NAVSEA

Desk Reference for the
Shipbuilding and Conversion, Navy (SCN)
Appropriation

Version 1

Office of Naval Sea Systems Command Comptroller

14 September 09
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The SCN Desk Reference Guide has been a collaborative effort involving significant input from all of the divisions and departments within NAVSEA. The Guide establishes the consensus Command wide business rules for SCN and reflects the hard work and dedication of the following:

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1.0 Purpose of This Guidebook

This document provides guidelines for the common Financial Management (FM) processes for the Shipbuilding and Conversion, Navy (SCN) appropriation. The primary objective of the guidelines is to establish a common and documented rule-set for the SCN appropriation and to standardize training. These guidelines will reduce the errors and rework in the processing of SCN relevant information and products as well as the associated labor and delay.

This guide will:

- Document and centralize business rules governing the use of SCN funds.
- Provide a common understanding of the business rules that control funding document approval involving SCN funds.
- Clarify the milestones and events during the construction of a ship and determine the responsible payee.
- Document business rules that determine the type of funding appropriate for specific purposes during the shipbuilding process.
- Clarify the rules on the use of SCN funding for reimbursable work vice the work that is mission funded with Operations and Maintenance, Navy (O&M,N).
- Clarify what can be procured with SCN, e.g. software development and maintenance.
- Provide a standard SCN execution process with integrity in the product, including quality assurance, variance measures, and process transparency.
2.0 Obligation and Work Limiting Date (OWLD)

The delivery of a fully capable vessel to the fleet typically extends beyond the initial five year period of availability of the SCN appropriation. Consequently, Congress inserts the following provision in each year’s appropriation act, “Provided, that additional obligations may be incurred after 30 Sept ____, for engineering services, tests, and evaluations, and other such budgeted work that must be performed in the final stage of ship construction.” This language in the laws allow for the creation of a funds expiration date beyond the original five year period of availability Congress provides this extended availability to the Navy to enable shipbuilding contracts that result in a longer ship construction period comply with the full funding policy. During this extended period of availability the program can incur new scope obligations up to the funds expiration date shown in the Treasury table or the OWLD of the ship. The NAVSEA Comptroller establishes the expiration and cancellation dates of an appropriation and forwards the dates to FMB prior to the end of the original fifth year of availability of the SCN Appropriation. The Treasury table is updated with the data received from the Navy.

The Obligation and Work Limiting Date (OWLD) is normally 11 months after Completion of Fitting-Out (CFO), unless other specific written authority has been granted by the Comptroller of NAVSEA. The use of SCN funds ends 11 months after CFO provided the following exit criteria are met:

- Ship has been delivered,
- Post Shakedown Availability (PSA) is complete,
- Testing is complete,
- Trial deficiencies corrected,
- Final Contract Trials (FCT) are complete.

2.1 Current Policy

SCN has unique OWLD provisions, however the same basic rules that apply to other appropriations also apply to SCN. Following the expiration date, the expired funds are available for within scope adjustments and liquidation of unexpended balances for an additional five years, at which point the account is cancelled. OWLD governs the actual performance of work, which cannot extend beyond the OWLD. SCN funded work may not be performed or obligated after the end of the fiscal year in which the OWLD falls. See paragraph 2.2 for exceptions.

The OWLD is considered to be the obligation and work limiting date for an individual ship. Prior to the completion of the initial five-year SCN availability period, DON provides the Department of Treasury with the OWLD for the appropriation. An SCN appropriation expires on the date of the ship’s OWLD and no new obligations can be incurred thereafter. The fiscal year of the latest OWLD for the last vessel in a multiple ship procurement financed by a particular SCN appropriation will represent the period of availability for obligation. The funds are available for liquidation for an additional five years following Appropriation expiration, the OWLD. At the end of the fifth fiscal year following the expiration of the funds, the account is closed and any balances remaining are cancelled. Paragraphs 074323.4.2 and 074320.3.b of DON FMPM NAVSO P-1000 provide a detailed explanation.
The extended availability is provided to allow items essential to delivering a complete ship. Completion of ship construction efforts, engineering services, tests, evaluations, trials, and deferred work are permitted during the extended availability. These obligations can be related to within scope obligations or can be new scope obligations if used for the purpose of completing the ship as originally intended. Changes to ship characteristics that have been approved through the Execution Review previously known as the Ship Cost Adjustment (SCA) processes, prior to the 5-year limitation and within the ship budget, can be contracted within this period. Changes to ship characteristics approved after the 5-year limitation can only be funded in a cost growth line item contained in an active SCN appropriation. Advance procurement line items, service and landing craft, post delivery and initial outfitting programs, cost growth, escalation on prior year programs and similar line items will not be extended beyond the 5-year limitation for new scope obligations.

2.2 Use of SCN Funds After the OWLD

SEA 01P has consistently ruled to permit work after the work-limiting date, but within the contract completion date, that is intended to allow the completion of minor work efforts which in good faith were planned to be accomplished prior to the work-limiting date at the time of contract award, but for some unforeseen reason were delayed.

The intent of this decision was to allow "minor work efforts" such as completion of reports or minor last minute schedule slips not anticipated in advance. The funds must be obligated prior to the OWLD and a good faith effort was made to complete the work prior to the OWLD. If it is known in advance that work will need to be performed after the OWLD or is not minor in nature, then the proper course of action is to request an extension to the OWLD. See paragraph 2.3 for further information on extensions.

As provided for in paragraph 074320.3.b.1 of DON FMPM NAVSO P-1000, limitations have been placed on the use of SCN after the OWLD. The following activities are permitted to be performed after the OWLD provided funds are obligated prior to the OWLD:

- For purposes of completing required SCN class design agent (CDA) efforts under contract, performance for such required efforts may be completed after OWLD. However, obligations for such efforts must occur prior to the OWLD for each ship.
- Post Delivery Project. Post delivery projects are programmed and budgeted as annual requirements usually in the year of Post Shakedown Availability (PSA) and the funds appropriated are available for obligation for 24 months. Obligations may not occur after the OWLD, which is established as 11 months following CFO. Performance by a contractor of contractor responsible items is limited only by the terms of the contract. The Contracting Officer should not have a period of performance established past a ship’s OWLD.
- Initial Outfitting Project. Initial outfitting projects are programmed and budgeted as annual requirements, depending on lead-times, over the ship's construction and post delivery periods. The funds appropriated for initial outfitting projects must be obligated within 24 months. However, obligations may not occur after the OWLD, which is established as 11 months following CFO.
Paragraph 075373.3.a of DON FMPM NAVSO P-1000, prohibits the use of SCN funds for equipment deliveries that are scheduled after the ship's delivery date. However, SCN funds will fund the installation of those items planned for installation prior to ship delivery but whose actual delivery slips into the ship post delivery period.

### 2.3 OWLD Extension Requests

The overall OWLD can be extended only if the circumstances warrant and approval is granted by the Comptroller of NAVSEA. In cases where the OWLD extension approved by NAVSEA will effect the Treasury closing date, NAVSEA will coordinate with FMB to ensure that Treasury dates are updated to reflect the approval. The Navy applies rigorous standards when considering requests to delay the OWLD to ensure that the proviso remains in each year’s appropriation act. OWLD extensions are usually only granted for extreme circumstances such as significant delays in the ship delivery, acts of God, mission degrading catastrophes, shock tests, correction of deficiencies and completion of the modernization availability period. OWLD Extensions are required when the Program Manager determines that work efforts will be necessary beyond the previously approved OWLD. Requests for extensions are submitted to the Comptroller of NAVSEA. The extension request process is depicted in Exhibit 1.

![Exhibit 1 OWLD Extension Request Process](image-url)
3.0 Advanced Procurement

Advance procurement (AP) is an exception to the full funding policy that allows for the acquisition of long lead time items or economic order quantities (EOQ) of items in advance of the fiscal year in which the related end item is to be acquired. Statutory authority for advance procurements must be provided in the relevant authorization and appropriations acts. Proposals for advance procurement funding should take full consideration of the applicability of the items to other programs or as spares in the event that the prospective program fails to materialize.

During the milestone review, the Milestone Decision Authority (MDA) should approve specific exit criteria for advance procurement. The exit criteria should be satisfied before the program manager releases any advance procurement funding for either the initial long lead-time items contracts or the contracts for individual, follow-on, long lead-time lots. The contracts office should initiate a separate contract action for advance procurement of long lead materiel.

3.1 Limitations of Advance Procurement

Advance procurements may include materials, parts, components, and efforts that must be funded in advance to maintain a planned production schedule and are limited to use for end items in major procurement appropriations. Long lead-time procurements shall be for components, parts, and material whose lead-times are greater than the life of the appropriation (3-5 years). When advance procurement is part of the program, the cost of components, material, parts, and effort budgeted for advance procurement shall be relatively low compared to the remaining portion of the cost of the end item. Advance procurement funds are limited to a period of availability of 5 years and can not be extended. Advance procurement is typically used for 1, 2 or 3 year periods.

3.2 Budgeting for Advance Procurement

Advance procurement will usually be budgeted one year in advance of the end-item funding year, however, exceptions to allow more than one year of advance procurement will be approved on a case-by-case basis in the budget review process. Typical exceptions to this policy are advance EOQ procurements and exceptionally long lead-time materials, such as nuclear cores, associated with the shipbuilding program. The funds are added to the budget authority for the required fiscal year and deducted from the budget authority of the fiscal year the end item is procured. All AP funds are assumed to be obligated in the year appropriated. Nonrecurring costs may be budgeted as advance procurement only in the first advance procurement year. The preferred funding method is to budget the full cost of advance procurement items which would have utility if the subsequent end-item was not procured. At a minimum, termination liability will be funded for the items for which the advance procurement request is being made.

Advance procurement is budgeted in a separate P-1 line item and requires the Advance Procurement Requirements Analysis (P-10), Advance Procurement Requirements Analysis - Funding (P-10A) and Budget Item Justification (P-40) exhibits. The P-10 exhibit requires an explanation for differences between projected lead times and actual lead times, and projected contract award dates and actual contract award dates. The P-10A exhibit provides the projected cost and actual contract cost. The P-40 exhibit provides overall narrative justification and total
procurement costs for each P-1 line item, including all advance procurement, initial spares and repair parts for acquisition category (ACAT) 1 programs.

3.3 Economic Order Quantity (EOQ)
Economic order quantity is an exception to the full funding policy that allows the use of advance procurement funds to purchase more than one fiscal year’s program increment of components, materials, and parts in order to obtain economical advantages, sustain a production line, or to support low rate initial production. EOQ procurements are only permitted in support of multiyear contracts. Funding for EOQ procurements is included in advance procurement budget requests and should be fully funded, unless the DON has obtained an exception to the general policy from the USD (C). A multi-year procurement (MYP) contract must budget for production at not less than the minimum economic rate given the existing tooling and facilities. At a minimum, advance procurement funding for EOQ procurement must cover the estimated termination liability costs.

EOQ procurement may be requested for annual procurements under unusual circumstances (such as a combined parts buy for a block of satellites). This does not affect procurement of items being acquired as end-items themselves, such as spare parts, when EOQ is a consideration in the requirements calculation.

3.4 Advanced Construction
Advanced construction is an exception to the full funding policy that allows the use of advance procurement funds to test and design the ship and all the new technologies that will be put into the vessel. Funding for advanced construction procurements is included in advance procurement budget requests and should be fully funded, unless statutory authority is provided in the relevant authorization and appropriations acts. Advance construction will take approximately two years before construction can begin on the ship itself. For example, there are a number of castings for the large machinery associated with an aircraft carrier propulsion plant that have a very long production lead time. To maintain the schedule and deliver these needed pieces of machinery as required by the construction sequence, the Navy needs to obligate funds for some of these components up to five years in advance.
4.0 Pre-commissioning

Outfitting pre-com funds are intended to pay for expenses of the pre-com crew on pre-com business. Pre-com is used to pay for products and services that are used for day to day purposes, consumable, directly benefit pre-com crew's effort, do not build stock for future use, do not go aboard ship, and a unit cost less than the investment threshold (currently $250K). There are also Pre-com funds for Refueling Complex Overhauls (RCOH) for aircraft carriers, which are planned for 40 months in duration. During this time the carrier is uninhabitable and a full compliment of the crew is on site at the shipyard.

Within the NAVSEA, SEA 04 centrally manages Ship Outfitting which includes pre-com funding. Ship outfitting uses Subhead 8560 to fund all new construction platforms as well as SCN funded ship availabilities for RCOH and Service Life Extension Program (SLEP). BLI 511020 is for ship outfitting, and includes initial outfitting, and pre-commissioning expenses.

Pre-com expenses need to be closely analyzed as to the funding appropriation, because there are other types of funds that can be used depending on the circumstances. These appropriations include:

- Shipbuilding and Conversion, Navy (SCN),
  - End cost
  - Outfitting Pre-com
- Operations and Maintenance, Navy (O&M,N),
- Military Personnel, Navy (MPN).

