

Department of the Navy
Operation and Maintenance, Navy
1A6A Aircraft Depot Operations Support
FY 2005 President's Budget Submission
Exhibit OP-5

I. Description of Operations Financed:

Support Services – This program provides unscheduled services to the fleet. The services are budgeted on the basis of historical level of effort and projected emergent requirements. This program enhances fleet readiness by providing expeditious solutions for the correction of unplanned maintenance problems incurred during fleet operations. Services include salvage of material, fleet maintenance training, customer service, preservation and de preservation, and support of depot maintenance operations.

Naval Aviation Pacific Repair Activity (NAPRA), Atsugi, Japan - Headquarters for Naval Aviation Pacific Repair Activity (NAPRA) is located in Atsugi, Japan and has a detachment in Okinawa, Japan. NAPRA's responsibility is to maintain broad based aircraft repair capability to support operational plans and also maintain depot level capability to augment CONUS sites for surge capability. It also provides a logistics base for overseas home-ported units (OFRP). NAPRA is one of two Commands providing global forward deployed depot level maintenance. NAPRA's funding includes: civilian salaries, travel, training, PCS, communications, supplies, equipment, utilities, and operation and administration of facilities.

Naval Air Mediterranean Repair Activity (NAMRA) Naples, Italy - NAMRA's mission is to maintain and operate U.S. Navy facilities and execute contracts to perform depot level rework in support of U.S. Navy and Marine Corps aircraft in the EUCOM and CENTCOM Areas of Responsibility (AORs); to manage the MH-53E Standard Depot Level Maintenance (SDLM) competitive contract; and to perform other functions and tasks, such as In-Service Repairs (ISR) and Aircraft Service Period Adjustments (ASPA) inspections, as well as other assignments by higher authority. To accomplish our mission, funding is required for Contract Service Support (includes Foreign National Contracts), in-house labor, tools, equipment, parts, travel (including PCS), competency and professionally required training, and other funding areas in support of the depot level maintenance function.

Enterprise Resource Planning - The Naval Air Systems Command (NAVAIR) has deployed its Enterprise Resource Planning (ERP) System pilot (Sigma) to over 23,000 people at seven sites, including NAVAIR Headquarters. Sigma is an integrated information management system that provides critical functionality required to support NAVAIR's mission in the following areas: Financial Management, Program Management, Human Resource Management, and Procurement functionality. Sigma enables NAVAIR Headquarters and field activities to automate and integrate business processes, share common data and processes, and produce and access information in a near real-time environment. Sigma provides consistent information for timely decision-making and performance measurement, as well as, total cost visibility across the department.

Depot Industrial Support - Funds NAVAIR Headquarters Depot Operations salary and support for personnel responsible for management and oversight of the Naval Air Depots.

Converged ERP - The Navy Converged ERP Program was developed in response to the need to transform Navy business practices as expressed by the Chief of Naval Operation's vision in Sea Power 21 and the Business Management Modernization Program (BMMP). The charter of the Navy Converged ERP Program is to merge four existing pilots (Sigma, Supply Maintenance Aviation Reengineering Team (SMART), Navy Enterprise Maintenance Automated Information System (NEMAIS), and Cabrillo) into a single system that will be implemented across the Navy enterprise to enable:

1. Coherent Fleet focus that will optimize logistics functions between afloat units and shore infrastructure
2. Reliable and timely financial and management information for effective decision making,
3. End-to-end product management and improved interoperability for standardized processes.

II. Force Structure Summary:

The force structure includes 158 civilian and 26 military personnel who perform the above functions at NAPRA, Atsugi, Japan and NAPRA Detachments located in Okinawa, Japan and Naples, Italy.

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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>
	63,752	50,725	57,516	57,516	67,980

B. Reconciliation Summary

	<u>Change</u>	<u>Change</u>
	<u>FY 2004/2004</u>	<u>FY 2004/2005</u>
Baseline Funding	50,725	57,516
Congressional Adjustments - Distributed	8,300	0
Congressional Adjustments - Undistributed	-210	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments - General Provisions	-1,299	0
Subtotal Appropriation Amount	57,516	0
Emergency Supplemental Carryover	0	0
FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)	0	0
Program Changes (Current Year to Current Year)	0	0
Subtotal Baseline Funding	57,516	0
Reprogrammings	0	0
Price Change	0	1,269
Functional Transfers	0	0
Program Changes	0	9,195
Less: Emergency Supplemental Funding	0	0
Normalized Current Estimate	57,516	0
Current Estimate	57,516	67,980

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C. Reconciliation of Increases and Decreases

1. FY 2004 President Budget Request.		50,725
2. Congressional Adjustment (Distributed).		8,300
a) Computer Automatic Tester and Radar Communication Automatic Test Equipment (CAT & RAD COM)	5,100	
b) Simulation Modeling Analytical Support	1,200	
c) Vertical Lift	1,000	
d) Depot Process Improvements	1,000	
3. Congressional Adjustment (Undistributed).		-210
a) Unobligated Balances	-210	
4. Congressional Adjustment (General Provision).		-1,299
a) Sec. 8094: Management Improvements	-151	
b) Sec. 8126: Efficiencies/Revised Economic Assumptions	-241	
c) Sec. 8101: Reduce IT Development Cost Growth	-907	
5. FY 2004 Appropriated Amount.		57,516
6. Baseline Funding (subtotal).		57,516
7. Revised FY 2004 Current Estimate.		57,516
8. Normalized Current Estimate for FY 2004.		57,516
9. FY 2005 Price Change.		1,269
10. Program Growth in FY 2005.		19,264
a) Establishment of the Navy Converged ERP Program, developed in response to the need to transform Navy business practices as expressed by the Chief of Naval Operation's vision in Sea Power 21. Converged ERP program will merge four existing pilots (Sigma, SMART, NEMAIS, and Cabrillo) into a single system that that will be implemented across the Navy enterprise to optimize logistics functions, provide reliable financial and management information and provide end-to-end product management.	15,487	
b) Increase associated with the additional funding required to fully support the development of the Sigma ERP initiative at all Naval Air Systems Command activities.	3,777	
11. Program Decrease in FY 2005.		-10,069
a) Decrease in civilian personnel costs for one less paid day in FY 2005 (\$47K) and reduction in Permanent Change of Station (PCS) costs (\$122K).	-169	

