

Department of the Navy  
Operation and Maintenance, Marine Corps  
BSM3 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 Training and Education 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, repairing 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 Base Quantico, VA, Marine Barracks at 8th and I, Washington D.C., the Marine Corps Recruiting Command, Quantico, VA, Marine Corps Recruit Depots, Parris Island, S.C. and San Diego, CA.

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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>
	81,357	78,073	77,960	76,466	68,553

**B. Reconciliation Summary**

	<b><u>Change</u></b>	
	<b><u>FY 2004/2004</u></b>	<b><u>FY 2004/2005</u></b>
Baseline Funding	78,073	76,466
Congressional Adjustments - Distributed	0	0
Congressional Adjustments – Undistributed	-44	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments - General Provisions	-69	0
Subtotal Appropriation Amount	77,960	0
Across-the-board Reduction (Rescission)	0	0
Emergency Supplemental Appropriations Act	3,200	0
Program Changes (Current Year to Current Year)	-1,494	0
Subtotal Baseline Funding	79,666	0
Less Emergency Supplemental Funding	-3,200	0
Reprogrammings	0	0
Price Change	0	1,204
Functional Transfers	0	0
Program Changes	0	-9,117
Normalized Current Estimate	76,466	0

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Current Estimate

0

68,553

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**C. Reconciliation of Increases and Decreases**

<b>1. FY 2004 President Budget Request.</b>		<b>78,073</b>
<b>2. Congressional Adjustment (Undistributed).</b>		<b>-44</b>
a) Unobligated Balance	-44	
<b>3. Congressional Adjustment (General Provision).</b>		<b>-69</b>
a) Sec. 8126: Efficiencies/Revised Econ. Assumptions	-69	
<b>4. FY 2004 Appropriated Amount.</b>		<b>77,960</b>
<b>5. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106).</b>		<b>3,200</b>
a) Supplemental funding for hurricane relief.	3,200	
<b>6. Program Decreases FY 2004 (Technical Adjustments).</b>		<b>-1,494</b>
a) Technical adjustment between Sustainment, Restoration and Modernization (BSM3) and Base Support (BSS3) for installation reform costs.	-1,494	
<b>7. Baseline Funding (subtotal).</b>		<b>79,666</b>
<b>8. Revised FY 2004 Current Estimate.</b>		<b>79,666</b>
<b>9. Less: Emergency Supplemental Funding.</b>		<b>-3,200</b>
a) Supplemental funding for hurricane relief.	-3,200	
<b>10. Normalized Current Estimate for FY 2004.</b>		<b>76,466</b>
<b>11. FY 2005 Price Change.</b>		<b>1,204</b>
<b>12. One Time FY 2004 Costs.</b>		<b>-71</b>
a) Civilian personnel adjustment - extra pay day.	-71	
<b>14. Program Decrease in FY 2005.</b>		<b>-9,046</b>
a) Funding reduced to meet the guidance of 95% for the sustainment model requirement	-9,046	
<b>14. FY 2005 Budget Request.</b>		<b>68,553</b>

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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.

	<b>FY 2003</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2004</b>	<b>FY 2005</b>
	<b><u>Budgeted</u></b>	<b><u>Actual</u></b>	<b><u>Budgeted</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>
O&M Sustainment Funding	477.3	461.1	489.8	488.3	452.4
O&M-Like Contributions to Sustainment					
Military Personnel Sustainment Funding <sup>1/</sup>	1.6	1.6	1.6	1.6	0.9
Host Nation Support Sustainment Funding <sup>2/</sup>	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.

	<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>
Recapitalizable Inventory (PRV \$M) <sup>1/</sup>	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 <sup>2/</sup>	117.9	138.9	110.8	129.1	169.5
Associated Planning & Design Funds <sup>3/</sup>	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 %) <sup>4/</sup>	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 :**

	<b>FY 2003</b>	<b>FY 2004</b>	<b>Change FY 2004 to FY 2005</b>	<b>FY 2005</b>
<b>End Strength</b>	<b>ES</b>	<b>ES</b>		<b>ES</b>
Direct Hire, U.S.	266	262	0	262
TOTAL CIVPERS	266	262	0	262
 TOTAL MILPERS	 0	 0	 0	 0
	 <b>FY 2003</b>	 <b>FY 2004</b>	 <b>Change FY 2004 to FY 2005</b>	 <b>FY 2005</b>
<b>Workyears</b>	<b>WY</b>	<b>WY</b>		<b>WY</b>
Direct Hire, U.S.	288	256	0	256
TOTAL CIVPERS	288	256	0	256
TOTAL MILPERS	0	0	0	0

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

	<b>FY-03 Program Total</b>	<b>FY-04 Price Growth</b>	<b>FY-04 Program Growth</b>	<b>FY-04 Program Total</b>	<b>FY-05 Price Growth</b>	<b>FY-05 Program Growth</b>	<b>FY-05 Program Total</b>
BSM3							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	2,002	150	0	2,152	32	0	2,184
0103 Wage Board	14,245	718	-1,701	13,262	318	-63	13,517
TOTAL 01 Civilian Personnel Compensation	16,247	868	-1,701	15,414	350	-63	15,701
03 Travel							
0308 Travel of Persons	35	1	-26	10	0	0	10
TOTAL 03 Travel	35	1	-26	10	0	0	10
09 OTHER PURCHASES							
0920 Supplies & Materials (Non WCF)	9,704	126	0	9,830	138	0	9,968
0921 Printing and Reproduction	3	0	0	3	0	0	3
0922 Equip Maintenance by Contract	29	0	0	29	0	0	29
0923 FAC maint by contract	52,139	678	-4,944	47,873	670	-9,054	39,489
0925 Equipment Purchases	186	2	66	254	4	0	258
0987 Other Intragovernmental Purchases	33	0	0	33	0	0	33
0989 Other Contracts	2,981	39	0	3,020	42	0	3,062
TOTAL 09 OTHER PURCHASES	65,075	845	-4,878	61,042	854	-9,054	52,842
Total BSM3 Sustainment, Restoration and Modernization	81,357	1,714	-6,605	76,466	1,204	-9,117	68,553