4.1 Pre-commissioning Crew

The Pre-commissioning crew is responsible for managing the turn-over of a new ship into the Fleet. Pre-com begins when the first crewmembers arrive to the Pre-commissioning Detachment (PCD)/ Pre-commissioning Unit (PCU) for a given surface ship, carrier or submarine and continues until commissioning. The prospective crewmembers are selected and ordered to the ship starting approximately 12-18 months prior to delivery. Carrier crewmembers begin to arrive approximately 29 months prior to delivery. Crew members arrive according to the Crew Scheduling and Phasing Plan (CSPP) beginning with The nucleus crew arrives approximately 12 months before delivery for surface ships, 29 months before delivery for carriers and subs. This period can extend up to 48 months before delivery until the balance of the crew arrives for delivery of the ship to the Navy. RCOH pre-com starts approximately 3 months before the start of the overhaul in order to set up office spaces and start initial vehicle and equipment leases.

Personnel assigned to all new construction surface ships will typically report first to the PCD by way of a Navy Enlisted Classification (NEC) producing school if required by the billet, either in a Temporary Duty (TDY) or Permanent Change of Station (PCS) status. Surface ship, Carrier, and Submarine nuclear power crewmembers will report directly to the PCU in a PCS status. These crewmembers will receive their pre-com training at the PCU.

4.2 Pre-commissioning Unit (PCU)

After commissioning in the U.S. Navy, warships are given the title prefix USS, an abbreviation for United States Ship. During construction the vessel’s title prefix is PCU. PCU is also used to
refer to the Pre-commissioning Unit administration support facility located at the shipbuilder’s facility. The PCU support facility houses the offices for the crews of each PCU being constructed.

4.2.1 Pre-commissioning Detachment (PCD)
The Pre-commissioning Detachment (PCD), commonly referred to as the “Pre-com Det” is the administrative detachment for a pre-com ship. The Pre-com crew will first report to the PCD for training and indoctrination before reporting to the Pre-com Unit. The PCD is located at either Training Support Center (TSC) Norfolk, VA, or TSC San Diego, CA, depending on the ship's prospective homeport. New construction submarines do not have a PCD, the pre-com crew reports to the PCU and accomplishes all of their training there.

At the PCD, all crewmembers will accomplish:
- Designated Schools to obtain required additional NEC, or as required by the Surface Forces Training Manual.
- Personnel Qualification Standard (PQS) in Damage Control, Maintenance and Material Management (3M) and other shipboard requirements.
- Ship Familiarization events to include crew indoctrination, underway time on ships of the appropriate ship class or with similar systems, and in port time on ships to obtain PQS qualification that is applicable to the assigned ship.

4.3 Pre-Commissioning Expenditures
There is no single beginning point for pre-com expenses. It begins once the pre-commissioning detachment (PCD) is formed at the Fleet Training Center and continues until the ship is commissioned, after which no additional expenses can be incurred to be paid by SCN pre-com funds. Exhibit 2 provides a summary of some of the events surrounding the use of SCN Pre-com funds, which are further explained in the paragraphs that follow.
### Exhibit 2 Summary of SCN Funding for Pre-Commissioning Crew

<table>
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<tr>
<th>Ability to incur expenses against SCN Outfitting pre-com funding:</th>
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<th>BUPERS</th>
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<td>- begins when member of a pre-com crew arrives at the ship construction site,</td>
<td>SCN End Cost</td>
<td>SCN Outfitting Pre-Com</td>
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<td>- ends at 2400 hrs Zulu on the date the ship is commissioned,</td>
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<td>Issue pre-com orders.</td>
<td>N</td>
<td>N</td>
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<tr>
<td>Travel to and work in fleet consolidation point.</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Form pre-com detachment.</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Travel of pre-com crew to ship construction site.</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>PMO and SUPSHIP plan for pre-com crew at ship construction site.</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Initial set-up of office for pre-com crew (computers, LANs, desks, filing cabinets, supplies that do not go aboard ship).</td>
<td>Y</td>
<td>N</td>
</tr>
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**Day-to-day expenses of the pre-com crew:**
- are used for day to day purposes as defined in the Navy Outfitting Program, do not build stock for future use, revert to SUPSHIP or next pre-com crew after commissioning. 

**Day-to-day expenses of members of the pre-com crew: messing, berthing, TDY expenses.**

**Day-to-day expenses of members of the pre-com crew: personal items, recreation, souveniers, personal clothing, cell phone for personal use**

**Out-of-pocket reimbursement for volunteer ombudsmen ($25K for function).**

**Costs of having pre-com crew available e.g., travel to other ship to perform useful work if ship delivery slips.**

**Significant ceremonies:**
- keel laying - first launch.

**Items on the ship's allowance list or COSAL.**

**Note 1:** BUPERS provides adequate funding for messing and berthing of pre-com crews. There are occasions when a member of a pre-com crew is PCSed to the ship construction site but does not move his/her household, family remains at the last duty station and sailor travels to ship construction site alone. See section 4.10 on Messing and Berthing.

#### 4.4 Planning

Planning to support the pre-com crew is not considered to be a day to day expense related to pre-com business and it is not appropriate to use outfitting pre-com funds for planning. The Program Manager will work with SUPSHIPS to provide end-cost funding for planning.

#### 4.5 Information Technology (IT)

The pre-com crew has a requirement for computers and computer network access (LAN/NMCI) upon arrival at the ship construction site. SCN end-cost funds may be used to purchase IT hardware, software, and cables for IT 21 capability at the PCU/PCD. SCN end cost funds should be used for initial IT equipment and software purchases required for the PCU and PCD start-ups. Any additional IT needs should be funded with outfitting pre-com provided it is considered a consumable expense item that will directly benefit the hull being charged, and is necessary for the ship's pre-commissioning efforts.

#### 4.6 Travel

Periodically, members of the pre-com crew will be required to travel to other locations. Pre-com funding can be used to pay for pre-com crew travel that is related to pre-commissioning meetings, administrative travel, and crew familiarization. See paragraph 5.5 for training-related travel. Examples of expenses that may be funded by pre-com funds include leasing vehicles, costs of gasoline and oil for vehicles, and tolls.
4.7 Personnel
Sailors assigned to the pre-com crew will incur expenses that will fall into one of three categories; personal, pre-com business related, and availability costs.

4.7.1 Personal Costs
Personal costs are for the Sailor’s benefit and can not be funded using SCN funds or any other appropriation. Cell phones, Blackberrys, cameras and film that are for personal use may not be purchased with SCN funds. Uniforms, entertainment expenses, recreational material, furniture and furnishing, souvenirs or gifts embossed with the ship’s symbol, and gym memberships are personal in nature and can not be purchased with SCN funds. A more thorough list of prohibited items can be found in DON FMPM NAVSO P-1000 (075373).

4.7.2 Pre-com Crew Related Business Costs
Outfitting pre-com funds are used to provide support to the crew after their arrival at the builder’s site and prior to the commissioning of the ship. The pre-com crew will incur miscellaneous costs attributable to the assigned ship. Examples of approved expenditures include Plank Owner's Certification and reimbursement for volunteer ombudsmen expenses. Due to the rapid advance of technology, specific items that are essential now were not available when NAVSO P-1000 was written. The argument can be made that these items meet the spirit and intent of the FMP manual. Therefore, cell phones, Blackberrys, cameras and film that are for pre-com related business may be purchased with outfitting pre-com funds provided the items remain with SUPSHIP after commissioning.

The volunteer ombudsmen may be reimbursed up to $25K per function, as provided for in OPNAVINST 1750.1F, for expenses including child care, mileage, parking, tolls, awards, refreshments, telephone calls, and training. Pre-com instructions can be found in DON FMPM NAVSO P-1000 (075373) paragraph 5d.

4.7.3 Pre-com Crew Availability Costs
The important pre-com mission requires a fully functioning crew. Occasionally, the crew or a member of the crew will incur expenses that are associated with the Program Manager’s need to have a pre-com crew available. While these expenses are not directly associated with the business of the pre-com crew, the crew’s performance would be adversely impacted if the issue is not addressed. Examples of such expenses include the following:

- A Sailor in a pre-com crew misbehaves, and will be sent back to the PCD where the problem can be better managed. MILPERSMAN 1306-800 states that “Personnel who become disciplinary/administrative problems after reporting to the PRECOMM UNIT will not be reassigned.” The crewmember is at the shipbuilder’s site due to the Program Manager’s need for the pre-com crew. The cost for the travel is paid with outfitting pre-com funds. Once at the PCD, the detachment becomes responsible for all future costs.

- A Sailor in a pre-com crew needs medical treatment that is not available at the shipbuilder’s site and must travel to another location for care. Outfitting pre-com funds are used to pay for the travel, while the sailor’s salary, medical care and other expenses are paid with funds other than outfitting pre-com.
A Sailor in a pre-com crew needs to travel to attend a ceremony. Outfitting pre-com funds pay for travel to and from the ceremony. Approved examples include keel laying, christening and first launch ceremonies.

Construction is delayed and the pre-com crew has no useful work at the PCU and the crew can be assigned useful work on other ships. Outfitting pre-com funds are used for travel to and from the other ship, while the ship that gets the benefit of the work pays the expenses of sailors while on their ship.

Costs associated with pre-com crew availability cannot be planned for in advance, therefore it would not be appropriate to refer to such expenses on a funding document or budget exhibit since it is expected that all pre-com crew members will apply all their efforts to the business of the pre-com crew. Comptrollers in SUPSHIPS and other field activities historically have communicated with the NAVSEA Comptroller to ensure proper treatment of such unusual expenses, and they must continue to do so.

4.8 Office
The pre-com crew needs an office to conduct its business. The office is usually established before the pre-com crew arrives at the ship construction site. The office might include space, desks and other furniture, filing cabinets, photocopiers and computers. Office equipment and computers can be leased or procured with pre-com funds provided it is considered a consumable expense item that will directly benefit the hull being charged, and is necessary for the ship's pre-commissioning efforts. Procurements and leases must be economical, prudent, consumable (under $250K), and may not be placed aboard ship when the crew departs. When a particular ship class leaves the SCN envelope, the equipment should be passed on at no cost to another ship class. SUPSHIP should track what equipment has been purchased, which crew purchased the equipment, which currently has possession of the equipment, and disposal of obsolete equipment. Office supplies and services such as printing and telephone service are also acceptable charges provided they directly benefit the hull being charged. SCN end-cost funding should be used to establish the office and outfitting pre-com funding should be used for day-to-day supplies (e.g., photocopier toner cartridge) and other requirements (e.g., additional desktop computers).

4.9 Fuel
In order to complete and deliver a new construction platform, sea trials and equipment trials are required, which require fuel to be placed aboard the ship. Shipbuilder contracts vary on the manner fuel is handled upon delivery. In some circumstances, the ship is delivered per contract with a “full tank” and in others, SUPSHIPs pays the shipbuilder for fuel remaining onboard at the time of delivery. Nuclear fuel is always a contracted part of ship delivery for nuclear powered platforms and is provided by the shipbuilder as part of the end cost of the ship. SCN end cost funds are used to procure or reimburse the shipbuilder for diesel fuel, while outfitting funds are used to procure or reimburse the shipbuilder for JP5. Upon commissioning, the SUPSHIP should not request reimbursement from the fleet for any fuel remaining aboard.

4.10 Messing and Berthing
Messing and berthing is a very complex issue due to the various types of funds that are used to pay the expenses. Expenses can be funded by SCN end cost, TDY or military allowances
depending on the type of orders the Sailor is traveling under. Some locations do not have military facilities available, others have facilities that are not large enough to meet the demands placed upon them by all of the ships under construction.

For Surface Ships, crew members are ordered to ships under construction as either a member of the Pre-commissioning Unit (PCU) that is geographically located at the shipbuilder’s yard, or as part of the Pre-Commissioning Detachment (PCD) which is located at a fleet concentration area, normally in the projected homeport of the ship being built. For nuclear powered ships, crew members are ordered directly to the PCU at the shipbuilder’s yard. PCU members are ordered to the ship in increments. Some of these increments are for a period of time greater than 180 days before delivery. In these circumstances, the member is issued orders “For Duty In Connection With Fitting Out (DUTY CFO) (ACC-106)”, which allows the member to execute a Permanent Change of Station (PCS). The member is entitled to:

- Move family members/household goods to the PCU, and
- Receive basic allowance for housing (BAH) or government quarters if available.

Note: Currently geographic bachelors are not automatically entitled to quarters at the PCU. In circumstances where they choose not to execute a full PCS move, and in order to ensure the highest quality of life for these sailors, some allowance needs to be made to entitle geographic bachelors to housing whether by providing BAH without dependents or SCN funded government quarters at the PCU. The entitlement to housing at the PCU should not affect their entitlement to BAH with dependents which supports their family at their previous duty station or future homeport.

A second set of PCS orders will be issued entitling the member to move family members/household goods to the ship's ultimate homeport once it has been designated. MILPERSMAN 1320-320 provides a more through description of the PCS orders process.

If the crew member will be at the PCU less than 180 days, the orders are written as Temporary Duty In Connection With Fitting Out (TEMDU CFO) (ACC-352), with the ultimate duty station designated as the ship in its designated homeport. These orders do not authorize PCS to the shipbuilder’s yard. The member is entitled to per diem while on TEMDU at the PCU, and to move family members/household goods to the post-commissioning homeport after the Chief of Naval Operations (CNO) makes the official homeport announcement. Per diem ceases at the scheduled date of delivery for surface ships and at the designated move aboard date for carriers and submarines. Carrier and submarine move aboard dates are generally earlier than the delivery date. At delivery the ship should be habitable. If the Navy accepts delivery of a ship that is not habitable, program managers are responsible to pay for pre-com crew housing using SCN end cost funds until the ship becomes habitable.

