

Department of the Navy
Operation and Maintenance, Navy
4B3N Acquisition and Program Management
FY 2005 President's Budget Submission
Exhibit OP-5

I. Description of Operations Financed:

This sub activity group provides funding for salaries, administrative expenses, and travel for personnel involved in program management and logistics support for ship systems, space systems, material transportation, food service systems, fuel and petroleum support, and special support operations. Funding also supports the Navy International Programs Office and support and maintenance of the Joint Warfare Analysis Center (JWAC) command infrastructure, including Automated Information Systems maintenance, host tenant services, etc. Additionally, funding provides salaries, benefits, and administrative support for procurement operations personnel who provide technical services for supply programs, major ship and weapon system support programs, and space and electronic warfare programs.

II. Force Structure Summary:

This sub activity group provides for the operation or support of various logistic and technical programs. Specific organizations that are funded include the Naval Center for Cost Analysis, the Acquisition Career Management program, the Department of the Navy Information Network Project Office, the Navy International Programs Office, and the Department of the Navy Chief Information Officer organization. Naval Air Systems Command Headquarters, which manages and supports approximately 500 aviation programs/projects, is funded in this sub activity group as well as related Program Executive Offices. The Naval Supply Systems Command funds nine contracting regions, the Navy Material Transportation Office, Fleet Material Support offices which provide automated logistics systems development, and the Navy Petroleum office. Also included are Supply Systems Services and Project Management Offices which provide specialized supply system services and ADP management critical to Fleet readiness and sustainment.

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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>
	889,276	905,432	890,420	875,909	840,666

B. Reconciliation Summary

	Change	Change
	<u>FY 2004/2004</u>	<u>FY 2004/2005</u>
Baseline Funding	905,432	875,909
Congressional Adjustments - Distributed	0	0
Congressional Adjustments - Undistributed	-6,835	0
Adjustments to Meet Congressional Intent	2,200	0
Congressional Adjustments - General Provisions	-10,377	0
Subtotal Appropriation Amount	890,420	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)	-14,511	0
Subtotal Baseline Funding	875,909	0
Reprogrammings	0	0
Price Change	0	19,365
Functional Transfers	0	0
Program Changes	0	-54,608
Less: Emergency Supplemental Funding	0	0
Normalized Current Estimate	875,909	0
Current Estimate	0	840,666

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C. Reconciliation of Increases and Decreases

1. FY 2004 President Budget Request.		905,432
2. Congressional Adjustment (Undistributed).		-6,835
a) Unobligated Balances	-2,335	
b) Administration and Service-wide Activities	-4,500	
3. Adjustment to meet Congressional Intent.		2,200
a) Navy Critical Infrastructure Protection	2,200	
4. Congressional Adjustment (General Provision).		-10,377
a) Section 8094: Management Improvements	-2,658	
b) Sec. 8101: Reduce IT Development Cost Growth	-3,482	
c) Sec. 8126: Economic Assumptions	-4,237	
5. FY 2004 Appropriated Amount.		890,420
6. Program Increases FY 2004 (Functional Transfers).		405
a) Transfer of the Integrated Undersea Surveillance System (IUSS) Program from Service-wide Communications. (4A6M)	405	
7. Program Decreases FY 2004 (Functional Transfers).		-10,597
a) Transfer of funding to Administration, (4A1M) to establish the Chief Engineer's Office (CHENG) on the Secretariat Staff for the Assistant Secretary of the Navy for Research Development and Acquisition (ASN/RDA).	-241	
b) Transfer of the Enterprise Acquisition Program to Service-wide Communications (4A6M) to consolidate acquisition and in-service support responsibility and management accountability.	-10,356	
8. Program Decreases FY 2004 (Technical Adjustments).		-2,335
a) Programs previously budgeted in mission budget lines determined to fit the definition of the functions areas of the Base Operations model were realigned to Base Operations (BSS1).	-2,335	
9. Program Decreases FY 2004 (Emergent Requirements).		-1,984
a) Decrease reflects the realignment of funds to centrally manage Iran Litigation efforts to Other Personnel Support (4A5M).	-1,984	
10. Baseline Funding (subtotal).		875,909
11. Revised FY 2004 Current Estimate.		875,909
12. Normalized Current Estimate for FY 2004.		875,909
13. FY 2005 Price Change.		19,365

