



**Commander, U.S. Naval Forces, Japan**

## **Regional Facilities Management System**

### **Implementation Progress Report**

**25 April 2002**



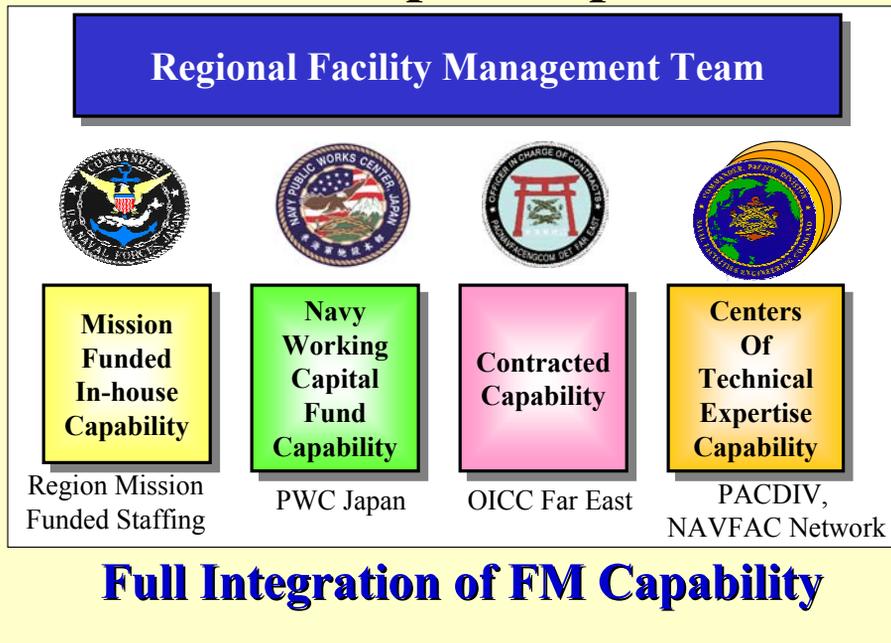
**Delivering World-class Support to our Forward-Deployed Naval Forces**

## Content of This Report



- RFMS Implementation POAM
- Phase I Status
- Phase II Status
- Feedback

# RFMS Concept of Operations



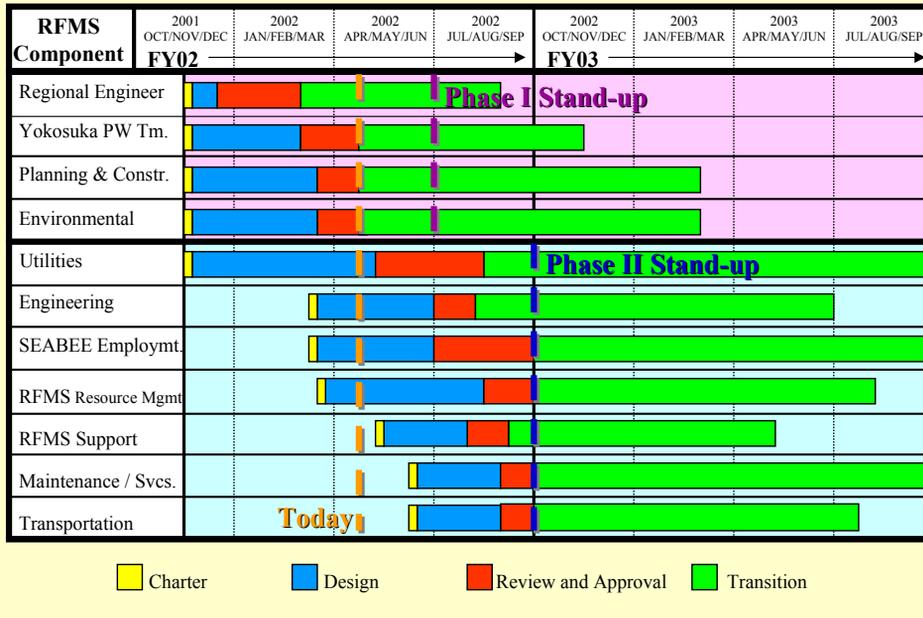
This chart shows how the Regional Facility Management Team engages four different categories of execution engines into one seamless, integrated, regional facility management system.

The key is always to ask the question “What’s the best way to get this work done?” There are multiple execution options. The solution should be tailored to the unique client requirement.

Separate service commands (PWC, OICC, PACDIV, JED) work together as an aligned facility management team in support of diverse customer base and client needs.

Each of the four execution engines will be described in greater detail later in this briefing.

# RFMS Implementation POAM



The chart above shows the plan of action and milestones (POAM) for implementing the RFMS.