The administrative division of the PCU processes military orders for assigned crewmembers and verifies who is entitled to government quarters, and is responsible for providing that information to the installation to arrange military or commercial berthing. If SCN funded berthing is required, the SUPSHIP comptroller receives funding from the program office in order to pay the cost of the required berthing. Certification of entitlement from the PCU is used to validate the payment. After commissioning, messing and berthing expenses become the responsibility of the Fleet.
The feeding or messing of the pre-com crews is not an allowable cost using SCN funds. Military members receive a Basic Allowance for Subsistence (BAS) which is a cash allowance to offset the cost of a member’s meals. In Volume 2A, Chapter 2, of the Financial Management Regulation (FMR), provides for "Subsistence in Kind" that allows for MPN funds be used to pay for "meals furnished under contract (when approved by competent authority) at commercial facilities where the payment of commuted rations would create an individual hardship and/or the costs for establishment of a Government mess facility are prohibitive or the contract feeding of enlisted personnel is determined to be more economical or advantageous."
5.0 Training

Most crew training during ship acquisitions should occur in the pre-commissioning period. A variety of different appropriations are available to pay for that training. Exhibit 3 provides a summary of the types of training and their respective available appropriations. The individual billet details that are available to support the training of crew members are generally found in two NAVSEA managed documents, the individual Preliminary Ship Manpower Documents (PSMD) and the ship specific Navy Training Systems Plan (NTSP). The OPNAVINST 3501, series provides the Required Operational Capabilities/Projected Operational Environmental (ROC/POE) statements, for ship classes and describes missions, general capabilities, and Readiness Condition capabilities. For new ship acquisitions, a provisional draft ROC/POE is used to support the generation of the PSMD. Preliminary Ship Manpower Documents (PSMD) are developed in accordance with OPNAVINST 1000.16K and provide the billets that are generated to respond to the ship class-specific OPNAVINST 3501. The PSMD contains the ship’s organization and billet requirements, the cumulative workload that generated those billet requirements, and the watch bills for Readiness Conditions I and III. If the ship class is capable of receiving aircraft, the watch bill will also contain flight quarters stations. The PSMD (including other specific studies) is the basis for the ship's Billet Training Profile (BTP) which details the training requirements for every billet sequence number (BSN) on the PSMD. The Preliminary NTSP is developed in accordance with OPNAVINST 1500.76A. Section I of this document is required at Milestone A of the acquisition process. The Crew Scheduling and Phasing Plan (CSPP) is an annex to the NTSP. BUPERS uses it to identify personnel needed to fill the billets and their respective required training tracks. The ROC/POE and the PSMD are reiterative documents. As they are refined, changes may be required to the NTSP and CSPP.

The following paragraphs discuss in detail the types of training that occur during ship acquisition, a quick reference guide may be found in Appendix C.

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Note 1: Appropriation used to fund the procurement.
Note 2: May be used for training for first in class ships.
Note 3: May be used for training that is not in the schoolhouse.
Note 4: BUPERS only pays for the travel related costs associated with en route training.
Note 5: BUPERS pays for the travel related costs associated with factory training of submarine crews if class convening dates have been established prior to increment manning dates.

Exhibit 3 Summary of Funding for Training
5.1 Navy Systems Training Plan (NTSP)
The NTSP is the primary document identifying manpower, personnel, and training requirements and resources for new systems development and modernization of existing legacy systems. OPNAVINST 1500.76A addresses NTSP requirements, acquisition, modernization, and management actions required to optimize manpower, personnel and training for Navy acquisition. It directs that programs shall be developed to support Department of the Navy acquisitions in ACAT I through IV, other smaller programs and non-programs of records (POR) systems as necessary.

5.2 Crew Familiarization
Familiarization is provided to members of the crew already knowledgeable in the basic operation and maintenance of specific ship/submarine weapons/systems. The intention is to familiarize the initial crew with the location of equipment, switches, etc., so that the crew can safely operate the ship. Familiarization can best be described as a walkthrough and may include:

- Design orientation, including ship performance requirements, key design features, major ship systems, and their functions and locations;
- Shipboard orientation, including general familiarization with ship's arrangements; and
- Observation of system and equipment during trials.

Crew familiarization efforts should meet all of the following criteria: limited in both duration and scope (emphasizing orientation level effort directed at a newly reporting crew member); presented to members of the crew having prior basic Navy skills and having complete training courses in the appropriate areas; for systems or aspects of systems unique in nature to the class; and incidental to delivery and acceptance of the ship. While the generation of deliverable items (e.g., handouts, viewgraphs, evaluation forms) incident to the conduct of crew familiarization would also be properly charged to SCN, these deliverables should not contain formal documentation equivalent to a Military Specification (MILSPEC) standard training course. Any extensive effort to teach junior crew members the basic start-up and operating procedures for common ship systems would not be considered crew familiarization. However, familiarizing senior experienced crew members with start-up and/or operating procedures for ship systems or aspects of systems unique to the class (building on previously received generalized training) is acceptable. The use of SCN for crew familiarization assumes prior knowledge by the crew of the ship's systems and operation. DON FPM NAVSO P-1000 allows the use of SCN end cost for crew ship and system familiarization.

5.3 On-Board Training
Procurement funds will be used for deliverables necessary for on-board training. On-board training is any kind of interactive courseware or training materials/deliverables that is placed on board to support crew training requirements. A critical enabler of future Navy acquisitions will be the ability to fully leverage Distance Support (DS) in training and process applications. Capitalizing on DS technologies, processes, and policies will requires coordination across all training domain functional areas and should be supportable by the Warfare Enterprises within the Navy Enterprise.
5.4 En Route Training

When personnel are assigned to a pre-com crew, BUPERS is responsible for paying for travel to the training that will be conducted as part of the permanent change of station (PCS) transfer. The Type Commander (TYCOM) will fund as necessary per diem, transportation, and miscellaneous expenses associated with individual, group, and team Pre-commissioning training not funded by the System Commander, identified in the NTSP or included with the permanent change of station orders. See OPNAVINST 3500.23C, Enclosure 4, Section 5G for more information. MILPERSMAN 1306-800 and MILPERSMAN 1306-412 classify en route training in the following distinct categories.

5.4.1 Navy Enlisted Classification (NEC) Training

NEC training is conducted by a Navy Training Agency in a classroom and provides courses of instruction that assign a specific NEC upon completion of training. NEC training is required to meet the skill requirements specified in the unit's PSMD, and subsequently, in the Activity Manpower Document (AMD).

5.4.2 Initial / Factory Training

Initial training is any course of instruction required by the acquisition or modification of equipment. Initial training is provided by the Training Support Agency (TSA) until the Training Agency (TA) can acquire the capability for training. Initial training is normally conducted in the form of factory training at the vendor facilities, including Lead Yard Services facilities. In many cases, this is the only training available on new or modified pieces of equipment that will be tested during Sea Trials. Factory training costs for the initial cadre training are considered an investment cost and should be funded in the investment appropriation. In the case of new construction platforms, SCN would be used. After the initial cadre of sailors is trained, OM&N will be used until the training agency acquires the capability to conduct the training. The initial cadre of maintenance personnel are those personnel that will support the crew certification for the platform and may require the replacement of personnel due to unplanned losses or extended shipyard periods. Development and delivery of a usable training package for systems in production, and the provision of training to an initial cadre of instructors and maintenance personnel to maintain the new equipment as the training is introduced, is budgeted in the same procurement appropriation as the equipment to be supported. Factory training is limited to courses not available within the Navy, because the establishment of in-house training would not be justified due to limited application or the relatively small number of prospective students. Factory training is no longer provided when the Navy accepts responsibility for the formal courseware. For submarine crews, the Program Office will make every effort to provide required training en route to the new construction platform.

5.5 Travel for Training

BUPERS will fund travel via orders for training en route to the PCU/PCD. Once the sailor is at the PCU/PCD, the Program Manager becomes responsible for any additional training costs. SCN pre-com funds may be used to travel for pre-com related conferences and meetings but not to fund travel for training. SCN end cost funds can be used for travel to training currently funded with SCN end cost. Team training will be conducted to satisfy core competencies required for crew certification and will be completed after personnel have arrived onboard, therefore OMN is appropriate.
5.6 Curriculum Development
The Program Manager develops the Navy Training System Plan (NTSP) with the Resource Sponsor’s approval. SCN end cost can be used to pay for the Front End Analysis (FEA) of new systems going aboard ship. The analysis includes identifying existing training in schoolhouses, identifying the delta between existing training and requirements of the new or modified system, and developing a plan to meet the delta. A FEA is performed on all new systems during the procurement phase of new construction and conversion.

Upon NTSP/FEA approval, the PM will fund and acquire the defined lifecycle training solution. This solution may be acquired with SCN funds. This solution will ultimately be turned over for delivery and maintenance to the applicable learning center under the NETC organization. This lifecycle solution requirement may not be filled by the familiarization, initial, factory or installation training unless they are identified as the lifecycle training solution and are documented as such in an OPNAV approved NTSP.

In accordance with OPNAVINST 1500.76A, all acquired curriculum relating to a new platform or system will comply with Navy Integrated Learning Environment (ILE) specifications and instructions.

5.7 Training for Reimbursable Personnel
Reimbursable personnel are assigned to an acquisition location and their salary is funded directly by another activity provided the individual is performing non-mission work. The typical arrangement is that an organization within NAVSEA will pay all or part of the salary of a civilian employee located at a SUPSHIP or warfare center. The type of funds used to pay for training depends on the tasking and type of training. If the training is required by the Employee's Position Description, then the homeport activity pays for the training. General training that is funded with command O&MN include Equal Employment Opportunity (EEO), Diversity, Ethics, security, safety. For training required to perform the job in a reimbursable task order, the same funding that is used for the salary of the employee pays for the training.

5.8 Equal Employment Opportunity Awareness
Equal Employment Opportunity Awareness and diversity training are a requirement of all employees of the SUPSHIP or warfare centers and should be funded using local operating funds.

5.9 Training Support
The following paragraphs provide the basis for determining funding responsibility for facilities, equipment, publications and training aids required for the training and instruction of Navy personnel.

5.9.1 Training Support Agency
NAVSEA is considered to be a training support agency for new construction and conversion and is responsible for providing the following to NETC:
  o Provide notice to training agencies of budgetary decisions that affect training support capability and the development of new weapons systems or equipment;
  o Provide initial training equipment including spare parts and test equipment normally issued with training equipment;
Develop the NTSP with SCN end cost,
Buy and Install the initial training equipment that is available for production;
Perform removals and reinstallation which are an integral part of an initial equipment installation;
Provide initial training for the equipment until the training agency acquires the capability;
Prepare and provide technical or journeyman's manuals for the maintenance and operation of the equipment, and initial "learner level" manuals with associated instructor guides and trainee measurement aids when required for training in new equipment as well as for major modification to service equipment.

Detailed responsibilities of a training support agency can be found in paragraph 075365 of DON FMPM NAVSO P-1000.

5.9.2 Training Agency
The training agency is any office, command or headquarters exercising command of and providing support to some major increment of the Navy's training program. The training agency provides instruction in the operation and maintenance or employment of a system, equipment, training aid or device after the Navy accepts responsibility for in-house training. The training agency has the following responsibilities:

- Provide requirements to the training support agency for insertion into the programming and budgeting system;
- Provide changes in programmed training requirements to other component organizations affected by the change;
- Provide space for the installation of technical or specialized equipment furnished by a training support agency;
- Perform maintenance in accordance with the standards of the training support agency providing the equipment when that equipment has been accepted;
- Perform removals and reinstallation incident to alteration, modification, or repair to the training facility's physical plant;
- Perform training, including training on equipment no longer in production or when the initial training provided by the training support agency has been completed;
- Provide revisions to supplementary "learner level" manuals, with associated instructor guides and trainee measurement aids when required for use in established courses in the training agency's schools or training centers;
- Provide all other equipment, supplies, and training materials used in day-to-day operations and required for training or instructional purposes in a school or training center under the command of the training agency.

Detailed responsibilities of a training agency can be found in paragraph 075365 of DON FMPM NAVSO P-1000.

5.9.3 Training Devices
A training device is any equipment composed of components and software that have been designed or modified exclusively for training purposes. Training devices are used to support a course and can be a major procurement, e.g., fire fighting training. There are two types of training devices:
o Prototype Training Devices. The developing agency is responsible for the cost of development and acquisition of initial or prototype training devices as a Research, Development, Test and Evaluation (RDT&E) program cost until they are formally accepted by the Navy.

o Follow-on Training Devices. Acquisition of follow-on training devices are funded by the applicable procurement account. All follow-on training devices for surface and subsurface related training of active naval forces and all air-related follow-on training devices are the financial responsibility of the systems commands/project managers.

The procurement of training equipment is budgeted in the same procurement appropriation as the equipment to be supported. However, training equipment will be budgeted in the SCN appropriation only if it is required for lead crew training and the equipment to be supported is budgeted in the shipbuilding program for the first time. Upgrades or modifications to training equipment will be funded by procurement or OMN appropriations according to the expense/investment criteria.

