MEMORANDUM OF AGREEMENT

AMONG

COMMANDER, NAVAL SUPPLY SYSTEMS COMMAND,
COMMANDER, NAVY INSTALLATIONS,
AND
COMMANDER, FLEET AND INDUSTRIAL SUPPLY CENTERS

Subj: MEMORANDUM OF AGREEMENT (MOA) REGARDING TRANSFER OF WORK (TOW)/TRANSFER OF FUNCTIONS (TOF) FOR SHORE INSTALLATION MANAGEMENT (SIM) CONTRACTING AND BASE OPERATIONS SUPPORT (BOS) SUPPLY FROM COMMANDER, NAVY INSTALLATIONS (CNI) TO COMMANDER, NAVAL SUPPLY SYSTEMS COMMAND (NAVSUP)

Ref: (a) MOA of 12 Jan 04 to Achieve a Common Approach to SIM Contracting and Supply Chain Management (SCM)

Encl: (1) Operational Detailing Agreement
(2) Purchase Card Management Agreement
(3) Reimbursable Partnership (RP) Requirements and Procedures
(4) To-Be Organization for Positions to Transfer under RP
(5) To-Be Labor and other Costs for RP (estimates included and final numbers to be forwarded to CNI no later than 15 February 2005)
(6) Capability Level Performance Standards and Metrics

1. Background. One of the overarching goals for CNI is to align processes, structure and standards and employ best business practices to provide effective, efficient Navy shore facilities and services. To achieve this end, business principles have been established to eliminate duplication while seeking commonality and consistency among service/capability levels and organizations. This MOA outlines the strategic direction and requirements to realign CNI SIM contracting and select BOS supply work/functions to NAVSUP with execution at the Commander, Fleet and Industrial Supply Centers (COMFISCs) level. CNI defines SIM as “any function (i.e., all Installation Management Accounting Project (IMAP) functions) whether installation or regional level that supports and sustains shore installations.”
2. **Scope.**

   a. This MOA applies to all regions under CNI and the NAVSUP enterprise. Elements in this MOA are agreed to by the above claimants and are to be documented in NAVSUP’s Strategic Plan and supported by NAVSUP’s Assistant Chief of Staff (ACOS) for Regional Commander Support. Signature of this MOA formally authorizes actions required to execute transfer of SIM contracting and BOS supply work/functions specified below from CNI to NAVSUP.

   b. This MOA includes the operational detailing ROE as enclosure (1).

   c. This MOA includes the transfer of Operational Control for all applicable personnel (covered under enclosures (2) through (4)) until the RP effective date, set for 1 October 2005. The transfer of military billets will be effective no later than 31 January 2005.

   d. The following work/functions will be transferred per the above schedule and all applicable Navy guidelines and policies regarding the detailing and subsequent transfer of Military and Civilian Personnel:

   - Material Management--Sub Function
     - Inventory Management
     - Inventory Control
     - Requisition Processing
     - Warehousing
     - Accommodation Storage
     - Transportation
   - Supply Services--Sub Function
     - Large Contracting
     - Simplified Acquisition
     - Personal Property
     - Mail Services

   e. Work/functions not transferred; as part of this initial MOA will be reviewed for transfer as Phase II with the date for joint transfer decision made either at the initial performance review or NLT 31 Dec 05. These work/functions include, but are not necessarily limited to:

   - Purchase Card Program
   - Food Service
   - Remaining HAZMAT
   - Remaining POL
f. The transfer of Hazardous Material (HAZMAT) Control and Management and Petroleum, Oil and Lubricant (POL) Management work/functions will be executed as follows:

(1) Within any region where a FISC is already reimbursed to manage either of these functions/work, that relationship will continue as is and the existing process will not be affected by this agreement.