Each of the RFMS components will be further designed and implemented over time, beginning now. The goal is to have RFMS fully implemented by not later than the end of FY03 (SEP 03).

Each RFMS component will be designed by a chartered Implementation Team led by a senior RFMS officer or manager.

Each Implementation Team will develop a detailed concept of operations, a most efficient organization (MEO), and a transition plan.

The Regional Advisory Board (RAB) will review and approve the component design, MEO, and transition plan of each Implementation Team, as shown in the POAM above.

Once the Implementation Team's work is approved by the RAB, the team will initiate and track execution of the transition plan.

We will consolidate approved component designs in the RFMS Operations Manual, which will become an annex of the "Desk Guide for CNFJ Region BOS Operations."

# RFMS Phase I

## Target Stand-Up: JUL 02



Regional Engineer  
Component



Environmental  
Business Line



Planning & Construction  
Business Line



Yokosuka  
Public Works Team

# Regional Engineer Component

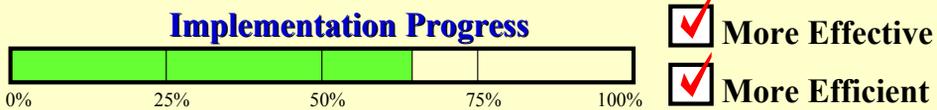
- Overall Progress: Executing Transition
- Design Benefits:
  - Better Regional Facility Engineer Leadership and Support
    - Greater Coordination, Depth, and Teamwork in RE Functions
    - Reinvested Positions from Consolidation
  - CEC Billets Refocused
    - Yokosuka PWT Fully Staffed, OPCON to CFAY
    - Okinawa PWO Upgrade to O4
- Related Issue:
  - RPM for Regional Community Support Program?





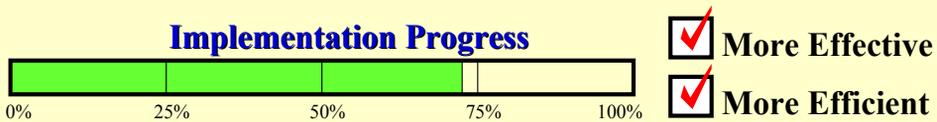
# Planning/Construction Bus. Line

- Overall Progress: Executing Transition
- Design Benefits:
  - Robust Facility Information and Data Management
    - Directly Supports SRM Budgeting Process (\$\$\$)
  - Coordinated Base Development and Planning Efforts (RSIP)
    - Stronger FIP Program (\$\$\$)
    - Consistent Land (Real Estate) Management (Joint Committee Process)
    - Better Support for Okinawa and Misawa PW Teams
  - Robust Hub Support for Specialized Inspection
- Related Issue:
  - Consolidate RPAO duties for Maint. And Engineering (SRM)



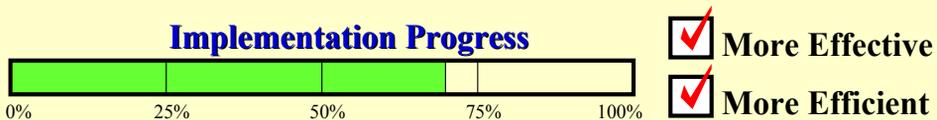
# Environmental Business Line

- Overall Progress: Executing Transition
- Design Benefits:
  - In-house Hub Capability Significantly More Cost Effective than Contracted Support (Potential >\$2M Cost Avoidance)
    - Reinvested Billets from Consolidation
  - Consolidating to Single Service Providers in Yokosuka
    - CFAY for HAZWASTE Disposal, SRF for Lab Services
  - Better Technical Support for PW Teams
- Related Issue:
  - PWC Moving Out of Environmental Service Commodities



# Yokosuka Public Works Team

- Overall Progress: Executing Transition
- Design Benefits:
  - Single Service PW Provider for Yokosuka Base
    - Improved Client Service (especially for Tenant Commands)
    - Streamlined Processes, No Handoffs, Clear Accountability
  - Greater Focus on Identifying Full Facility SRM Requirement
  - Billet Reinvestment for Greater Effectiveness
  - PWC XO OPCON to CFAY (Leaning Forward!)
- Related Issue:
  - Prototype for Hybrid PW Team



# RFMS Phase II

## Target Stand-Up: OCT 02



Utilities  
Business Line



Engineering  
Business Line



Maintenance & Services  
Business Line



Transportation  
Business Line



SEABEE  
Employment



RFMS Resource  
Mgmt. Processes



RFMS Support  
Processes

## Utilities Business Line

- Overall Progress: Working, Excellent Progress
- Anticipated Design Benefits:
  - Emphasis on System Reliability Through Preventative Maintenance and Re-capitalization
  - Consistent Financial Management Across Region
  - Cost Avoidance Through Aggressive Energy Management
  - Include All Region's "Orphan-ed" Infrastructure
- Related Issue:
  - Mission Funded, NWCF, or Combination?
    - BCA Nearing Completion