5.9.4 Other Support
Additional training support maybe provided by specific offices and commands as required by the Chief of Naval Operations. The NETC will provide specialized training equipment and devices to independent Navy activities that conduct formal classroom training without reimbursement.
6.0 Testing and Trials
Testing during ship construction is to demonstrate that systems and equipment are installed and operating in accordance with the shipbuilding contract. Test administration includes reviewing test documentation for contractual compliance, to include test procedures, schedules, reports, witnessing and evaluating test results. The complexity of weapons platforms, systems, and support systems, especially electronic subsystems and components, give importance to the Navy’s test, monitoring, and diagnostic capability. Optimal use of efficient test and diagnostic capabilities can reduce total ownership costs.

6.1 Funding
During ship construction up to delivery of the ship, SCN end-cost funds should be used to conduct T&E. After delivery, SCN post-delivery funds should be used to conduct T&E. RDT&E funds are used for T&E of RDT&E-funded major end items where technology precedes or runs concurrent with ship construction. Once the technology is proven, then SCN end-cost funding is used to procure and install the major end item to be put on the ship during the construction phase. Any OPN or WPN funded modifications installed after ship delivery should be funded with OPN or WPN and any related test and evaluation aboard ship should be funded with OPN or WPN as appropriate.

6.2 Integrated Test Package (ITP)
The Total Ship Test Program (TSTP) requires that the ship construction testing be accomplished in accordance with the contract through an orderly, validated ITP and through evaluation of test results during the construction of each ship. The ITP consists of a combination of Government and contractor prepared tests, tailored to the mix of Government and contractor design responsibilities of each shipbuilding contract. The testing requirements are developed during the design phases and they may be refined as construction proceeds. The Government's portion of the ITP involves test documentation for Government-Furnished Material (GFM) and the contractor's portion involves Contractor-Furnished Equipment (CFE).

6.3 Trials
Successful completion of testing is a prerequisite for proceeding to Trials. Before Navy acceptance of a ship, the contractor is required to conduct a series of operating and performance trials at sea. Pre-sea trial requirements, such as dock trials, fast cruise, pre-trial audit, and combat system trial rehearsal, are required by the specifications for some ship types, particularly submarines and nuclear-powered surface ships. Detailed guidance for conducting trials can be found in OPNAVINST 4700.8H. Exhibit 4 displays the major notional milestones during construction.

Up to delivery of the ship, end-cost SCN funding should be used for the conduct of the trials (e.g., labor, non Headquarters (HQ) travel, contractor support) described below. Post-delivery SCN funds should be used for the conduct of any trials after delivery.
Trials are one example of a cost that can be very difficult to track through the financial databases. The cost are largely travel and labor which are easily confused with other end costs including those involved with certifications, demonstrations, and Tech Assists, particularly when GFE is involved. Tracking test and trial related costs is essential for future cost estimating purposes. Test and trial costs include preparation of and follow-up after the event. Definitions of the different types of trials is provided in the following sections.

6.4 Dock Trial
Dock Trials are a series of tests conducted at the Industrial Activity to determine the ability of the ship to safely conduct Sea Trials. Dock Trials are normally conducted by Ship's Force for new construction ships during a 24-hour period that provides sufficient time in advance of Sea Trials to correct deficiencies which would prevent the ship from safely conducting Sea Trials. Appendix A of the Joint Fleet Maintenance Manual (JFMM) provides a list of the specific tests which relate to both system and ship safety which must be conducted in preparation for Fast Cruise and Sea Trials. Dock Trials should be scheduled by mutual agreement between the ship, shipbuilder and the Supervising Authority.

6.5 Builder’s Trials
Builder’s Trials (BT) are intended to demonstrate the satisfactory operation of all installed shipboard equipment and performance of the ship as a whole in accordance with the plans and specifications. BTs are run by the shipbuilder and intended to assure the builder and the Navy that the ship will be ready for Acceptance Trials (AT). For nuclear powered surface ships this is the Acceptance Trial for the Nuclear Propulsion plant. The BT may be combined with AT when authorized. All tests, except those requiring sea conditions, must be completed before or during the dockside test program prior to the BT.

Sufficient time will be allowed during the shipyard work period for the correction of observed deficiencies prior to AT, Underway Trial (UT), or Combined Trial (CT). The conduct and content of BT should be the same as that intended for AT/CT/UT.

The BT is conducted by the shipbuilder in two phases:
6.6 Acoustic Trials

New construction acoustic trials, performed by the shipbuilder, are accomplished to determine, under various conditions of operation, the radiated and platform acoustic signatures, the controlling noise offenders including those which are speed dependent, and whether or not the submarine meets its underway noise objectives. Proper operation of systems/components and the use of proper personnel quieting techniques is vital for successful acoustic measurements. Acoustic trials performed by Naval Surface Warfare Center (NSWC) are used to establish the ship's baseline signature for normal operating conditions by performing independent measurements under preset conditions of speed, depth, aspect angle, and machinery line up. It is imperative that Ship's Force understand that this trial will determine its future operating conditions during various "patrol quiet" conditions.

6.7 Fast Cruise

Fast Cruise is a period, 2 to 5 days in duration, immediately prior to underway trials during which the Ship's Force operates the ship for dockside training and to determine the crew's ability to safely take the ship to sea. As far as is practical, at-sea operating conditions are simulated. Each underway watch section is exercised in the evolutions which are normally performed on a section basis. Appendix B of the JFMM provides a list of the minimum evolutions and drills to be conducted during Fast Cruise. Nuclear powered surface ships and submarines are placed “in service” prior to conduct of the Fast Cruise.

In addition to the normal underway routine, the Commanding Officer will have all equipment operated to check for proper operation and to determine the state of training of the crew. Fast Cruise is to be unhampered by construction or repair work or by movement of industrial activity personnel through the ship. Neither the shipbuilder nor the Supervising Authority may schedule any trials, tests or other work on the ship during this period.

6.8 Acceptance Trials

ATs are conducted at sea and in port just prior to delivery to demonstrate the satisfactory operation of all installed shipboard equipment and performance of the ship as a whole in accordance with the plans and specifications conducted. The Acceptance Trial (AT) is conducted by a builder provided crew. For nuclear powered surface ships, AT is conducted by ship’s force personnel. During AT, The Board of Inspection and Survey (INSURV) conducts an independent verification of the readiness of a ship prior to its acceptance into Naval Service.

The contractor must satisfy the following prerequisites before AT:

- Successful completion of BT and the correction of contractor responsible defects identified during BT.
All required control equipment, auxiliaries, fittings, electronic equipment, combat systems equipment, armament missile and weapons handling gear, as well as basic hull, machinery, electrical, and minesweeping gear, must have been installed, adjusted, aligned, tested, must be operable as individual units of equipment and as systems, and must be capable of meeting performance specifications.

Installation of decking, bulkhead coverings, pipe coverings, labeling, cleaning, and painting of all spaces must be completed.

Completion of surveys for electronic interference, lighting, radiated noise, airborne noise, heat stress, vibration, and self-noise.

All required installation and checkout measurements and tests must be completed.

Certification required by the contract including but not limited to sonar, other acoustic processors, combat control systems, helicopter facilities, and navigational lights.

Significant construction deficiencies to the pre-requisites must be waived by the CNO.

The AT is generally conducted in three parts:

- A pre-underway portion where INSURV will observe demonstrations of required engineering, navigation, deck and damage control capabilities and determine if the ship has the minimum equipment required for underway operations.
- An underway portion during which the INSURV observes the performance of the ship and all equipment and systems.
- Upon completion of the underway portion, INSURV designated equipment and associated components are disassembled for post trial examination.

INSURV will either recommend acceptance of the ship or require additional trials at a later date depending on the trial results. The board's recommendation to accept delivery may be conditioned upon completion of certain work items before the delivery.

### 6.9 Underway Trials

Underway Trials (UT) will be conducted underway for all ships constructed or converted/modernized in either a private or naval shipyard. The scope of UT is essentially the same as AT.

### 6.10 Combined Trials

Combined Trials (CT) are a combination of either Underway Trials or Acceptance Trials with a Final Contract Trial. Combined Trials have been authorized by CNO for nuclear powered submarines and may be conducted on other ships when directed by the CNO. The AT for non-submarine platforms results in a conditional acceptance primarily based on the fact that the ship still requires fitting out. Submarines go through the fitting out period during the construction phase which produces a completed ready for sea vessel at delivery.

### 6.11 Super-Trials

Commencing in 2004, based on the maturity and the proven success of the DDG 51 destroyer program, the DDG 51 Program Office (PO) began combining Builder’s and Acceptance Trials on new construction DDGs into a single event, known as Super-Trial. Super-Trial allows the
Program Office and INSURV to simultaneously conduct their independent scope of events. This results in satisfying program-based requirements in Builder’s Trials, as well as Navy Acceptance criteria of new construction DDGs. Super-Trials implements an enterprise approach to resource allocations, trial time period reduction, and elimination of unnecessary duplication of fleet, test team, and INSURV team resources, thereby resulting in a highly efficient trial.

6.12 Final Contract Trials
After an operating period by the Navy crew, Final Contract Trials (FCT) are conducted at sea, to determine if there are any defects, failures or deterioration, other than that due to normal wear and tear. This includes defects that are shipbuilder responsible which have not been corrected or resolved. FCTs are normally held just prior to PSA and prior to the end of the guarantee period for all naval ships constructed, converted, or modernized in private or public shipyards. FCTs are conducted after the ship has been fully equipped, armed, made complete and ready for service. FCTs include operations at full power and of sufficient thoroughness to determine whether defects have developed since AT/UT. The scope of FCT is essentially the same as AT.

Subsequent to an unsuccessful FCT, complete or partial retrials may be required as recommended by PRESINSURV and approved by CNO. Retrials will be limited to that which is necessary to ensure proper identification of deficiencies, government or contractor responsible that should be corrected during PSA.

6.13 Special Trials
Occasionally, new construction, conversion, or modernization efforts result in significant ship systems/capabilities remaining incomplete until the end of Post Shakedown Availability (PSA). The purpose of a Special Trial (ST) will be to allow the Trial Board an opportunity to conduct an independent and timely assessment of the finished new construction baseline. Any corrective action found necessary can be initiated promptly in follow on ships undergoing construction as well as retrofitted in ships already delivered.
7.0 Outfitting
The purpose of this section is to define SCN Outfitting, provide an overview of the participants of the SCN Outfitting community involved in the Outfitting processes and discuss the use of SCN Outfitting funds. This section will also explain the Outfitting requirements process along with the management of the SCN Outfitting appropriated funds including budget development, budget allocations and budget execution.

7.1 SCN Outfitting Defined
Under the SCN appropriation, Outfitting ensures the operational readiness of ships undergoing new construction, conversion, ship life extension program, and nuclear refueling. The Outfitting process requires and ensures that, prior to Ship Custody Transfer from the builder to the Navy, ships receive full allowances of spares, repair parts, and ship storeroom items required, as identified in the Coordinated Shipboard Allowance List (COSAL) to support the shipboard maintenance process and are equipped with operating space items (tools, test equipment, damage control). The Outfitting process also ensures that personnel safety and survivability commodities are available for successful completion of builder sea trials, Fleet readiness, and war fighting capability. For more information regarding a COSAL, please refer to the NAVICPINST 4441.170B.

7.2 SCN Outfitting Organizations
SCN Outfitting processes and funding are managed by the NAVSEA Fleet Logistics Support Division (SEA 04L4). Working in close coordination with SEA 04L4, various organizations participate in and support the SCN Outfitting process. These organizations include the Program Executive Offices (PEO) and NAVSEA Comptroller, the Outfitting Support Activity of Naval Inventory Control Point (NAVICP), SUPSHIP, and other NAVSEA Field Activities. For more information on the specific roles and responsibilities of the aforementioned organizations, please refer to the NAVSEA SCN Navy Outfitting Program (NOP) Manual, Volume 2.

7.3 Appropriate Use of SCN Outfitting Funds
Outfitting funds are appropriated separately from the End Cost Account. Outfitting spares are repair parts that support major systems and equipment procured from the End Cost Account. These spare and repair parts are ordered lead time away from the ship’s Estimated Delivery Date (EDD). SCN Outfitting funding projections are tied to the ship’s EDD which is determined after a ship has been contracted and awarded. SCN Outfitting funding projections are tied to the ship EDD, which typically begins two years prior to delivery. SCN funds may not be used for a ship after its OWLD which is 11 months following CFO. See the OWLD Section of this SCN Desk Reference for detailed explanation of OWLD.

NAVSEA Outfitting funds are used to procure the required Outfitting spares and repair parts that have been authorized by one of the ship’s allowance documents. The majority of the authorized procurements paid for by the SCN Outfitting account are identified in the Ship COSAL. It may include, but are not limited to:

- Store Room Items (SRI) listed in Sections IIIA -and IIIB of a COSAL
- Operating space items (OSI) of the Hull, Mechanical, Electrical, Ordnance and Electronics segments of the COSAL
Ship Portable Electrical/Electronic Test Equipment listed in a SPETE Requirements List (SPETERL).

Items listed in the NAVICP–P allowance list, other than those items installed in or used by aircraft.

General Use Consumable List (GUCL) material listed in Section IIIE of the COSAL.

All forms (Cog symbol 1I) and publications (Cog symbol OI) listed in Section IIIF of the COSAL.

All material listed in the Nuclear Reactor segment of the COSAL, i.e., the “Q” COSAL.

All library books in the Chief of Naval Education and Training (CNET) allowance list.

