

Fiscal Year (FY) 2005 Budget Estimates
Navy Working Capital Fund
Base Support/Navy Public Works Centers
February 2004

ACTIVITY GROUP FUNCTION: The mission of the Public Works Centers (PWCs) is to provide clients with quality public works support and services to meet their diverse needs, thereby becoming the client's provider of choice.

The Navy Public Works Centers provide utilities services, facilities maintenance, transportation support, engineering services, environmental services, and shore facilities planning support required by afloat and ashore operating forces and other activities.

The Public Works Centers provide base support to military, Federal, state and local activities located within eight regional areas. Currently, PWCs provide support and services to Navy, Marine Corps, Army, Air Force, DoD, Coast Guard, National Aeronautics and Space Administration, and other Federal and non-Federal activities.

Public Works Centers have a unique Command and Control structure. They operate under the command of the Regional Commander who serves as Immediate Superior in Command (ISIC), and also under the technical and financial direction of the Naval Facilities Engineering Command as management command.

ACTIVITY GROUP COMPOSITION:

<u>ACTIVITY</u>	<u>LOCATION</u>
PWC Great Lakes	Great Lakes, Illinois
PWC Guam	Agana, Guam, Marianas Islands
PWC Jacksonville	Jacksonville, Florida
PWC Norfolk	Norfolk, Virginia
PWC Pearl Harbor	Pearl Harbor, Hawaii
PWC San Diego	San Diego, California
PWC Washington	Washington, D.C.
PWC Japan	Yokosuka, Japan

**TABLE ONE - Financial Profile
(\$M)**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Revenue	1,484.9	1,655.0	1,675.4
Cost of Goods Sold	1,480.8	1,637.4	1,672.8
Net Operating Results	4.0	17.7	2.6
Accum. Operating Results	-20.2	-2.6	0.0

FY 2003 was a challenging year for the Public Works Centers to continue to provide best value and high quality products and services to the Fleets and ashore-based naval activities. Challenges faced by the centers included: (1) Super Typhoon Pongsona struck Guam with sustained winds of 150 mph with gusts over 180 mph in December 2002. The 18 hour duration that Pongsona remained over the island resulted in extensive damage to PWC Guam facilities and utilities. (2) Multiple centers experienced a reduction in utilities sales as a result of increased ship deployments in conjunction with Operation Iraqi Freedom. (3) PWC Pensacola began implementing the new Commercial Activities contract 1 July 2002, which outsourced recurring-work, emergency/service, utilities and equipment rental.

**CASH POSITION
(\$M)**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2004</u>
Collections	1,567.0	1,602.4	1,672.1
Disbursements	1,540.4	1,610.6	1,697.1
Net Cash	26.6	(8.2)	(25.1)

TABLE TWO - Workload

UTILITY SERVICES	MEASURE	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
ELECTRICITY	MWH	4,171,299	4,153,756	4,559,165
POTABLE WATER	KGAL	21,827,596	20,279,662	21,937,378
SALT WATER	KGAL	6,819,489	7,205,688	8,155,627
STEAM	MBTU	7,338,336	6,874,571	8,134,706
SEWAGE	KGAL	12,657,715	12,670,090	14,154,168
NATURAL GAS	MBTU	1,547,508	1,426,632	1,435,639
COMPRESSED AIR	KCF	8,657,453	7,322,673	8,707,442

SANITATION SERVICES

REFUSE COLL & DISPOSAL	CUYD	1,855,007	1,845,388	1,810,160
PEST CONTROL	HOURS	49,174	46,981	43,007
HAZ WASTE I	GAL	181,615	221,165	227,105
HAZ WASTE II	LBS	11,234,945	10,389,395	9,294,182
INDUST WASTE	KGAL	50,577	76,944	79,031
ENVIRONMENTAL ENG	HOURL	225,198	198,211	175,117
ENVIRONMENTAL LAB	TEST	426,775	225,671	88,521

TRANSPORTATION SERVICES

EQUIP RENTAL	HOURS	26,811,575	26,651,692	25,454,240
VEHICLE OPS	HOURS	759,032	714,254	692,728

MAINTENANCE & REPAIR

SPECIFICS	JOBS	2,802	2,693	2,945
MINORS	ITEMS	15,803	13,870	15,584
EMERGENCY	CHITS	95,321	82,425	78,943
SERVICE	CHITS	186,805	194,619	227,386
RECURRING	ITEMS	148,485	137,591	136,751
VEHICLE MAINTENANCE	SRO	59,820	74,168	60,607
ENGINEERING SUPPORT		103,623	103,067	170,490

CHANGES FROM THE FY 2004 PRESIDENT'S BUDGET:

Effective 1 October 2003, Installation Claimant Consolidation Round II was implemented with the functional transfer of various shore installation support resources to Commander, Naval Installations and the establishment of PWC detachments at various Naval Air Warfare Center and Naval Surface Warfare Center locations.