# Engineering Business Line

- Overall Progress: Working, Excellent Progress
- Anticipated Design Benefits:
  - Focused Yokosuka Engineering/Design Support
  - Better A/E Contract Acquisition Planning
  - Exported Use of Geographic Information System (GIS)
  - Ability to “Wheel” Work to Available In-house Capacity
  - Better Support for Okinawa and Misawa PW Teams
- Related Issue:
  - Mission Funded, NWCF, or Combination?



# Transportation Business Line

- Overall Progress: Working (from PWC Regionalization)
- Design Benefits:
  - Fleet Re-capitalization and Modernization
  - Consistent Fleet Management Procedures, Tools
  - Regional Buying/Leasing Power (\$\$\$)
  - SRF Single Service Provider for WHE Program In Yokosuka
  - DDYJ Single Service Provider for MHE Maint. in Yokosuka
- Related Issue:
  - PWC Transportation Det Will Move to PW Team Under PWO



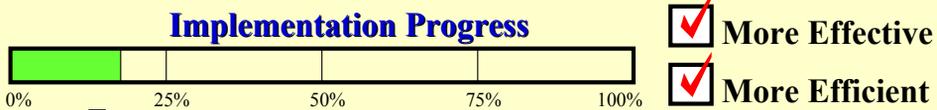
# Maintenance/Services Bus. Line

- Overall Progress: Team Not Yet Chartered
- Anticipated Design Benefits:
  - Exported Use of MAXIMO (Navy's Work Control Tool)
  - Maximize Value of SEABEES and Self Help Programs
  - Target Optimum Mix of In-house and Contracted Effort
  - Preventative Maintenance by Best Available Techniques and Practices
- Related Issue:
  - Mission Funded, NWCF, or Combination?



# SEABEE Employment Study

- Overall Progress: Study Team Working
- Study Team Charter:
  - Develop Comprehensive Shore SEABEE Employment Plan, with Optimum Distribution of SEABEE Shore Billets Within CNFJ AOR
    - Maximize Return on Billet Investment
    - Maximize Rate/Skill Alignment
  - Design Effective Region Interface with THIRD NCB to Maximize Deployed Unit Support
    - Re-establish Yokosuka SEABEE Detachment
- Related Issue:
  - RPM Role in Military Manpower Distribution



# Resource Management Processes

- Overall Progress: Team Chartered, Just Starting
- Anticipated Design Benefits:
  - RPM Becomes Accountable for Program Effectiveness
  - Clarify Staff Roles and Responsibilities
  - Document Processes
  - Building Trust Among RPM and Region Resource Managers (RBM, RC, HRO/FLO)
  - Augments Regional Business Management Capabilities
- Related Issue:
  - “Control” versus Influence



# RFMS Support Processes

- Overall Progress: Team Not Yet Chartered
- Anticipated Design Benefits:
  - Target Optimum Balance Between Base and Region Support
    - Financial Management, Information Technology, Business Analysis, Admin Support
  - Augment (Not Duplicate) Existing Region, Base Capabilities
  - Share Existing PWC Capacity
- Related Issues:
  - Move Out of Managing IT Infrastructure



# RFMS Implementation Issues

- Shifting the Paradigm (New Business Model)
  - Need Your Help!
- Stakeholder Support Through Transition
  - Need Your Help!
- RFMS Stand-up is the *Starting Point* for Aggressive BL Management
  - Effective Performance Metrics
  - Performance Improvement Targets
- Learning and Training for New Roles
- Completing the RFMS Ops Manual
- Interface with ABC/M Initiative