All non-installed items in the Authorized Medical Allowance List (AMAL) and the Authorized Dental Allowance List (ADAL).

Pre-Commissioning administrative and consumable items for the Pre-com (See paragraph 4.0).

Bulk lube oil remaining on board the ship at the time of delivery

Recreation equipment such as softballs/baseballs, gloves, uniforms, basketballs, footballs, physical fitness equipment, snorkel equipment, fishing equipment, volleyballs, soccer balls, team shirts, boxing bags and racquetball/table tennis equipment.

Allowance Appendix Page (AAP) items (GFM only).

Photographic ad meteorological material

Update revision of technical manuals for SCN ships.

Material for Contractor Furnished Equipment (CFE) identified in the ship’s COSAL and procured by the shipbuilder.

Combat/Weapons System Spares.

GPETE (General Purpose Electronic Test Equipment) Items.

PSA (Post Shakedown Availability) Weapons System Spares.

7.4 Inappropriate Use of SCN Outfitting Funds

There are exclusions to what the SCN Outfitting account funds. They include, but are not limited to:

Outfitting support for allowances not approved by either CNO or the Hardware Systems Commands (HSCs).

Outfitting support that is properly chargeable to a maintenance account.

Outfitting for ships undergoing overhaul/maintenance availability, active fleet ships beyond the OWLD, and other ships for which O&MN funds are budgeted.

Outfitting of Foreign Military Sales (FMS) Program ships/facilities.

Items required for the commissioning ceremony. Improper items include souvenirs and gift items, public affairs items such as press kits, bumper stickers, ships plaques, and pictures of the Commanding Officer.

Items on aeronautical allowance lists that are installed in or used by aircraft.

Maps, charts, and navigation publications list in the U.S. Oceanographic Allowance List.

CNO established allowance for automotive vehicles and construction equipment.

Subsistence, resale clothing, ships store items, and bunker fuel.
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- 2Z Cog items listed in the SPETERL.
- End item equipment.
- Material procured for CFE not identified in the ship's COSAL.
- Interim spares, i.e., spares required to be furnished by the Ship Program Manager (SPM) or Participating Manager (PARM) prior to system stock availability and material support date.
- Material in excess of total allowance quantities or material previously provided.
- Pre-Commissioning crew support charges not attributable to pre-commissioning. Several examples are entertainment expenses; ships allowance list requirements, furniture and furnishings, various nonstandard supplies, and souvenir or gift items.
- Maintenance Assist Modules (MAMs).

### 7.5 Outfitting Requirements Development

PEO Logistics Managers prepare Outfitting funding requirements by individual ship, boat, and craft. These requirements are validated by SEA 04L4 and recorded and planned on an Outfitting Phasing Sheets. Each Phasing Sheet displays each Outfitting requirement by an event type, cost or funding required, timeframe the funding will be required and name of the activity to procure spares. The phasing sheet also maintain other pertinent ship data such as scheduling information and ship program point of contact. Outfitting Phasing Sheets are maintained in the SEA 04L4 Budget Planning System (BPS), the consolidated budget database that is the repository for all current and future Outfitting requirements. SEA 04L4 compares the Outfitting requirement data in BPS against ship quantity data in PBIS to ensure requirements for all ships approved by Congress have requirements identified to support a budget. Actual costs of Outfitting requirements are adjusted for inflation and new configuration changes as required in BPS. BPS is owned and managed by SEA 04L4.

For new Ship Classes, PEO logisticians, with SEA 04L4's assistance, compare historical Outfitting execution data of a similar ship or ship class and develop outfitting requirements accordingly. During execution, SEA 04L reviews COSAL changes with PEO logisticians and modifies Outfitting requirements based on trend and other unplanned changes.

### 7.6 SEA 04L4 Budgets and Financial Management

SEA 04L4's financial management and oversight of the SCN Outfitting account consists of day-to-day coordination with the PEOs to validate requirements, prepare and submit budget exhibits, allocate budget controls and monitor financial execution of the Outfitting account. Outfitting requirements are identified by the PEOs and reviewed by SEA 04L4 daily. SEA 04L4 chairs bi-annual Execution Reviews to review and validate outfitting requirements and funds executed. The PEOs are responsible for ensuring the most accurate data is displayed in BPS at all times, especially when there are ship schedule or milestones changes. The requirements are tracked by ship, Outfitting event, cost, and the fiscal year funds are required. SEA 04L4 uses this data as a building block to prepare budget exhibits, allocate funds, and track obligation status.

### 7.7 Budget Preparation and Submittal

The SCN Outfitting program is budgeted and executed under Budget Line Item (BLI) 5110, Sublin 20 and appropriated in Budget Activity (BA) 5. This BLI consists of three Sub-BLIs: Outfitting spares (20), Post Delivery (30) and First Destination and Transportation (40). SEA
04L4 is the Budget Submitting Office (BSO) for the three subblin SCN accounts under BLI 5110. Budgets are prepared by SEA 04L4 and forwarded to the SCN Budget Analyst in the Comptroller’s Office for final review. The P29, P30 and P40 outfitting budget exhibits are prepared for the President's Budget, DON Budget, and Office of the Secretary of Defense (OSD) Budget cycles. The phasing plan/sheets are the building blocks for preparing the Outfitting budgets.

The budget controls for the three Outfitting accounts are managed by SEA 04L4. SEA 04L4 allocates budget controls by Program Elements (PE) and in concert with FMB, OPNAV Resource Sponsor, and NAVSEA Comptroller guidance. The OPNAV SCN Appropriation Officer is OPNAV 8F1. The OPNAV Resources sponsors for ships under the SCN Outfitting window are OPNAV N84, N85, N86, N87 and N88.

7.8 Congressional and FMB Budget Actions
SEA 04L4 takes the lead and coordinates with the PEOs in providing an appropriate response (reclamas, briefs, issue papers, charts) for Congressional and FMB budgetary action regarding the Outfitting account. After budgetary language is reviewed and interpreted to determine the target(s) of the proposed action required, SEA 04L4 works in tandem with the applicable PEO(s)/Program Office(s) to create a consolidated statement detailing the potential program impacts, justifications or applicable data.

7.9 Obligation Tracking and Execution Reviews
SEA 04L4 executes the Outfitting funds to the appropriate field activities via preparing and executing fund usage and allocation documents via the NAVSEA Comptroller Organization.. SEA 04L4 also monitors obligation status of fund authorization documents, allotments, and project directives to help ensure achievement of the FMB obligation benchmark of 80% in the first year of funding. SEA 04L4 provides an obligation status report on a monthly basis to the respective Outfitting lead logisticians that reflect the current funding allocation and obligation status at hull-specific, ship class, and PEO levels.

SEA 04L4 conducts bi-annual execution reviews (March and August) with the Outfitting lead logistician. These reviews provide an opportunity for SEA 04L4 to react to scheduled event slippages and/or changes in funding requirements and realign funding as needed to ensure optimal, bona fide use of funds toward accomplishment of FMB benchmarks. In accordance with paragraph 074323 of the DON FMPM NAVSO P-1000, SEA 04L4 conducts annual SCN Outfitting Unliquidated Obligation (ULO) reviews to address outstanding commitments, uncommitted funds, and funds authorized.

7.10 Outfitting Funds Extensions
Initial Outfitting Project are programmed and budgeted as annual requirements, depending on lead-time of the material. Administratively, the funds appropriated for initial outfitting projects should be obligated within the first 24 months of the original appropriation. However, the NAVSEA and/or the Navy Comptroller can grant approval to create new obligation after that period. The Outfitting BLI is not subject to the extended availability beyond the original five year period. However, new obligations may not occur after the ships OWLD.
8.0 Delivery
Delivery marks the turnover of the ship from the shipbuilder to the Navy. Before Navy acceptance of a ship, the contractor is required to conduct a series of operating and performance trials at sea. After builder’s trials are successfully completed, the ship with INSURV aboard, is taken to sea for acceptance trials with satisfactory completion as a condition of the Navy’s acceptance of the ship. At this point, the shipbuilder has demonstrated that the ship performs in accordance with the terms of the contract. The transfer of custody from the shipbuilder to the Navy then allows the Navy to test the capabilities of the ship in preparation for putting the ship in service at commissioning.

Delivery occurs after completion of ship construction, acceptance trials, and the INSURV determination that the ship is operationally ready. The accepting authority is designated by CNO to accept delivery on behalf of the Government. COMNAVSEA has been designated as the accepting authority for ship construction. The normal agent for the accepting authority is SUPSHIP. Once INSURV makes the recommendation to the accepting authority to accept delivery, the Supervisor will sign the receipt (DD Form 250) for the ship and a copy of the receipt will be provided to the PCO.

Once the ship is delivered, but before commissioning, contractor efforts to correct contractor responsible deficiencies will be ongoing. In addition, after delivery other government efforts like concurrent availabilities, funded by accounts other than SCN, can begin.

8.1 Delivery Letter
To document discrepancies during trials and prepare for delivery, the SUPSHIP will prepare and forward a delivery letter to the accepting authority as required by the SUPSHIP Operations Manual (SOM) Rev 2. At the time of delivery, the contractor must submit written comments on all items remaining on the work list for which the contractor is responsible. The letter will also contain similar comments by the SUPSHIP to document items for which the Government is responsible. The delivery letter is addressed to the accepting authority, COMNAVSEA, with copies to the PCO, the outfitting activity, the TYCOM, the Defense Finance and Accounting Service (DFAS), and the applicable Financial Information Processing Center (FIPC). The delivery letter includes the following:

- The authority for delivery of the ship;
- The proposed date and place of delivery;
- A statement that the ship was constructed in accordance with the contract specifications; and
- Other pertinent comments, such as the rights of the Government under the "Guarantee" clause of the contract.

The following will be included as enclosures to the delivery letter:

- A list of incomplete or unsatisfactory work at the time of delivery for which the contractor is responsible;
- A list of incomplete or unsatisfactory work at the time of delivery for which the Government is responsible;
- A statement on the status of changes at the time of delivery;
- A list of the INSURV work items completed before delivery; and
8.2 Documenting Deficiencies
Deficiencies are items which require corrective action to bring the material condition or system performance of the ship into compliance with the required standards. Deficiencies disclosed during all trials will be documented. SUPSHIP is responsible for developing and classifying items of remaining work identified on the Electronic Trial Cards for presentation to INSURV on arrival for the trials, in accordance with INSURVINST's 4730.1F, 4730.2F, and 4730.11J. SUPSHIP classification of work items is a preliminary classification only. Final identification of all deficiencies is the function of INSURV as outlined in INSURVINST 4730.11J. The board's action is formally set forth in the board's trial report subsequently submitted to the President of INSURV, CNO, NAVSEA, and other interested Navy activities.

When the contract contains the Delivery of Completed Vessels clause, the contractor cannot tender the ship for delivery until all contractor-responsible deficiencies discovered that will adversely affect the operational capability of the vessel, as defined by the clause, are satisfactorily corrected.

8.3 Guarantee Period
The period of time immediately following preliminary acceptance (delivery) for which the shipbuilder is responsible for and is financially liable for failure to fulfill the specifications under which the ship was built. The guarantee period varies with the type of contract or class of ship. A cost plus type contract has a guarantee period of six months and a fixed price type contract a period of 90 days. This period is intended to be of sufficient duration to permit a reasonable period of time for operational demonstration prior to its expiration. The guarantee indicates the products guarantee period, exclusions, contractor’s responsibilities, user’s responsibilities and limitations.

8.3.1 Correction of Defects
The contractor will be provided an opportunity to correct and repair any defects that are found during the guarantee period if practical. When the vessel requires immediate use of the defective equipment, or if returning the vessel to the contractor is impractical, or when the contractor fails to proceed promptly with the repairs, correction and repairs will be made at the contractor's expense at another location which the Government will determine.

When qualified private contractors are unavailable in a given area, the contractor may prefer to have a Naval Shipyard perform the work. The contractor will then be required to deposit funds adequate to cover the performance of the work in advance.

8.3.2 Guarantee Extensions
The guaranty period shall be extended by the time during which the vessel is not available for unrestricted service by reason of any defects for which the contractor has been determined to be responsible. During this period, the vessel may be finally tried by and at the expense of the government under conditions prescribed by the Secretary of the Navy.
8.4 Water, Fuel, and Lubricating Oil Soundings

For surface ships, soundings of water, fuel, and lubricating oil tanks should be taken and checked by representatives of SUPSHIP, the PCO, and the contractor to determine the fluids remaining onboard at the time of delivery. The results of these sounding will result in either a bill to the contractor for the deficit amount of each commodity that is not provided in full by contract requirement or a bill to the government for the amount remaining onboard. Upon commissioning, the ship becomes part of the active Fleet, and no reimbursement from Fleet accounts for fuel remaining onboard is required. The fuel remaining onboard is considered part of the investment cost of ship procurement and is funded by SCN.

Bulk lube oil left onboard follows the same general guidelines as above, and can be included as part of the contract requirements. If not included as part of the contract, the contractor will be reimbursed for the bulk lube oil left onboard, chargeable to the ship's outfitting allotment established with SCN funds. Contractors will be advised to off load packaged lube oil before delivery of the ship to the Navy. In no instance will reimbursement be made to the contractor for packaged lube oil left onboard ship at time of delivery.
9.0 Commissioning
Commissioning is the act or ceremony of placing a ship in active service. At the moment when the commissioning pennant is broken at the masthead, a ship becomes a Navy command in her own right, and takes her place alongside the other active ships of the Fleet. A commission is the fixed period of time in which a warship, with its full complement of officers and men, is allocated to particular duties anywhere in the world. After a ship is commissioned she continues in that state until she returns to her home, or other port, at which time her company is dispersed. At the end of a commission a ship may re-commission immediately with a new complement, or may remain temporarily out of commission during a major dockyard refit.