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14. One Time FY 2005 Costs.			-596
	a) One Less Work Day	-596	
15. Program Growth in FY 2005.			6,436
	a) Increase in classified Navy programs. Details held at a higher level of classification.	6,046	
	b) Realignment of the Navy International Programs Office Export Licensing, Disclosure Technology, Transfer and International Cooperation Agreements from Administration (4A1M) to better reflect program execution.	390	
16. Program Decrease in FY 2005.			-60,448
	a) Reduction in funding supporting Navy Information Technology infrastructure support requirements.	-2,583	
	b) Decrease reflects cost associated with Voluntary Separation Incentive Pay/Voluntary Early Retirement Authority (VSIP/VERA).	-3,784	
	c) Reflects realignment of Acquisition's Program Management responsibilities to Administration (4A1M) to better reflect program execution.	-4,306	
	d) Decrease in funding for administrative and contractual support to DoN Information Management and Acquisition Reform and Strategic Planning Initiatives.	-6,975	
	e) Realignment of the Enterprise Acquisition Program to Service-wide Communications (4A6M) to consolidate acquisition and in-service support responsibility and management accountability.	-9,277	
	f) Level of Effort reduction in Civilian Personnel End Strength and Full Time Equivalent.	-9,688	
	g) Reduction in funding resulting from the implementation of the NAVSUP Transformation initiative.	-23,835	
17. FY 2005 Budget Request.			840,666

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IV. Performance Criteria and Evaluation Summary :

	<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>	
	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>	<u>Units</u>
Expeditionary Warfare Program Office/workyears	27,799	240	0	0	0	0
Mine Warfare Program Office/workyears	11,010	103	0	0	0	0
Submarine Program Office/workyears	112,80	105	11,437	105	13,646	105
Theater Surface Combatants Program Office/workyears	26,973	260	0	0	0	0
Carrier Program Office/workyears	6,752	57	6,781	56	5,816	56
PEO Surface Strike	5,268	49	0	0	0	0

	<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>	
	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>	<u>Units</u>
<u>Navy International Programs Office</u>						
Foreign Disclosure Actions						
Number of Visit Requests Processed				8,190		8,190
Number of Disclosure Documents Processed				15,530		15,530
Export License Case Reviews				10,000		10,500
Technology Assessment Policy Issue Reviews				1,100		1,100

	<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>	
	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>	<u>Units</u>
<u>Total Number of Programs/Projects Managed</u>						
Program Executive Office - Tactical Air		76		76		76
Program Executive Office - ASW Aircraft		73		73		73
Program Executive Office - Strike Weapons/UAV		73		73		73
Operational Support Program		288		288		288

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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.	4,721	4,730	-208	4,522
Indirect Hire, Foreign National	8	8	0	8
TOTAL CIVPERS	4,729	4,738	-208	4,530
Active Military				
Officers	451	448	1	449
Enlisted	508	508		508
Reservists on Full-Time Active Duty				
Officers	5	13	0	13
Enlisted	5	5	0	5
TOTAL MILPERS	969	974	1	975
Workyears	FY 2003 WY	FY 2004 WY	Change FY 2004 to FY 2005	FY 2005 WY
Direct Hire, U.S.	4,839	4,706	-210	4,496
Indirect Hire, Foreign National	8	8	0	8
TOTAL CIVPERS	4,847	4,714	-210	4,504
Officers	448	451	-1	450
Enlisted	480	501	8	509
TOTAL MILPERS	928	952	-7	959