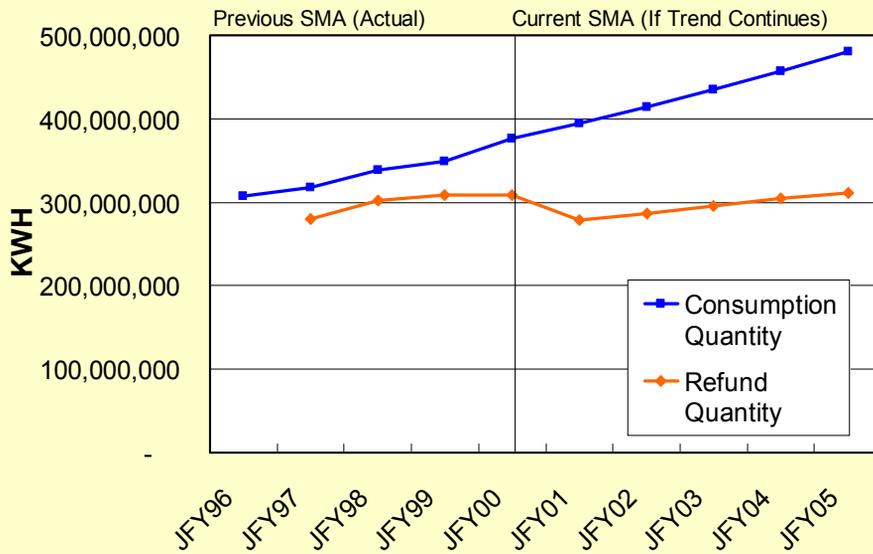


## Coming RFMS Strategic Initiatives

- **CNFJ Region Energy Management Plan**
  - Objective: Reduce Consumption, Save \$\$
- **RFMS Full Cost Allocation Study (ABC)**
  - Objective: Determine and Allocate Full Cost of Service Delivery by Business Line by Location. Enables Follow-on Management Decisions.
- **RFMS Business Line Reengineering (ABM)**
  - Objective: Determine Optimum Sourcing Strategy for Each Business Line, Assessing In-house vs. Contract Execution by Function by Location. Target Maximum ROI for All Resources, including Funded MLC Spaces, USCS Positions, and Military Billets. Create Road Map for Resource Redistribution Over Time.

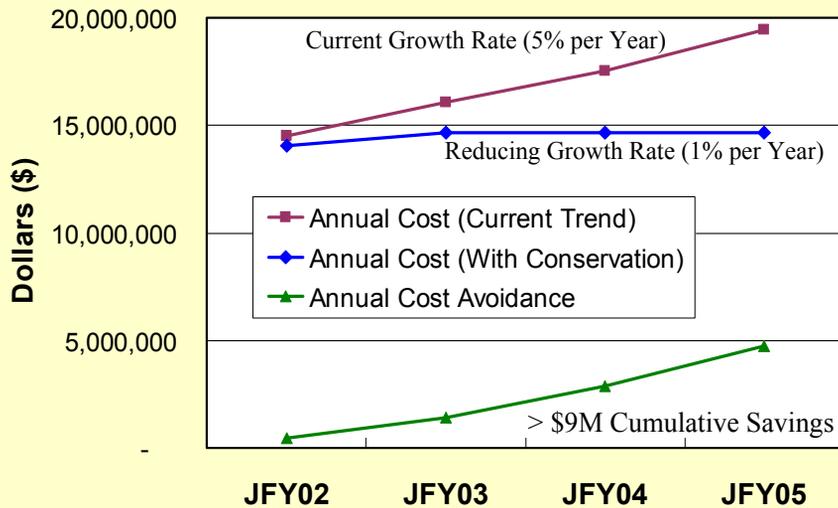
# Electrical Power Trends

## Navy's Annual Eligible Electricity Consumption vs. Refund



# Impact of Conservation

## Navy's Potential Annual Cost Avoidance by Reducing the Rate of Electricity Consumption Growth



- JFY02 started on 01 APR 2002.
- What if the Navy by only 4% in this JFY, by only 3% in JFY03, 2% in JFY04, and 1% in JFY05?
- Note that these are still increases – it is only the rate of increase that is dropping.
- What kind of savings can we expect?
- Well, over a span of four years, this drop in the rate of increase translates to an electricity bill that is up to almost \$5 million less than what we would have paid were the consumption of electricity to continue increasing at about 5% per year.
- Over four years, the cumulative savings is over \$9 million.
- Now, it is true that this savings is best described at cost avoidance, but the take away from this is that shaving only a few percentage points, 1%, 2%, 3%, 4%, etc., off of our current consumption levels can have a dramatic impact – in the MILLIONS of dollars.
- For COs conference: Certainly, as COs, we have the wherewithal to see to it that our bases shave off only a few consumption percentage points. The benefits will be well worth the effort.