9.1 Commissioning Ceremony
The commissioning ceremony is one of the most important traditional ceremonial milestones in the life of the ship, it represents the acceptance of the ship by the U.S. Navy and her entry into the active Fleet. The cognizant PEO has financial and oversight responsibility for the execution of the commissioning ceremony. The Prospective Commanding Officer (PCO) serves as the traditional host of the ceremony and shares responsibility for planning and day-to-day execution. Formal transfer of the ship to the Prospective Commanding Officer is done by the Naval District Commandant or his representative. The transferring officer reads the commissioning directive, the national anthem is played, the ensign is hoisted and the commissioning pennant broken. The prospective commanding officer reads his orders, assumes command, and the first watch is set. Additional information concerning the commissioning process can be found in SECNAVINST 5031.1B Appendix F.

9.1.1 Non-Navy Site Ceremony
When the Navy decides to hold a Commissioning ceremony at a non-Navy facility, the program office is responsible for funding a shared cost associated with the port services required by the ship. Examples of port services include but not limited to use of barges, piers, husbanding services, harbormaster / dock master services, berthing/docking services, line handler services, use of a brow, hydro-pneumatic fenders, telephone landline, utilities / power, trash removal, and vehicle rental. The program office share ends upon commissioning after which responsibility falls to the fleet.

9.1.2 Contractor Support Services
The PCO is responsible for planning the Commissioning Ceremony, however a support contractor will perform most of the activities required for the ceremony. A statement of work will be provided that lists all goods and services required from the contractor in support of the ceremony. The contractor support services provided generally include addressing and mailing commissioning invitations, maintaining an invitations database, preparing the brow, installing a stage with podiums, seating for guests and speakers, trash dumpsters, porta-potties, pier side ambulance services, tents, tables, utility connections, photographer, security, crowd control during ceremony, and miscellaneous labor for setup.

9.2 Allowable Ceremony Costs
Allowable costs of commissioning ceremonies are funded through the SCN appropriation as part of the investment cost. Commissioning costs are a SCN end cost as part of the P-5 Other
category. Allowable costs are for items required to place a newly constructed or converted ship into an operating basis. The PEO is responsible for ensuring that these costs are controlled and fully distinguishable from non-allowable costs. The PEO shall ensure that funding for allowable commissioning costs have been included in the budget.

Paragraph 075373 of DON FMPM NAVSO P-1000 provides a list of allowable costs that may be funded with the SCN appropriation. They include music; local transportation to and from the ceremony site; flowers; printed (but not engraved) invitations; printed programs; and the cost of work and services necessary to commission the ship, such as assembly and disassembly of the speakers’ platform, seating arrangements, the public address system and related items. Miscellaneous charges incurred incident to the commissioning, such as cost of gasoline and oil for vehicles, tunnel and bridge tolls, and telephone services are also allowable.

Paragraph 075373 of DON FMPM NAVSO P-1000 prohibits charging food and beverage expenses to an appropriated account, an exception may be made in the case of bottled water. The Navy is expected to provide its invited guests at official ceremonies with the basic health and safety needs such as potable water, toilets, and emergency first aid. A distinction is made between the water provided in connection with the official ceremony and food and refreshments provided in connection with social functions. NAVSEA Memorandum for Counsel dated 3 August 2007 allows the use of SCN funds to purchase bottled water for guest of a ship commissioning ceremony provided it is determined to be necessary due to health and safety concerns. Such determination must be made on a case-by-case basis and must consider such factors as availability of water, weather, time of day, geographic location and the scale of the event.

9.3 Prohibited Ceremony Costs

The ship commissioning ceremony costs not chargeable to the SCN appropriation can be found in Paragraph 075373 of DON FMPM NAVSO P-1000. They include entertainment expenses, engraved invitations, luncheons, dinners, recreational materials, furniture and furnishings, and souvenirs or gifts embossed with the ship’s symbol that are not authorized by the current series of SECNAVINST 5031. Additionally, Ships allowance list requirements, or additional qualities of equipment are prohibited costs.

9.4 Travel for Commissioning Ceremonies

Invitational Travel Orders may be issued to fund the air travel and lodging expenses of speakers, the sponsor, and other eligible individuals who perform an official function in connection with the commissioning ceremony. There is no authority to fund the travel expenses of individuals who play no official role in the ceremony. NAVSEA Memo Ser 00/039 dated 25 Jun 09 defines who is considered to have an official role in a ceremony as an individual
- Who assists with the planning and execution of the ship ceremony,
- Sits on the dais, speaks or makes a presentation at the ceremony,
- Is assigned to represent the chain of command in reinforcing the significance of the occasion, or
- Who is responsible for the planning and execution of a subsequent ship ceremony as part of their official duties.
Personnel not meeting the above criteria may attend in an official role with the approval of the first Flag Officer in the individual’s chain of command, or the civilian Program Executive Officer, on a case-by-case basis.

Occasionally, program reviews or official meetings are scheduled in conjunction with ceremonies to minimize travel of individuals who attend both events. To ensure that only necessary personnel are attending the ceremony in their official capacity, attendees at program reviews or official meetings must be limited to those employees essential to the meeting.

9.5 Official Representation Funds

Official Representation Funds (ORF) are used to maintain the standing and prestige of the United States by extending official courtesies to various dignitaries, officials and prominent citizens. ORF uses include hosting of official functions and presenting command mementos for or in honor of dignitaries, officials and prominent citizens. Although a representation fund is probably the smallest fund a command may be financially responsible for, it nonetheless has a high degree of visibility and scrutiny because of its uniqueness and discretionary use.

The scope of the function should be held to a minimum and be commensurate with the occasion. Functions must meet certain non-DOD guest ratios. If the function is for fewer than 30 persons, then at least 20% must be non-DOD. If the function is for 30 persons or more, then at least 50% must be non-DOD. DOD personnel in excess of the ratios may attend by paying a pro rata share of the total expense. The addition of unnecessary DOD personnel as event participants merely because the minimum ratio may permit it is specifically prohibited.

The purchase of gifts and mementos is authorized provided they have a command or official theme and are not personal in nature. Aggregate cost of gift and mementos presented by DOD Official to an authorized guest may not exceed $305. Currently, mementos presented to high-ranking DOD officials on official visits to field activities are limited to value of less than $50.00. The General Accountability Office (GAO) reevaluates these amounts every three years and publishes changes in the Federal Register.

ORF funds may be used for official function support expenses. The authorization holder should ensure that less expensive resources including government owned materials are considered. Official function support expenses may include but are not limited to:

- Food and refreshments.
- Alcohol for receptions/meals.
- Gratuities for services rendered by non-governmental personnel.
- Disposable supplies such as napkins, paper plates, cups, table cloths and perishable flower and/or candle arrangements for receptions/meals.
- Rental of appliances, tables, chairs, glasses, plates, tablecloths and other similar event support expenses directly related to providing official courtesies.

Detailed guidance on the use of ORF and a listing of DOD Officials Eligible for Official Courtesies on Official Visits may be found in SECNAVINST 7042.7K.
9.6 Commissioning Committee

The Commissioning Committee is a group of volunteers dedicated to coordinating the ceremony and associated events, in conjunction with the Navy, to make the commissioning event memorable and significant for the crew and community. A Commissioning Committee is established by the community for which the ship is named or other interested parties, not all ships will have a committee. The Committee will be responsible for fundraising and maintenance of a long-term relationship between the ship, its crew, and the community and will also address a timeline, fundraising issues, and a recommended process for the commissioning of the ship.

The PCO will serve as the Secretary of the Navy’s primary liaison with the designated commissioning community throughout all planning and preparation activities. The success of the commissioning ceremony requires a strong, productive, and collaborative relationship between the PCO, PEO representatives, and the commissioning community.

The commissioning committee typically will host several social activities related to the commissioning ceremony, including a pre-ceremony reception in honor of the Commanding Officer and a post-ceremony reception that will be fully funded by the committee. Participation in these activities by DOD/DON personnel is authorized under the following conditions:

- Attendance is official and approved in advance by the head of the component command or organization.
- The function and related benefits are not lavish, excessive, or extravagant.

The component command or organization has the responsibility to approve attendance by DOD/DON employees in accordance with the above conditions.
10.0 Post Shakedown Availability (PSA)

An industrial activity availability assigned to newly built, activated or converted ships upon completion of a shakedown cruise. The purpose of the PSA is to correct deficiencies found during the shakedown cruise or to accomplish other authorized improvements. Remaining Acceptance and Final Contract Trials government responsible deficiencies may also be corrected during PSA. PSA is scheduled to commence after delivery and be completed prior to the ship’s OWLD. The length of time designated for PSA will vary depending on the platform, although a lead ship PSA may be longer than follow-on hulls. Acceptance Trial (AT), Final Contract Trial (FCT), Combined Trial (CT), Guarantee Material Inspection (GMI), and deferred work related deficiencies constitute the majority of the PSA workload. Ship Program Manager planned, authorized and funded modifications may also be included. Guidance for planning and executing a PSA can be found in Volume I, Chapter 6 of the JFMM.

During PSA, concurrent obligation and expenditure of SCN (end cost or Post Delivery), WPN, OPN, RDT&E, and O&M,N funds for appropriate categories of work may be made, provided that separate accounting of funds is maintained.

10.1 Sea Trials

Sea Trials are required to test work completed during PSA. The industrial activity will schedule at least two days in the availability for Sea Trials and provide an agenda for the Sea Trials. Changes in the Sea Trial period may be granted where warranted by the scope of work accomplished. All deficiencies resulting from Sea Trials will be satisfactorily resolved prior to completion of the availability. If no Sea Trial deficiencies are found, the availability may be completed with TYCOM concurrence at the completion of Sea Trials.

10.2 Deficiency Correction Period

A deficiency correction period will be scheduled after Sea Trials and prior to PSA completion. The scheduled length of this deficiency correction period is determined by the type and magnitude of the remaining deficiencies.

10.3 PSA Guarantee Period

Depending on the PSA contract, the industrial activity will normally guarantee work accomplished during an availability for a period of 90 days from the completion of the availability. This does not include responsibility for malfunctioning machinery and equipment due to normal wear, improper adjustment, or tuning by Ship's Force and failure of limited life components. Ship's Force is required to report guarantee items to the industrial activity prior to the guarantee period expiration date.
11.0 Post Delivery

Immediately following delivery, the ship will commence Post-Delivery at the Contractor's shipyard or at an approved designated site. During this period, the Navy operates the ship for the purpose of conducting special tests and trials, and the correction of government responsible defects/deficiencies identified during trials. Post Delivery funds are managed and allocated by SEA 04, the Program Requiring Manager is responsible for execution.

11.1 Concurrent Availability

During the period from ship delivery to the SCN OWLD for the ship, concurrent periods of availabilities to include deferred work, Post Shakedown Availability (PSA), Industrial Maintenance Availability (IMAV), Fleet Maintenance Availability (FMAV), Restricted Availability (RAV) may be scheduled to accomplish Post Delivery work in the most cost effective manner. During such periods, concurrent obligation and expenditure of SCN (end cost or Post Delivery), WPN, OPN, RDT&E, and O&M, N funds for appropriate categories of work may be made, provided that separate accounting of funds is maintained.

11.2 Budgeting

Post Delivery projects are programmed and budgeted as annual requirements usually in the year of PSA. Post Delivery funds are available for obligation for 24 months after appropriation, but obligation may not occur after the OWLD. At least 80 percent of the funds should be obligated in the first fiscal year and full obligation should take place by the end of the second fiscal year. For more information about OWLD see paragraph 2.0. Post delivery projects will be programmed and budgeted in the first fiscal year for which funds are required. Post Delivery funding is appropriated separately from the end cost of the ship. At least 80 percent of the funds should be obligated in the first fiscal year and full obligation should take place by the end of the second fiscal year. The following paragraphs provide guidance in distinguishing between ship end costs and Post Delivery costs.
11.2.1 End Cost Funding

Ship end cost includes deferred work identified prior to ship delivery, and the following items when unrelated to a specific fix:

- Normal changes authorized prior to CFO,
- Advanced planning,
- Travel for field personnel required in support of PSA.