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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
4B3N							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	431,884	18,127	-18,813	431,198	13,398	-30,900	413,696
0103 Wage Board	7,509	307	134	7,950	175	-33	8,092
0106 Benefits to Former Employees	3,919	77	-3,852	144	24	-168	0
0107 Civ Voluntary Separation & Incentive Pay	5,000	101	-4,739	362	0	-362	0
0110 Unemployment Compensation	156	0	-156	0	0	0	0
TOTAL 01 Civilian Personnel Compensation	448,468	18,612	-27,426	439,654	13,597	-31,463	421,788
03 Travel							
0308 Travel of Persons	8,628	111	-2,007	6,732	94	961	7,787
TOTAL 03 Travel	8,628	111	-2,007	6,732	94	961	7,787
04 WCF Supplies & Materials Purchases							
0414 Air Force Managed Purchases	7	1	4	12	0	0	12
0416 GSA Managed Supplies and Materials	33	0	52	85	1	-1	85
TOTAL 04 WCF Supplies & Materials Purchases	40	1	56	97	1	-1	97
06 Other WCF Purchases (Excl Transportation)							
0610 Naval Air Warfare Center	730	-16	3,824	4,538	109	-642	4,005
0611 Naval Surface Warfare Center	5,119	46	592	5,757	76	-459	5,374
0614 Spawar Systems Center	263	5	-24	244	3	23	270
0633 Defense Publication & Printing Service	495	-10	474	959	31	-140	850
0635 Naval Public Works Ctr (Other)	1,475	7	1,127	2,609	40	421	3,070
0647 DISA Information Services	4,976	0	27	5,003	30	229	5,262
0671 Communications Services	85	0	-67	18	0	0	18
TOTAL 06 Other WCF Purchases (Excl Transportation)	13,143	32	5,953	19,128	289	-568	18,849

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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							
0704 Defense Courier Service	3	0	0	3	0	0	3
0771 Commercial Transportation	434	5	23	462	7	121	590
TOTAL 07 Transportation	437	5	23	465	7	121	593
09 OTHER PURCHASES							
0901 Foreign Nat'l Indirect Hire (FNIH)	467	0	15	482	0	8	490
0912 Standard Level User Charges(GSA Leases)	146	2	-148	0	0	0	0
0913 PURCH UTIL (Non WCF)	354	4	-25	333	4	27	364
0914 Purchased Communications (Non WCF)	3,121	40	-472	2,689	37	152	2,878
0915 Rents	36	0	0	36	1	0	37
0917 Postal Services (USPS)	28	0	-9	19	1	1	21
0920 Supplies & Materials (Non WCF)	12,297	160	-3,291	9,166	129	1,017	10,312
0921 Printing and Reproduction	720	9	-378	351	4	322	677
0922 Equip Maintenance by Contract	12,106	157	731	12,994	181	511	13,686
0923 FAC maint by contract	2,046	26	190	2,262	39	132	2,433
0925 Equipment Purchases	10,797	149	-3,205	7,741	107	280	8,128
0932 Mgt & Prof Support Services	25,089	326	-1,105	24,310	347	-4,703	19,954
0933 Studies, Analysis, and Eval	1,928	25	-167	1,786	25	-359	1,452
0934 Engineering & Tech Svcs	12,643	191	-2,139	10,695	150	1,551	12,396
0987 Other Intragovernmental Purchases	125,678	1,561	-61,571	65,668	625	-7,863	58,430
0989 Other Contracts	186,309	2,423	58,345	247,077	3,388	-12,384	238,081
0998 Other Costs	24,795	321	-892	24,224	339	-2,350	22,213
TOTAL 09 OTHER PURCHASES	418,560	5,394	-14,121	409,833	5,377	-23,658	391,552
Total 4B3N Acquisition and Program Management	889,276	24,155	-37,522	875,909	19,365	-54,608	840,666