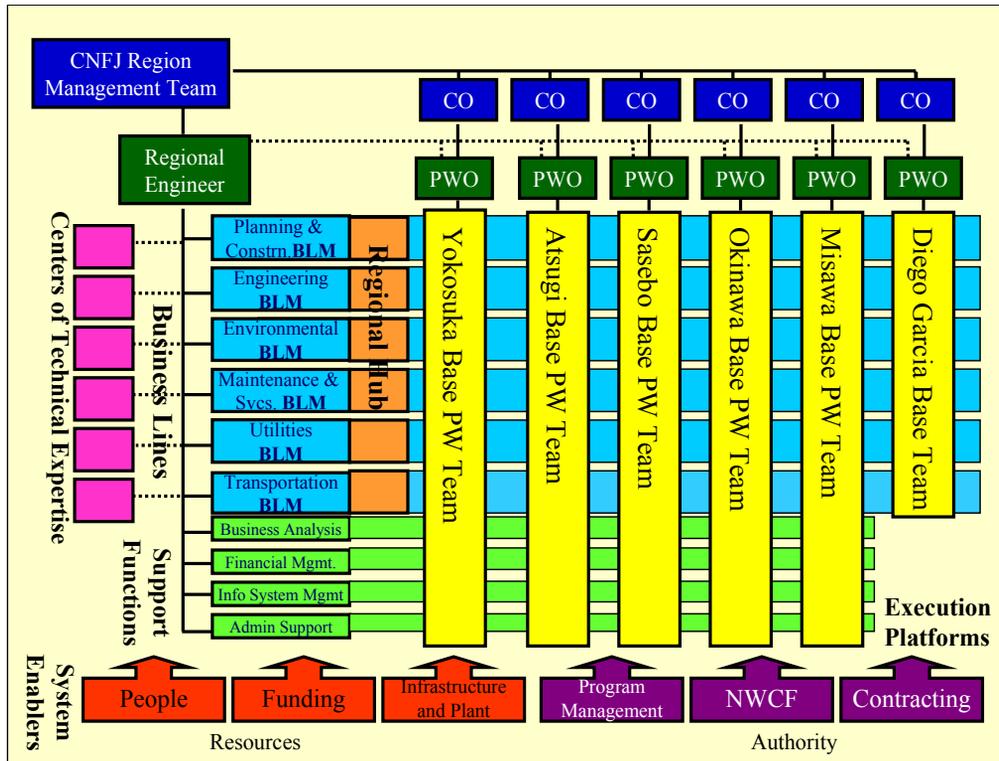
### Factors Affecting this Analysis

- *Consumption by other services*: All else held constant, higher consumption by other services means less refund for the Navy.
- *Yen Rate*: Weaker dollar increases need for conservation.
- *Cost of Electricity*: Higher cost increases need for conservation.
- *Conclusion*: The Navy lacks total control of its refund amount and ultimately its out-of-pocket utility cost. However, in every case, energy conservation saves the Navy big money.

# Feedback??

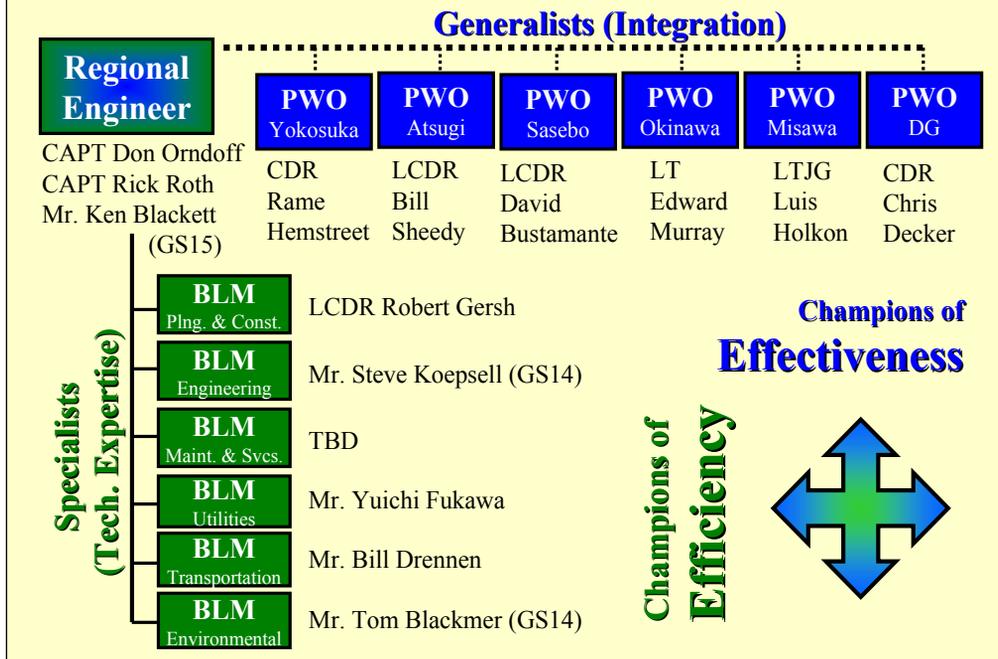


# **Back-up Slides**



This shows the current process to regionalize business lines. It is working for transportation and contracting. Our intent is to use this model to expand our business lines throughout the region. The following slides provide further details on how and when we can continue to execute this model.