(2) A HAZMAT Integration Process Team (IPT) will analyze and recommend a plan for the organization and transfer of this function that will be approved by CNI and COMFISCS before execution. A POL IPT to include Defense Energy Supply Center (DESC) will analyze and recommend a plan for the organization and transfer of this function.

g. While the CNI Supply Program Direction is the Resource Sponsor for Intra-Station move, the execution of the Intra-Station Moves are the responsibility of the housing office and therefore are not part of this alignment and will not be considered for transfer in the future.

h. CNI will reimburse COMFISCS for all postage costs on quarterly basis.

i. If the administration at a given site is responsible all BOS work/functions, including those functions scheduled to transfer in Phase II, those administration billets will transfer to NAVSUP as part of Phase I. They will provide administrative support to the staff that is part of the functions to transfer in Phase II, while the operational control will continue to be managed by CNI.

j. Purchase Card Management: When COMFISCS executes a buy or uses the purchase card as a method of payment for its own internal use, it will use a COMFISCS purchase card. When COMFISCS is buying or using the purchase card as a method of payment for an external customer, it will be in accordance with the Purchase Card Management MOA Template, enclosure (2).

NAVSUP personnel performing purchase card services will in all cases be aligned to the Supply departments and will not be part of the NAVSUP field contracting departments. As such, the Supply departments will provide the appropriate degree of management oversight and control over Supply personnel providing the centralized purchase card services.

k. Enclosure (3) is the agreement for just the functional transfer of the personnel resources from CNI to NAVSUP.
3. Responsibilities and Requirements.

   a. CNI will:

   (1) Effective upon signature of this MOA, but prior to the reimbursable partnership (FY06), transfer Operational Control of all resources engaged in the performance of SIM contracting and BOS supply management work/functions, i.e., military and civil service employees, including vacancies, and contracted labor resources identified as performing the Supply IMAP functions specified in paragraph 2.d. Civilian and military requirements will be identified as total End Strength (ES)/Full Time Equivalent (FTE) without any considerations for partial work-year transfers.

   (2) For both Continental United States (CONUS) and overseas locations, continue to provide Information Technology (IT) assets and services support for applicable supply programs that are approved (in DATAMS) and operating on the NMCI network. This responsibility will continue through FY05 and extend until IT resources are inventoried, costs are quantified, and IT support responsibilities are transferred per a separate MOA to be developed for that purpose. The target date for this follow-on IT transfer will be completed no later than 30 September 2006 and will be reviewed at each performance review. Prior to that event, CNI will continue to budget for and fund, provide, and remain accountable for IT support, including compliance with all applicable laws and regulations governing IT management, as if no SIM or BOS transfer had occurred. This responsibility includes but is not limited to (a) the maintenance and operation of automated information systems and communication networks, (b) the execution of Information Assurance (IA) responsibilities, such as providing Information Systems Security Managers, and (c) serving as system owner and Functional Area Manager (FAM) for purposes such as CNO-directed legacy systems reduction, IT budget submission, portfolio management, and general IT governance. Where IT services are currently provided via the Navy/Marine Corps Intranet (NMCI) or other external service provider, CNI will provide all representation to the providing organization except for calls to Help Desks originated by end users. NAVSUP will not be charged for any IT services for which no charges had been levied prior to the date of SIM and BOS transfer.

   For overseas activities not subject to NMCI, but involved in NAVONET (formerly BLII), continue providing desktop and network services (to include refresh) for all civilian and military personnel and contractor support transferred under MSI. Both claimants agree to meet prior to the 1 Oct 2005 reimbursable partnership to address IT/NMCI/NAVONET management issues, including the IT infrastructure that supports COMFISCSCS. They
will continue to meet to address emergent IT/NMCI/NAVONET issues.

(3) Effective 1 October 2005, provide reimbursable funding for the total costs of SIM contracting and BOS supply work/functions to NAVSUP (labor, nonlabor, and General and Administration (G&A), FECA, 3 percent Overtime and Awards) identified in enclosure (5), to NAVSUP/COMFISCS on a quarterly basis.

