purchases (Excl Transportation)	13,816	218	0	14,034	122	0	14,156

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	FY-03 Program Total	FY-04 Price Growth	FY-04 Program Growth	FY-04 Program Total	FY-05 Price Growth	FY-05 Program Growth	FY-05 Program Total
09 OTHER PURCHASES							
0914 Purchased Communications (Non WCF)	82	1	0	83	1	0	84
0920 Supplies & Materials (Non WCF)	20,709	269	0	20,978	294	0	21,272
0921 Printing and Reproduction	9	0	-5	4	0	0	4
0922 Equip Maintenance by Contract	137	2	0	139	2	0	141
0923 FAC maint by contract	381,452	4,959	-17,863	368,548	5,160	-54,830	318,878
0925 Equipment Purchases	1,162	15	-1,053	124	2	0	126
0937 Locally Purchased Fuel (Non-WCF)	50	0	0	50	0	0	50
0987 Other Intragovernmental Purchases	10,975	143	0	11,118	156	0	11,274
0989 Other Contracts	19,320	251	0	19,571	274	0	19,845
0998 Other Costs	226	3	0	229	3	0	232
TOTAL 09 OTHER PURCHASES	434,122	5,643	-18,921	420,844	5,892	-54,830	371,906
Total BSM1 Sustainment, Restoration and Modernization	523,079	151	-25,088	498,142	7,110	-54,240	451,012