End cost funding is appropriated in the authorization year of the ship and is used for the basic construction contract. Government deficiencies or engineering changes identified before builders’ trials but accomplished during the Post Delivery period are considered deferred work and are charged to end cost. Deferred work authorized prior to delivery, but not incorporated in the basic construction contract prior to delivery, is charged to ship end costs. The Navy may authorize work under the basic construction contract to be deferred and completed by the contractor during Post Delivery. Advance planning for the correction of deficiencies is charged to end cost as is design and planning for deferred work. Change orders that are unrelated to deficiencies are charged to end cost regardless of when they are initiated. However, if post delivery funds are not available the Program Manager may decide to charge these costs to end cost. The change orders accomplished other than under the basic construction contract will be charged to deferred work. Travel of field personnel required in support of PSA is charged to end cost unless it is required for a specific Post Delivery deficiency.
11.2.2 Post Delivery Funding

Post Delivery funding includes design, planning, government furnished material, and related labor for government responsible defects and deficiencies identified during builders trials, acceptance trials, and testing during the Post Delivery period unless the deficiency is corrected before delivery. Post Delivery funds are not intended to be used for the procurement of fuel, operational efforts, or installation of alterations after delivery. The following test and trials are part of Post Delivery:

- Combat System Ship Qualification Test (CSSQT),
- Operational Propulsion Plant Examination (OPPE),
- Shipboard Electro Magnetic Compatibility Improvement Program certification (SEMCIP),
- Ship Electronic System Evaluation Facility certification (SESEF),
- ASW Weapon Systems Accuracy Trials (WSAT),
- Acoustic Trials,
- Final Contract Trials,
- Shock Trials,
- Target Strength,
- Electromagnetic Trials,
- Hydrodynamic,
- Total Ship Monitoring System (TSMS),
- Advanced SEAL Delivery System / Dry Deck Shelter (ASDS/DDS),
- Mine Laying, Mine Detection & Avoidance Trials,
- Tomahawk Missile Testing.

Post Delivery funding will be used for the installation, support, removal, and recalibration of any equipment (e.g., Torsion meter) that is a government provided requirement to perform trials. Normally, deficiencies identified prior to Post Delivery trials with a known correction are charged to end cost. If that correction is determined to be inadequate, post delivery funds may be used on the next ship to implement a new correction or fix. All corrections must be accomplished prior to the OWLD. Post Delivery also includes all work required to correct trial card deficiencies on a ship of a particular class, as well as on subsequent ships of that class (whether or not delivered) until the corrective action for that ship class is completed. Once the means of correction has been identified, end cost will be used for the fix on later ships. If a decision is made to redefine the configuration of the lead ship at delivery, required incomplete work as identified by ASN (RD&A) will be funded as a post delivery cost. As issues arise in Fleet operational ships/craft, post delivery funds may be used on new construction ships/craft to fund Fleet deficiencies/defects identified after ship delivery and before OWLD.

11.2.3 Backfitting

Paragraph 075373.3.a of DON FMPM NAVSO P-1000, permits the use of SCN end cost to fund the installation of those items planned for installation prior to ship delivery but whose actual delivery slips into the ship Post Delivery period. New items may not be added to the SCN funded equipment list if at the time of procurement, the item is scheduled to deliver after the delivery of the ship. Those items must be budgeted, procured, and installed with OPN, WPN, or O&M,N as appropriate. However, SCN funds should be used for procurement of materials
incident to the installation of an SCN-procured item, even if the delivery of the material occurs after ship delivery.

11.3 Budget and Financial Management of SCN Post Delivery

SEA 04L4's financial management and oversight of the SCN Post Delivery account consists of day-to-day coordination with the PEOs to validate requirements, prepare and submit budget exhibits, allocate budget controls and monitor financial execution of the Post Delivery account. Post Delivery requirements are identified by the PEOs and reviewed by SEA 04L4 during bi-annual Execution Reviews. The requirements are housed in a Budget Planning System (BPS) and maintained by SEA 04L4. The PEOs are responsible for ensuring the most accurate data is displayed in BPS at all times, especially when there are ship schedule or milestones changes. The requirements are tracked by ship, event (type of test or trial), cost and fiscal year funds are required. SEA 04L4 uses this data as a building block to prepare budget exhibits, allocate funds and track obligation status.

11.3.1 Budget Preparation and Submittal

SEA 04L4 allocates budget controls associated with Post Delivery toward hull-specific Post Delivery funding requirements determined by the respective PEOs and Program Offices, and in concert with FMB, OPNAV Resource Sponsor, and NAVSEA Comptroller guidance. These budget controls are reported on budget exhibits during each budget cycle.

Post Delivery is a sub-BLI under Outfitting (511000). The sub-BLI for Post Delivery is 511030. SEA 04L4 is the Budget Submitting Office (BSO) for the Post Delivery account during the President's Budget, Department of the Navy (DoN), and Office of the Secretary of Defense (OSD) cycles. Post Delivery is one of three sub-BLIs under Outfitting. The other sub-BLIs are SCN Outfitting Spares (sub-BLI 511020) and First Destination (sub-BLI 511040). The funding controls of the three Outfitting accounts are managed by SEA 04L4.

11.3.2 Congressional and FMB Budget Actions

When budget marks are proposed by Congress or FMB that reduce current Post Delivery funding, SEA 04L4 takes the lead and coordinates with the PEOs in providing a dissenting response (reclama). After budget language is reviewed and interpreted to determine the target(s) of the proposed reduction, SEA 04L4 works in tandem with the applicable PEO(s)/Program Office(s) to create a consolidated statement detailing the potential program impacts if the mark is allowed to stand. If the funding mark is approved, SEA 04L4 works with the PEO/Program Office leads to assign the reduction to the desired ship class within the confines of the accompanying budget mark language.

11.3.3 Budget Planning System (BPS)

SEA 04L4 utilizes BPS as the official repository for all SCN Outfitting and Post Delivery event schedule and funding requirements data. Designated PEO/Program Office users enter the applicable data into BPS. SEA 04L4’s management of BPS ensures that users designated by the respective PEO/Program Offices are given access to the system and receive training and user support as required.
SEA 04L4 compares the Post Delivery requirement data in BPS against ship quantity data in PBIS to ensure that funding requirements are valid and supportable.

11.3.4 Obligation Tracking and Execution Reviews
In the year of execution, SEA 04L4 allocates the Post Delivery funding controls by program office and forwards the breakout to the NAVSEA Comptroller (SEA 013). The allocations are based on ship funding requirements. NAVSEA Program offices execute the Post Delivery funds to the appropriate field activities via funding documents and monitor the obligation and expenditure activities of funds issued. SEA 04L4 also monitors the STARS obligation status of authorized Post Delivery funding to help ensure achievement of the FMB obligation benchmark of 80% in the first year of funding. SEA 04L4 provides an obligation status report on a monthly basis to the respective Post Delivery Business Finance Managers (BFMs) that reflects the current funding allocation and obligation status at hull-specific, ship class, and PEO levels.

In order to ensure that scheduled Post Delivery events generating funding requirements and associated obligation of funding are occurring as planned, SEA 04L4 conducts bi-annual execution reviews (March and August) with the Post Delivery BFMs. These reviews provide an opportunity for SEA 04L4 to react to scheduled event slippages and/or changes in funding requirements and realign funding as needed to ensure optimal, bona fide use of funds toward accomplishment of FMB benchmarks.

11.4 Post Delivery Funds Extensions
Post Delivery projects are programmed and budgeted as annual requirements, depending on lead-time of the material. Administratively, the funds appropriated for post delivery projects should be obligated within the first 24 months of the original appropriation. However, the NAVSEA and/or the Navy Comptroller can grant approval to create new obligation after that period. The Outfitting BLI is not subject to the extended availability beyond the original five year period. However, new obligations may not occur after the ships OWLD.

11.5 Post Delivery Deficiencies
Volume I, Chapter 5 of the JFMM provides the procedures to identify and document deficiencies found in new construction ships from initial Acceptance Trials (AT) until the termination of funding responsibility under the SCN appropriation. Proper management of these deficiencies is necessary to ensure:

- Final settlement of the construction contract with the shipbuilder.
- Correction of the maximum number of shipbuilder responsible deficiencies.
- Correction of the maximum number of government responsible deficiencies under the SCN appropriation.
- Identification of all new construction deficiencies which must be corrected subsequent to the guarantee period under appropriations other than SCN, and identification of improvement items which have class application.

11.5.1 Categories of Deficiencies
Deficiencies are assigned to one of the following general categories:

- Government Responsible Items. Government responsible work accomplished in support of a new construction ship and funded under SCN is limited to work which can be completed prior to the OWLD. The Program Manager, with input from the
TYCOM, will authorize corrections for non-reactor plant government responsible deficiencies and assign the priority for the correction. NAVSEA Nuclear Propulsion Directorate provides authorization for correction of reactor plant government responsible deficiencies.

- **Shipbuilder Responsible Items.** Construction contracts contain a guarantee clause granting the government rights concerning deficiencies identified during the guarantee period. Deficiencies must be identified and reported to the shipbuilder and cognizant government agencies prior to the end of the guarantee period in order for corrective action to be established. Correction of deficiencies designated shipbuilder responsible can be accomplished during any subsequent period that the ship is made available to the shipbuilder usually during PSA unless immediate corrective action prior to PSA is required.

The responsibility for ensuring deficiencies is corrected rests jointly with the ship’s Commanding Officer (CO), the Navy Supervising Authority and the PEO Program Manager. The method of corrective action varies with the type of deficiency and may involve the coordinated action of several activities.

### 11.5.2 Deficiency Reporting

The Ship's Maintenance Data System is implemented prior to delivery and is used to create the Consolidated Report. The Consolidated Report combines into one document the screening actions, reports of completed actions and other significant information necessary for follow-up action on all deficiencies while minimizing administrative effort. The CO is responsible for reporting deficiencies until the end of the SCN period in accordance with the procedures outlined in the JFMM.

### 11.6 Shipbuilder / Shipyard Responsibilities

When not operating at sea, the ship will be berthed at the contractor’s shipyard or at a Naval Base as agreed to by the Program Office, the shipbuilder, and the fleet. During post-delivery the shipyard typically provides:

- Berthing space pier-side for the ship, including brows and landing platforms.
- Utilities from shore connections (electricity, steam, fresh water, compressed air, sewage, telephone), and crane services.
- Parking space and on-site transportation for ship's company personnel.
- Access through the yard to the ship's force personnel and their authorized visitors.
- Industrial services for post-delivery work and to the Navy test team.
12.0 Refueling Complex Overhaul (RCOH)

An Aircraft Carrier Refueling Complex Overhaul (RCOH) is a major ship availability established for nuclear refueling, general maintenance, and modernization, scheduled many years in advance and in accordance with an established cycle. Congress has placed the RCOH Advance Procurement and Planning (AP) and Execution funding within the Shipbuilding and Conversion, Navy (SCN) procurement account.

This is a mid-life recapitalization depot maintenance availability, designed to accomplish the refueling of the ships reactors, warfighting modernization, and repairs of the ships systems and infrastructure. The RCOH occurs around the ship’s midlife, lasts approximately three years and represents approximately 35% of the NIMITZ Class Service Life maintenance and modernization. During this time the ship will be wholly or partially uninhabitable and a full compliment of the crew is on site at the shipyard. During the RCOH, obsolete equipment is updated or replaced, the infrastructure is upgraded or repaired and the nuclear reactors are refueled and propulsion plants repaired and modernized. Depot maintenance includes the labor, material, and overhead incurred in performing major overhauls and maintenance on a ship and associated equipment at the prime contractor shipyard, government or contractor facilities, or on site by Customer Contracted Teams (CCTs). Some depot maintenance actions occur at intervals ranging from several months to several years.

The notional RCOH cycle starts with programming in the POM approximately 12 years before execution, and budgeting for four years of Advance Procurement and Planning (AP) with a 39 month Execution phase. Advance Procurement funds Government and Contractor planning and Long Lead Time Material (LLTM) procurements.

Prior to the ship’s RCOH Availability, it may be in the shipyard undergoing other work authorized by the TYCOM. SCN efforts can be executed during this period using Advance Procurement funds with approval from the TYCOM. The SCN effort can not impact time, cost or schedule of TYCOM efforts. Once the availability is fully funded, the RCOH begins and all work is limited to SCN efforts until the ship’s delivery date. RCOH efforts including advance procurement and execution may include, but are not limited to, the following:

- Work package research, studies, planning, drawings, and schedule development;
- Ship check and related oversight;
- Government Furnished Information (GFI) development
- Government Furnished Equipment (GFE) engineering and procurement
- Customer Contracted Teams (CCTs) drawings, plans, and engineering
- Program Management, Financial Management, and Integrated Logistics Support (ILS);
- Equipment and component on-load/offload costs;
- Nuclear Component Procurement and Technical Support Services;
- Work package material procurement;
- Crew Berthing, Messing, and Transportation;
- Advance construction, pre-staging, and pre-arrival condition setup;
- Work package accomplishment (including all allowable costs such as labor, material, overhead, Cost of Facilities Capital (CoFC), and fee);
Test, Trials, and Certifications costs.

12.1 RCOH Concurrent Availability
The overall OWLD for SCN funding is thirteen months after delivery of the ship. During the period from ship delivery to the SCN OWLD for the ship, concurrent periods of availabilities (Post Shakedown Availability (PSA), Controlled Industrial Activity (CIA), Continuous Maintenance Availability (CMAV), Restricted Availability (RAV), or other availability) may be scheduled to accomplish post delivery work in the most cost effective manner. During such period, concurrent obligations and expenditure of SCN, Weapons Procurement (WPN), Other Procurement (OPN), and Operations and Maintenance (O&M) Appropriations for appropriate categories of work may be made, provided that separate accounting of funds is maintained.

12.2 Budgeting for RCOH
Nuclear refueling overhauls, concurrent modernization efforts, and advance planning are funded in the SCN appropriation. The cost of berthing, messing, barge operations, towing, and crew transportation are part of the investment cost of the availability and are funded by NAVSEA using SCN funds. When these costs are initially funded by the Fleet Commander, NAVSEA shall reimburse the Fleet.