(4) Continue to provide host support for facilities services (refuse collection, custodial, facilities maintenance, utilities, equipment, existing office furniture, office equipment, minor and plant property, etc.) and other BOS support (safety, security, environmental, telephones, postal, etc.) for functions transferred from CNI to NAVSUP/COMFISCS both during the OPCON period and reimbursable partnership.

(5) Collaborate with NAVSUP/COMFISCS in development, by 1 May 2005, and submission of the NC-4 Functional Transfer Exhibit delineating all resources transferring under the reimbursable partnership.

(6) Provide funding for future SEP/VERA and/or RIF costs for out years for those billets that are reimbursable.

(7) Explore future, post FY06 Budget Base Transfer (BBT) Options to properly align BOS Supply functions as a NAVSUP mission area in conjunction with NAVSUP/COMFISCS.

(8) Will ensure that personnel identified to transfer to NAVSUP/COMFISCS will not transition to the National Security Personnel System (NSPS) prior to the date COMFISCS personnel transfer to NSPS.

(9) Provide a Program Director (PD) to serve as the Resource Sponsor and work closely with OPNAV N46 to program, plan and prioritize funding and associated BOS objectives.

b. NAVSUP will:

(1) Upon execution of this MOA, accept military, civilian employees, contractor support, and approved vacant military and civilian positions identified by the NAVSUP MSI Team. Per the rules governing TOW/TOF, the mutually agreed upon FTE engaged in the performance of SIM contracting and BOS supply operations as identified within the staffing plans will be detailed no later than 1 January 2005 until the effective date of the RP on or about 1 October 2005.

(2) Define and execute an enterprise approach for BOS Supply and SIM Contracting while meeting the funded capability level performance standards (as defined by enclosure (6)).
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(3) Metrics: NAVSUP/COMFISCS will monitor and report metrics for the funded capability level. CNI and COMFISCS are working together to determine specific requirements, periodicity, and metrics for each capability level. The proposed requirements, metrics, and associated definitions are included in enclosure (6), which will be updated when final approval is received.

(4) Take responsibility and become accountable for the execution of SIM contracting and BOS supply operations prior to the functional transfer/reimbursable partnership. Upon signature of all parties to this document and completion of required personnel actions, NAVSUP/COMFISCS fully own the process, NAVSUP/COMFISCS has authority, as CNI’s agent for BOS supply and SIM contracting, to effect changes in supply management processes as necessary to maximize efficiency and improve overall effectiveness.

(5) Conduct a performance requirements and financial status review at least semiannually; to include all affected parties and stakeholders (including the respective Regional Commanders). Updates to the stated performance requirements will be accomplished as required, based on inputs from these reviews and other appropriate sources.

(6) Continue to refine and adjust processes to maximize output and effectiveness. Provide a revised BCA by 15 February 2005 to substantiate the impending RP, and allow time for clarification between both parties prior to the 1 May 2005 deadline for establishing the RP amount, as stated above.

(7) Provide monthly financial execution status once the RP has been implemented.

(8) FISCs will enter appropriate financial and other information into the CNI Activity Based Costing Management (ABCM) system. COMFISCS and CNI will work towards an integrated model that will meet the needs of both ABCM and the Products and Service software systems.

4. Execution: NAVSUP's ACOS for Regional Commander Support is responsible for the execution of all performance objectives applicable to the work/functions transferred.
5. Duration: This Operational MOA between CNI and NAVSUP is effective upon the date of final signature and will remain in effect until further notice. It will be reviewed at least annually. Local MOAs cannot conflict with any agreements outlined in this Operational MOA, including but not limited to service levels, capability levels, etc.

C. E. WEAVER, Commander  
Navy Installations Command

D. H. STONE, Commander  
Naval Supply Systems Command

W. A. KOWBA, Commander  
Fleet and Industrial Supply Centers