# Regional Facility Management Team



The RFMS is shown graphically in this matrix organization chart. This chart is used throughout the briefing as a reference tool while defining system components.

The RFMS matrix organization chart has business line management on the major horizontal axis with execution platforms across the vertical axis.

The Regional Engineer is the common, overall managing element.

Support functions also support the system across execution platforms.

System enablers are resources and authorities that allow the RFMS to operate.

Each component of the RFMS will be further defined in following slides.

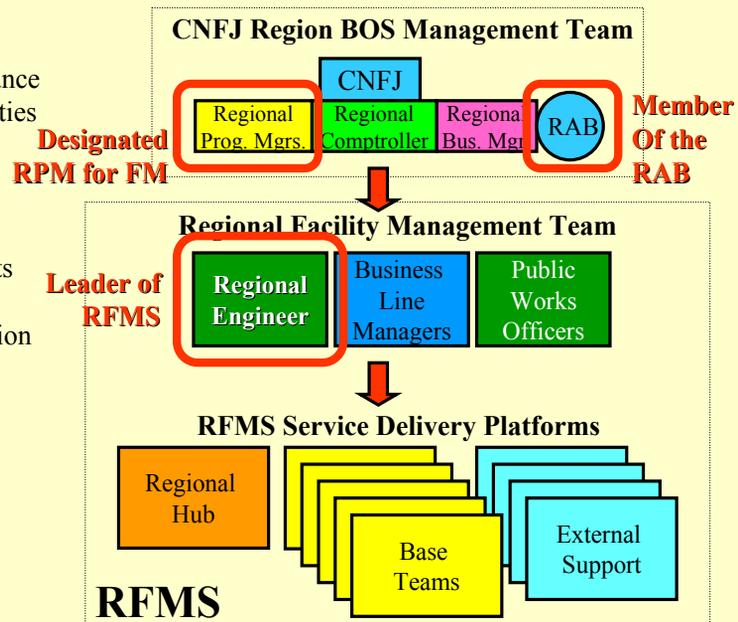
# Component of Regional BOS Model

Provides:

- Strategic Guidance
- Regional Priorities
- Resources

IDs Requirements  
Plans Execution  
Manages Execution

Delivers Service

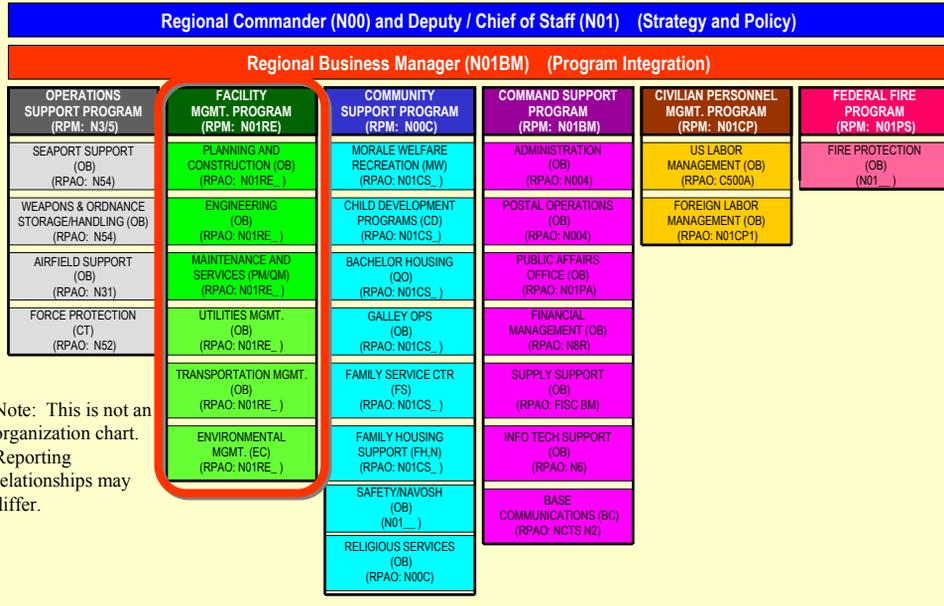


This chart shows how the CNFJ Region BOS Management Team links to the Regional Facility Management Team, which links to the RFMS Service Delivery Platforms.

The chart also shows major responsibilities of each tier of the organization.

Each of the RFMS components will be described in greater detail later in this briefing.

# Proposed Change to CNFJ BOS Management Structure



Implementation of RFMS includes minor adjustments to the CNFJ Region BOS management structure.