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| b) Decrease associated with support costs for travel, utilities, printing and reproduction, customer services, maintenance support, Depot Support items and other support. | -1,484 |
| c) Decrease associated with Congressional increases in FY 2004 not extended into FY 2005. | -8,416 |

12. FY 2005 Budget Request.

67,980

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2003</u> (\$000)	<u>FY 2004</u> (\$000)	<u>FY 2005</u> (\$000)
Naval Aviation Pacific Repair Activity (NAPRA)	8,696	6,908	6,868
Naval Air Mediterranean Repair Activity (NAMRA)	1,799	1,437	1,011
Enterprise Resource Planning (ERP) SIGMA	31,321	22,922	27,151
Depot Support Items	3,310	3,726	3,797
Customer Fleet Support	4,317	7,957	4,826
Customer Services	1,528	6,477	1,123
Ferry Flight	971	966	1,020
Maintenance Support	7,118	2,297	2,163
Depot Industrial Support	4,692	4,826	4,534
Navy Converged ERP	0	0	15,487
TOTAL PROGRAM	63,752	57,516	67,980

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V. Personnel Summary :

End Strength	FY 2003 ES	FY 2004 ES	Change FY 2004 to FY 2005	FY 2005 ES
Direct Hire, U.S.	117	118	0	118
Direct Hire, Foreign National	0	0	0	0
Indirect Hire, Foreign National	83	87	0	87
TOTAL CIVPERS	200	205	0	205
Active Military				
Officers	10	10	-1	9
Enlisted	13	13	0	13
TOTAL MILPERS	23	23	-1	22
Workyears	FY 2003 WY	FY 2004 WY	Change FY 2004 to FY 2005	FY 2005 WY
Direct Hire, U.S.	117	116	0	116
Direct Hire, Foreign National	0	0	0	0
Indirect Hire, Foreign National	86	87	0	87
TOTAL CIVPERS	203	203	0	203
Active Military				
Officers	13	10	0	10
Enlisted	11	13	0	13
TOTAL MILPERS	24	23	0	23

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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
1A6A							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	7,516	401	152	8,069	190	-152	8,107
0103 Wage Board	3,624	211	172	4,007	115	-17	4,105
0104 Foreign Nat'l Direct Hire (FNDH)	0	1	-1	0	0	0	0
0107 Civ Voluntary Separation & Incentive Pay	163	0	-163	0	0	0	0
0110 Unemployment Compensation	13	0	-13	0	0	0	0
TOTAL 01 Civilian Personnel Compensation	11,316	613	147	12,076	305	-169	12,212
03 Travel							
0308 Travel of Persons	983	12	-725	270	3	-194	79
TOTAL 03 Travel	983	12	-725	270	3	-194	79
05 STOCK FUND EQUIPMENT							
0503 Navy WCF Equipment	0	0	10	10	0	0	10
TOTAL 05 STOCK FUND EQUIPMENT	0	0	10	10	0	0	10
06 Other WCF Purchases (Excl Transportation)							
0610 Naval Air Warfare Center	16,772	-386	-2,970	13,416	322	4,335	18,073
0613 Naval Aviation Depots	7,720	178	3,971	11,869	368	-3,419	8,818
0633 Defense Publication & Printing Service	58	-1	-57	0	0	0	0
0673 Defense Finance and Accounting Service	101	14	-115	0	0	0	0
TOTAL 06 Other WCF Purchases (Excl Transportation)	24,651	-195	829	25,285	690	916	26,891

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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
07 Transportation							
0771 Commercial Transportation	15	0	3	18	0	-18	0
TOTAL 07 Transportation	15	0	3	18	0	-18	0
09 OTHER PURCHASES							
0901 Foreign Nat'l Indirect Hire (FNIH)	230	14	-60	184	0	5	189
0913 PURCH UTIL (Non WCF)	86	35	-97	24	0	-10	14
0920 Supplies & Materials (Non WCF)	216	52	-158	110	1	-51	60
0921 Printing and Reproduction	13	0	-4	9	0	-1	8
0922 Equip Maintenance by Contract	2,169	28	-1,407	790	11	2,915	3,716
0923 FAC maint by contract	135	11	-130	16	0	-16	0
0925 Equipment Purchases	637	163	-748	52	0	-52	0
0929 Aircraft Rework by Contract	1,242	16	4,837	6,095	85	-5,439	741
0930 Other Depot Maintenance (Non WCF)	21	0	7	28	0	1	29
0932 Mgt & Prof Support Services	7,362	96	-5,134	2,324	32	2,433	4,789
0933 Studies, Analysis, and Eval	0	0	0	0	0	1,662	1,662
0934 Engineering & Tech Svcs	0	0	0	0	0	2,491	2,491
0987 Other Intragovernmental Purchases	2,906	191	842	3,939	55	5,488	9,482
0989 Other Contracts	11,770	245	-5,729	6,286	87	-766	5,607
TOTAL 09 OTHER PURCHASES	26,787	851	-7,781	19,857	271	8,660	28,788
Total 1A6A Aircraft Depot Operations Support	63,752	1,281	-7,517	57,516	1,269	9,195	67,980