Beginning in FY 2004, PWC Pensacola became a detachment of PWC Jacksonville. This initiative is designed to tailor the Public Works organization in Pensacola for maximum efficiency following A-76 competition and the transition of many functions to commercial sources.

In FY 2005, PWC Japan will fully integrate a Strategic Utilities Initiative that will encompass U.S. Navy owned utility systems and operations throughout Japan. This initiative will envelop all facility management capabilities within the region into a seamless service delivery system, centrally managed and executed locally.

COMMERCIAL ACTIVITY AND FUNCTIONAL ANALYSIS STUDIES:

The PWCs continue to strive for efficiencies to improve and streamline work processes. In doing so, the PWCs are still on track to complete a 100% review of all core direct functions, which include maintenance, transportation, utilities, environmental and engineering functions. The PWCs have identified over 8,400 positions for study under various efficiency and competition reviews. The PWCs continue to achieve their projected strategic sourcing savings goal.

RATE CHANGES/UNIT COST:

TABLE THREE - Rate Change Percentage

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
East Coast and Great Lakes:			
Utilities and Sanitation	-2.3	10.5	-5.0
Other services	5.2	-1.1	2.4
Composite	2.3	4.1	-0.9
West Coast and Pacific			
Utilities and Sanitation	4.3	-23.4	-1.3
Other services	3.3	1.7	0.8
Composite	3.9	-12.0	-0.4

TABLE FOUR - Unit Cost Dollars

	UNIT OF MEASURE	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
UTILITY SERVICES				
ELECTRICITY	MWH	97.84	94.07	94.77
POTABLE WATER	KGAL	3.44	3.52	3.58
SALT WATER	KGAL	0.81	0.74	.74
STEAM	MBTU	16.63	18.03	18.52
SEWAGE	KGAL	4.69	4.87	3.76
NATURAL GAS	MBTU	6.79	7.12	6.90
COMPRESSED AIR	KCF	1.48	1.59	1.49
SANITATION SERVICES				
REFUSE COLL & DISPOSAL	CUYD	7.01	6.84	6.92
PEST CONTROL	HOURS	37.97	41.21	45.76
HAZ WASTE I	GAL	11.39	9.45	9.24
HAZ WASTE II	LBS	0.96	0.98	1.13
INDUST WASTE	KGAL	117.33	112.07	113.36
ENVIROMENTAL ENG	HOURL	66.94	74.91	86.57
ENVIROMENTAL LAB	TEST	11.32	20.83	54.24
TRANSPORTATION SERVICES				
EQUIP RENTAL	HOURS	3.33	3.49	3.58
VEHICLE OPS	HOURS	39.00	42.78	44.73
MAINTENANCE & REPAIR				
SPECIFICS	JOBS	46,524.23	52,801.04	59,302.33
MINORS	ITEMS	4,447.58	4,926.86	4,510.23
EMERGENCY SERVICE	CHITS	194.93	244.39	253.48
RECURRING	CHITS	252.29	249.03	225.55
VEHICLE MAINTENANCE	ITEMS	1,014.44	872.94	871.33
ENGINEERING SUPPORT	SRO	116.46	98.54	126.01
		470.58	1,461.61	324.38

PERFORMANCE INDICATORS:

The primary performance indicator is unit cost for Navy Public Works Centers. Although unit cost as presented in Table Four above remains the primary efficiency measure, other key corporate performance measures include net operating results (as stated above), and timeliness, workforce safety and client satisfaction.

Timeliness indicators are most important in the area of maintenance of real property and are reported quarterly.

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Emergency Work Response (hours)	4.0	4.0	4.0
Specific Work Client (percent)	100	100	100
Minor Work Turnaround (days)	30	30	30

Workforce Safety goal is for lost time accidents to decrease.

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Reduction in Workforce Safety Incidents (percent)	3%	3%	3%

Client Satisfaction is measured using a standard client survey given annually using a five point scale.

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Overall Client Satisfaction	4.0	4.0	4.0

CIVILIAN AND MILITARY PERSONNEL - PWC civilian manpower increased in FY2004 as a result, of the PWC Detachments transfer and decreases in FY2005 through reorganization, outsourcing, and workload reductions.

TABLE FIVE - Personnel

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Civilian End Strength	7,566	8,670	8,372
Civilian Work Years	7,500	8,660	8,373
Military End Strength	105	105	105
Military Work Years	105	105	105

**TABLE SIX - Capital Budget Authority
(\$M)**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Equipment-Non ADPE/TELECOM >500K	2.5	3.2	3.7
Equipment-Non ADPE/TELECOM <500K	6.9	5.7	6.9
ADPE/TELECOM Equip.	.0	0	0
Software Development	3.3	3.1	.7
Minor Construction	<u>5.2</u>	<u>7.1</u>	<u>5.9</u>
Total	17.9	19.1	17.2

SUMMARY

The PWCs strive to be efficient, providing high quality products and services to the Fleets and ashore-based activities. Sound business practices are the core for decisions that promote innovation and continuous improvements of products and services.