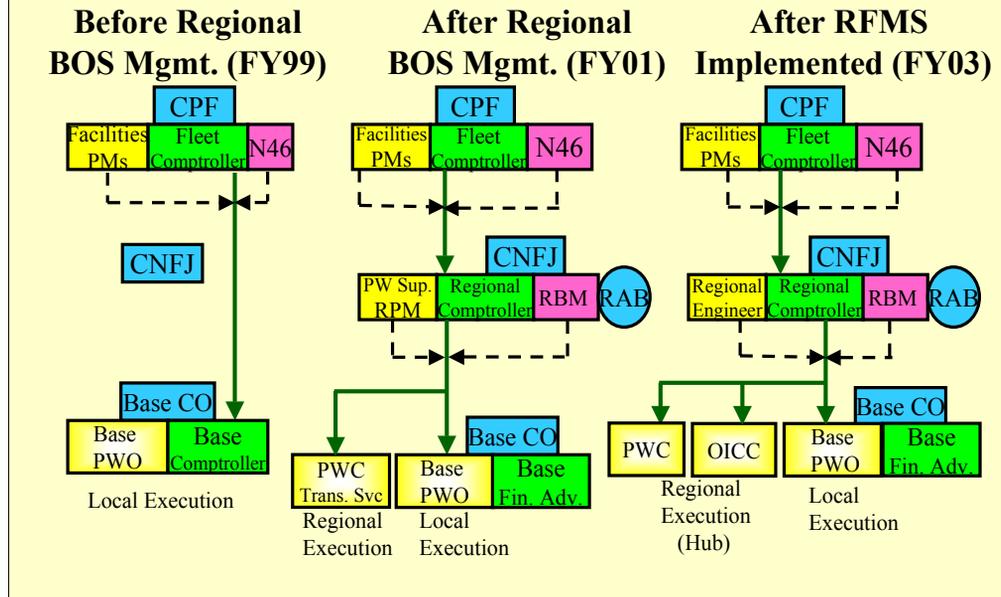
The Regional Public Works Support Program would be renamed to Regional Facility Management Program. The Regional Engineer remains the Regional Program Manager (RPM).

The sub-programs under the Regional Facility Management Program would be renamed using the business line titles, as shown above.

RFMS Business Line Managers become Regional Program Action Officers (RPAOs) in the CNFJ Region BOS management structure.

Duties of the RPM and RPAOs will be performed as outlined in the Desk Guide for CNFJ Region BOS Operations.

# CNFJ Region FM Resources Flow



Implementation of RFMS changes resource flow and resource management.

Under RFMS, facility management funds from CNFJ Region flow into the RFMS Operational Target (OPTAR) account directly from the Regional Comptroller.

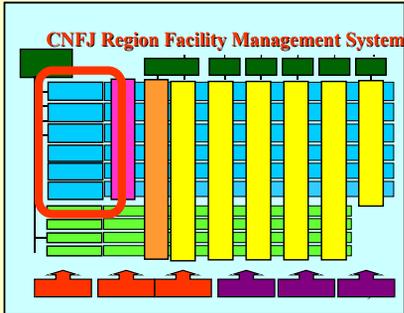
RFMS manages all types of resources used to deliver facility management services, including all types of in-house personnel (military, U.S. civilian, and Japanese civilian positions) and host nation support (Facility Improvement Program and Utility Cost Sharing).

RFMS manages four CPF/CNFJ “special interest item (SII) type funds, including Property Maintenance (PM), Quarters Maintenance (QM), Environmental Compliance (EC), and a portion of Other Base Operating Support (OBOS).

All RFMS resource management issues that impact the CNFJ Region are closely coordinated with the CNFJ Regional Business Manager and Regional Comptroller.

# Business Lines

## Role of Business Line Manager (BLM)



- Leader/Owner of Regional BL Service Delivery Process
- BL Technical Expert, Innovator
- Networks with Navy Experts
- BL Community Manager
- BL Financial Manager
  - Budget Development and Resource Allocation
  - Position Management and Hiring Control
  - Cost Monitoring and Cost Control
- BL Acquisition Planner
- BL Knowledge and Data Manager
- Performs Region RPAO Duties

## Funding: Region FM Investment by Source

- **Host Nation Support (\$320 M/yr)**

- Construction (FIP) (\$180 M/yr)
- Labor (MLC) (\$75 M/yr)
- Utilities (\$65 M/yr)