12.3 Customer Contracted Teams (CCT)
The CCT is a Navy team that is trained and equipped to accomplish specific alterations, modernizations, or repairs. A CCT may be military, civilian or civilian contractor team under the direction of Navy personnel. CCTs are utilized to take advantage of specific expertise, training, or for work package / cost tradeoffs.

12.4 Messing and Berthing
OPNAVINST 4700.38B provides the standards for crews on ships undergoing scheduled maintenance. Adequate off-ship berthing and messing must be provided to affected crewmembers when a ship is deemed uninhabitable. Transportation between the off-ship berthing and the availability site must also be provided. The resource sponsor that is responsible for programming the specific availability is also responsible for programming the off-ship berthing and messing requirements. Berthing is part of the investment cost of the ship availability and is funded by SCN during the period when the ship is deemed uninhabitable. This period begins up to 90 days prior to RCOH execution and continues for approximately 2 ½ to 3 years, until completion of the 4-6 month long Crew Move Aboard key event.
APPENDIX A List of Acronyms

AAP Allowance Appendix Page
ACAT Acquisition Categories
ADAL Authorized Dental Allowance List
AMAL Authorized Medical Allowance List
AMD Activity Manpower Document
AP Advance Procurement
ASDS Advanced SEAL Delivery System
ASN Assistant Secretary of the Navy
AT Acceptance Trials

BA Budget Activity
BAS Basic Allowance for Subsistence
BAH Basic Allowance for Housing
BDT Builder's Dock Trials
BFM Business and Finance Manager
BLI Budget Line Item
BPS Budget Planning System
BSN Billet Sequence Number
BSO Budget Submitting Office
BST Builder's Sea Trials
BT Builder's Trials
BTP Billet Training Profile
BUPERS Bureau of Naval Personnel

CCT Customer Contracted Team
CDA Class Design Agent
CDRL Contract Data Requirements List
C4I Command, Control, Communications, Computers, Intelligence
CFE Contractor Furnished Equipment
CFO Completion of Fitting-Out
CIA Controlled Industrial Activity
CIN Course Identification Number
CMAV Continuous Maintenance Availability
COMNAVSEA Commander, Navel Sea Systems Command
CONOP Concept of Operation
COSAL Coordinated Shipboard Allowance List
CNO Chief of Naval Operations
CO Commanding Officer
CoFC Cost of Facilities Capital
CSPP Crew Scheduling and Phasing Plan
CSS Contractor Support Services
CSSQT Combat System Ship Qualification Test
CT Combined Trials
DASN  Deputy Assistant Secretary of the Navy
DDS  Dry Deck Shelter
DFAS  Defense Finance and Accounting Service
DOD  Department of Defense
DON  Department of the Navy
DS  Distance Support
DT  Developmental Test
DT&E  Developmental Test and Evaluation

ECP  Engineering Change Proposal
EDD  Estimated Delivery Date
EEO  Equal Employment Opportunity
EOQ  Economic Order Quantity

FEA  Front End Analysis
FCT  Final Contract Trials
FIPC  Financial Information Processing Center
FM  Financial Management
FMAV  Fleet Maintenance Availability
FMB  Force Management and Budget
FMR  Financial Management Regulation
FMS  Foreign Military Sales
FTC  Fleet Training Center

GAO  General Accountability Office
GFE  Government Furnished Equipment
GFI  Government Furnished Information
GMI  Guarantee Material Inspection
GPETE  General Purpose Electronic Test Equipment
GUCL  General Use Consumable List

HQ  Headquarters
HSC  Hardware Systems Commands

ILE  Integrated Learning Environment
ILS  Integrated Logistics Support
IMAV  Industrial Maintenance Availability
INSURV  Board of Inspection and Survey
IT  Information Technology
ITP  Integrated Test Package

JFMM  Joint Fleet Maintenance Manual

LAN  Local Area Network
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>LFT&amp;E</td>
<td>Live Fire Test and Evaluation</td>
</tr>
<tr>
<td>LOA</td>
<td>Light-Off Assessment</td>
</tr>
<tr>
<td>MAM</td>
<td>Maintenance Assist Module</td>
</tr>
<tr>
<td>M&amp;S</td>
<td>Modeling and Simulation</td>
</tr>
<tr>
<td>MCC</td>
<td>Major Category Code</td>
</tr>
<tr>
<td>MDA</td>
<td>Milestone Decision Authority</td>
</tr>
<tr>
<td>MILPERSMAN</td>
<td>Military Personnel Manual</td>
</tr>
<tr>
<td>MILSPEC</td>
<td>Military Specification</td>
</tr>
<tr>
<td>3M</td>
<td>Maintenance and Material Management (also MMM)</td>
</tr>
<tr>
<td>MPN</td>
<td>Military Personnel, Navy</td>
</tr>
<tr>
<td>MYP</td>
<td>Multi Year Procurement</td>
</tr>
<tr>
<td>NAVAIR</td>
<td>Naval Air Systems Command</td>
</tr>
<tr>
<td>NAVICP</td>
<td>Naval Inventory Control Point</td>
</tr>
<tr>
<td>NAVSEA</td>
<td>Naval Sea Systems Command</td>
</tr>
<tr>
<td>NAVSO</td>
<td>Navy Secretarial Office</td>
</tr>
<tr>
<td>NCWS</td>
<td>Naval Surface Warfare Center</td>
</tr>
<tr>
<td>NEC</td>
<td>Navy Enlisted Classification</td>
</tr>
<tr>
<td>NETC</td>
<td>Naval Education and Training Command</td>
</tr>
<tr>
<td>NMCI</td>
<td>Navy Marine Corps Intranet</td>
</tr>
<tr>
<td>NTMPS</td>
<td>Navy Training Management and Planning System</td>
</tr>
<tr>
<td>NTP</td>
<td>Navy Training Plan</td>
</tr>
<tr>
<td>NTSP</td>
<td>Navy Training System Plan</td>
</tr>
<tr>
<td>O&amp;M,N</td>
<td>Operations and Maintenance, Navy</td>
</tr>
<tr>
<td>OPN</td>
<td>Other Procurement, Navy</td>
</tr>
<tr>
<td>OPNAVINST</td>
<td>Chief of Naval Operations Instruction</td>
</tr>
<tr>
<td>OPNAV N1</td>
<td>Deputy Chief of Naval Operations (Manpower &amp; Personnel)</td>
</tr>
<tr>
<td>OPPE</td>
<td>Operational Propulsion Plant Examination</td>
</tr>
<tr>
<td>ORF</td>
<td>Official Representation Funds</td>
</tr>
<tr>
<td>OSD</td>
<td>Secretary of Defense</td>
</tr>
<tr>
<td>OSI</td>
<td>Operating Space Items</td>
</tr>
<tr>
<td>OT</td>
<td>Operational Test</td>
</tr>
<tr>
<td>OT&amp;E</td>
<td>Operational Test and Evaluation</td>
</tr>
<tr>
<td>OWLD</td>
<td>Obligation and Work Limiting Date</td>
</tr>
<tr>
<td>PARM</td>
<td>Participating Manager</td>
</tr>
<tr>
<td>PBBES</td>
<td>Planning, Programming, Budgeting and Execution System</td>
</tr>
<tr>
<td>PCD</td>
<td>Pre-commissioning Detachment</td>
</tr>
<tr>
<td>PCO</td>
<td>Prospective Commanding Officer</td>
</tr>
<tr>
<td>PCS</td>
<td>Permanent Change of Station</td>
</tr>
<tr>
<td>PCU</td>
<td>Pre-commissioning Unit</td>
</tr>
<tr>
<td>PE</td>
<td>Program Element</td>
</tr>
<tr>
<td>PEO</td>
<td>Program Executive Officer</td>
</tr>
<tr>
<td>PM</td>
<td>Program Manager</td>
</tr>
</tbody>
</table>
PO  Program Office
POE  Projected Operational Environmental
POM  Program Objectives Memorandum
POR  Programs of Record
PQS  Personnel Qualification Standard
PSA  Post Shakedown Availability
PSMD Preliminary Ship Manpower Documents
QPR  Quarterly Program Reviews
RAV  Restricted Availability
RCOH  Refueling Complex Overhauls
ROC  Required Operational Capability
RDT&E  Research, Development, Test and Evaluation
SCA  Ship Cost Adjustment
SCN  Shipbuilding and Conversion, Navy
SECNAV Secretary of the Navy
SEMCIP  Shipboard Electro Magnetic Compatibility Improvement Program
SESEF  Ship Electronic System Evaluation Facility
SLEP  Service Life Extension Program
SMD  Ships Manning Document
SOM  Supervisor of Shipbuilding Operating Manual
SPAWAR  Space and Naval Warfare Systems Command
SPD  Ship Project Directives
SPETERL  Ship Portable Electrical/Electronic Test Equipment Requirements List
SPM  Ship Program Manager
SRI  Store Room Items
ST  Special Trial
STARS  Standard Accounting and Reporting System
SUPSHIP  Supervisor of Shipbuilding
TA  Training Agency
TAD  Temporarily Assigned Duties
T&E  Test and Evaluation
TDB  Test Documentation Booklet
TDY  Temporary Duty
TEMDU CFO  Temporary Duty in Connection with Fitting Out
TEMP  Test & Evaluation Master Plan
TES  Test and Evaluation Strategy
TSA  Training Support Agency
TSMS  Total Ship Monitoring System
TSN  Test Sequence Network
TSTP  Total Ship Test Program
T2Q  Train-to-qualify
TYCOM  Type Commander
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMI</td>
<td>Underway Material Inspection</td>
</tr>
<tr>
<td>USD</td>
<td>Under Secretary of Defense</td>
</tr>
<tr>
<td>USS</td>
<td>United States Ship</td>
</tr>
<tr>
<td>UT</td>
<td>Underway Trials</td>
</tr>
<tr>
<td>VV&amp;A</td>
<td>Verification, Validation and Accreditation</td>
</tr>
<tr>
<td>WPN</td>
<td>Weapons Procurement, Navy</td>
</tr>
<tr>
<td>WSAT</td>
<td>ASW Weapon Systems Accuracy Trials</td>
</tr>
</tbody>
</table>
APPENDIX B  List of References

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### APPENDIX C  Training Summary Chart

**GUIDE TO TRAINING DEFINITIONS**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>BY WHOM</th>
<th>TO WHOM</th>
<th>WHAT</th>
<th>WHEN</th>
<th>APPN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Training</td>
<td>Equipment manufacturer or contractor</td>
<td>DOD military personnel or civilian personnel</td>
<td>Instructional services as well as deliverable items of training documentation (including training aids and materials, and technical or instructional publications) required to turn the course over the training agency. Includes factory training of initial cadre, but not factory or in-house training of follow on personnel.</td>
<td>Incident to acquisition or modification of equipment. Discontinued when Navy accepts responsibility for in-house training.</td>
<td>Procurement</td>
</tr>
<tr>
<td>Factory Training</td>
<td>Equipment manufacturer or contractor</td>
<td>Initial cadre of maintenance, operator, instructor or supervisory personnel; follow-on or replacement military and civilian personnel</td>
<td>Limited to instruction for which there are not yet schools or courses in the military; or, for which the establishment of in-house training would not be justified due to limited application or number of personnel involved.</td>
<td>Initial training period or on a continuing basis for courses that do not justify in-house training.</td>
<td>Procurement</td>
</tr>
<tr>
<td>Crew Familiarization</td>
<td>Shipbuilding Contractor</td>
<td>Selected members of new ship's crew already knowledgeable in basic operation and maintenance of specific weapons/systems</td>
<td>A &quot;walkthrough&quot; to familiarize the initial crew with the location of equipment, switches, etc., so that the crew can safely operate the ship. It may include: (a) design orientation, including ship performance requirements, key design features, major ship systems, and their functions and locations; (b) shipboard orientation, including general familiarization with ship's arrangements; and (c) observation of system and equipment during trials.</td>
<td>Incidental to delivery of and acceptance of Ship</td>
<td>SCN</td>
</tr>
<tr>
<td>Follow-On Training</td>
<td>Training Agency</td>
<td>DOD Military Personnel</td>
<td>Training in the operation and maintenance or employment of a system, equipment, training aid or device.</td>
<td>After navy accepts responsibility for in-house training.</td>
<td>O&amp;MN</td>
</tr>
<tr>
<td>Training Device</td>
<td></td>
<td></td>
<td>Equipment composed of components and software which have been designed or modified exclusively for training purposes</td>
<td>Prototype: RDT&amp;EN; Follow-on: Procurement</td>
<td></td>
</tr>
<tr>
<td>Training Deliverables</td>
<td></td>
<td></td>
<td>Course curricula, lesson guides, training aids/devices, training materials, etc., incidental to a training course</td>
<td>Same as course</td>
<td></td>
</tr>
<tr>
<td>Training Agency</td>
<td></td>
<td></td>
<td>Any office, command or headquarters exercising command of and providing support to some major increment of the DON's training program (i.e., COMNETC)</td>
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</tr>
<tr>
<td>Training Spt Agency</td>
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<td>Any organization responsible for providing material and other forms of support to training agencies (i.e., NAVSEA). NAVSEA has the responsibility to furnish a timely initial training support package so that training on the new system or equipment can be accomplished prior to the first requirement for operational use.</td>
<td></td>
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</tbody>
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