- **CINCPACFLT (\$94 M/yr)**

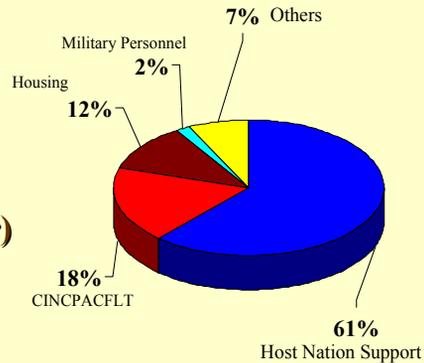
- Shore Inst. Mgmt. (N46) (\$75 M/yr)
- Ships (\$12 M/yr)
- Ship Repair (N43) (\$7 M/yr)

- **Navy Family Housing (\$60 M/yr)**

- **Military Personnel (\$9 M/yr)**

- **Other (\$37 M/yr)**

- PACDIV (\$2 M/yr)
- NEX (\$4 M/yr)
- DESC Fuels (\$3 M/yr)
- JMSDF (\$8 M/yr)
- Misc. (\$20 M/yr)



\$520 M/yr

# People: Region FM Manning by Labor Category

- **Japanese Civilian (MLC)**

- 1,705 personnel

- **U.S. Civilian**

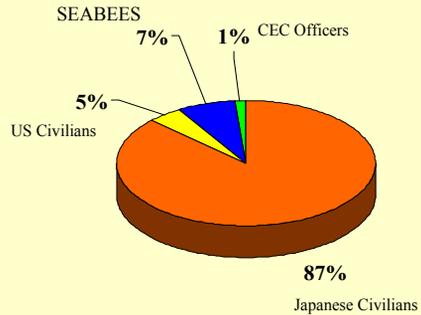
- 91 personnel

- **SEABEES**

- 140 personnel

- **Navy Officers (CEC)**

- 27 personnel

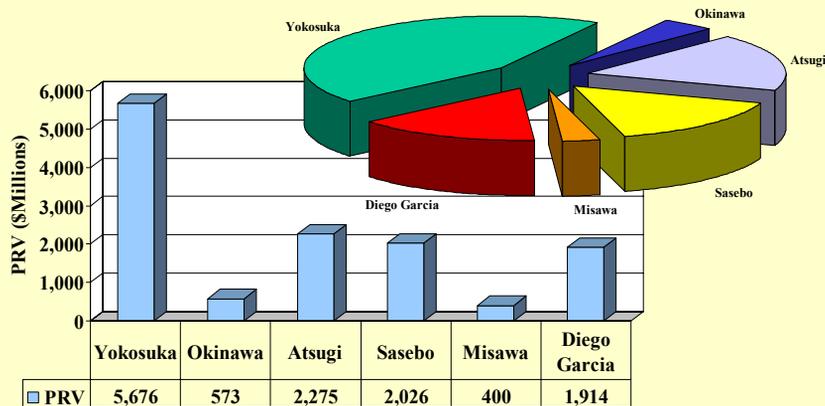


1,963 Personnel

	MLC	USCS	MIL
CPF	489	44	8
NWCF			
NAVFAC			



## Plant Replacement Value (PRV)



**Notes:**

- (1) Data source is iNFADS of 19 Mar 02
- (2) FISC assets are allocated to Yokosuka, Sasebo, and Misawa
- (3) NCTS Far East assets in Totsuka are allocated to Atsugi

UIC	Activity	Type	Total PRV
N61581	CFA Yokosuka	Total	1,591,813,573
N62649	FISC Yokosuka		
	(Yoko)	Total	980,020,760
N65115	PWC Yokosuka	Total	1,680,824,019
	SRF Yokosuka		
N62758	(Yoko)	Total	1,240,889,445
	NAVHOSP		
N68292	Yokosuka	Total	138,831,774
N43666	New Sanno Hotel	Total	36,549,270
	NCTS Far East		
N70278	(Yoko)	Total	7,380,102
	<b>Total</b>		<b>5,676,308,943</b>
N62254	CFA Okinawa	<b>Total</b>	<b>572,515,376</b>
N62507	NAF Atsugi	Total	2,203,959,909
	NCTS Far East		
N70278	(Totsuka)	Total	71,447,149
	<b>Total</b>		<b>2,275,407,058</b>
N62735	CFA Sasebo	Total	1,396,427,256
	FISC Yokosuka		
N62649	(Sasebo)	Total	629,658,350
	SRF Yokosuka		
N62758	(Sasebo)	Total	0
	<b>Total</b>		<b>2,026,085,606</b>
N68212	NAF Misawa	Total	330,885,195
	FISC Yokosuka		
N62649	(Hachinohe)	Total	69,491,376
	<b>Total</b>		<b>400,376,571</b>
N68539	NSF Diego Garcia	<b>Total</b>	<b>1,914,409,871</b>
	<b>Total</b>		<b>12,865,103,425</b>