

## Chapter 3

### DESIGNATED OVERHAUL POINT (DOP) SELECTION AND ASSIGNMENT PROCEDURES

#### 3.1 Background

The NAVSEA DOP selection and assignment process begins when, as the result of the development of a new weapon system/equipment or a modification to in-service equipment, the AM/PM/PEO identifies new depot repair requirements to SEA 04L4. This process includes the mandatory policies of the Depot Maintenance Interservice (DMI) program discussed in detail in Chapter 4.

a. The AM/PM/PEO initiates the process by coordinating with SEA 04L1 to determine if the new depot maintenance requirements should be proposed for:

- (1) Commercial repair.
- (2) Interservicing repair.
- (3) Navy organic repair.

b. The initial judgment as to whether rework of the system or equipment is to be accomplished by a DoD depot or by a commercial source is based upon a number of factors. These include: design stability; criticality of the system/equipment to combat capability; the capability/capacity of the private sector and DoD to support both peacetime and mobilization workloads; the depot support requirement data; and the NAVSEA knowledge of the total spectrum of depot maintenance requirements associated with repair, rework, overhaul, test and calibration of the system/equipment. The support requirements include facility/equipment, manpower, skill, environmental and technical competency considerations. A Decision Tree Analysis (DTA) is used to help make this determination. A sample DTA is displayed as Attachment 1 to this Chapter.

#### 3.2 DoD Versus Commercial Repair Determination

a. DoD Organic Depot Maintenance. Mission essential systems/equipment will be proposed for rework by a DoD organic depot when:

- (1) Rework is necessary to ensure a ready and controlled source of technical competency to meet military contingencies, and,
- (2) Maintenance is required in support of mobilization requirements.

b. Mission essential systems/equipment which do not meet the above criteria may be proposed for rework by a DoD organic depot when:

(1) The rework of the system/equipment must be accomplished within DoD to ensure a source of manpower, skill, equipment or capacity necessary for mobilization surge requirements of other items in inventory, or,

(2) The rework of the system/equipment provides a training or rotational base for military maintenance personnel, or,

(3) A cost comparison analysis demonstrates that DoD rework costs are lower than commercial, or,

(4) No satisfactory private commercial source is available.

(Note: "Mission essential" is military service designated material authorized in combat, combat support, combat service support, and combat readiness training that is required to support approved emergency or war plans, and that is used to destroy the enemy or his capacity to continue war; provide battlefield protection of personnel; communicate under war conditions; detect, locate, or maintain surveillance over the enemy; provide combat transportation and support of men and material; and support training functions.)

c. Commercial Depot Repair. When economically feasible, commercial sources of depot repair shall be used for non-mission essential DLRs, and for those mission essential DLRs for which:

(1) The particular technical expertise of the Original Equipment Manufacturer (OEM) is required, documented and completely justifiable, or

(2) Interim support must be established pending the development of organic capability and capacity, or

(3) The commercial source has proprietary rights in data that are required to affect the repair.

### **3.3 DMI Criteria**

Systems/equipment that meet one or more of the specific DMI criteria detailed in Chapter 4 require a mandatory DMI review prior to assignment of depot maintenance responsibility. Attachment 2 to this chapter illustrates the DOP/DSOR assignment matrix.

### **3.4 NAVSEA In-House Organic Repair**

a. General Criteria. Systems/equipment that are nominated for in-house organic depot maintenance at a NAVSEA facility will normally be evaluated by the

Maintenance Interservice Support Office (MISO) for interservice potential as a part of the DMI process. Those that do meet Introductory Package criteria for DMI review will be processed accordingly. The AM/PM/PEO will submit to SEA 04L4, a written justification for any proposed organic DOP assignment. SEA 04L4 will review the recommended DOP assignment and process the recommendation to the MISMO in accordance with the decision matrix in attachment (1) to this Chapter.

b. **Specific Criteria.** In addition to the general criteria, the following specific elements shall normally govern the nomination of a NAVSEA life cycle DOP:

(1) The Navy facility must have industrial support (repair and overhaul) as an element of its primary mission to be considered as a potential DOP.

(2) It is desirable to assign only one DOP for each DLR. However, if it can be militarily or economically justified, the AM/PM/PEO may request establishment and assignment of multiple DOPs.

(3) To the maximum extent, DLRs shall be assigned to the DOP responsible for overhauling the parent system or end item.

(4) Whenever feasible, workload for different DLRs which require the same test and repair technologies will be consolidated within a single DOP. Consideration will be given to assignment of the DOP to activities with the established test and repair capabilities required to support operations for the life cycle of the equipment.

(5) The assignment of a Naval Shipyard or Naval Warfare Center activity as a proposed DOP shall be coordinated with the appropriate field activity.

(6) A DOP shall be capable of providing responsive support not later than the Material Support Date for each system, equipment, or associated DLR.

(7) DOPs shall be certified as being capable to repair a particular DLR. Certification shall take place in accordance with the Depot Certification Handbook (Appendix B to this Manual). DOPs that are certified in accordance with ISO 9000 standards as being capable of the design, development, production, installation and/or servicing of equivalent repairables may be considered certified, in accordance with NAVSEA criteria, at the discretion of the AM/PM/PEO.

### **3.5 Depot Planning Preparations**

General. The guidance below outlines the minimum planning issues that must be addressed during depot planning deliberations. There are no standard answers to many of these issues and responses must be developed on a case-by-case basis according to the characteristics and requirements of the system/equipment to be supported.

### **3.5.1 Establishment of Interim Depot Support (IDS)**

- a. Location. The IDS is usually established with the OEM.
- b. Start Up Date. In determining when IDS should be established, start up is usually required to support TECHEVAL, OPEVAL, and early deployments. At a minimum, start up should occur by the first delivery and installation of either the Full Scale Development Model or production equipment, as appropriate.
- c. Workload. In documenting how much of a workload will be directed to IDS, an estimate should be prepared, broken down by fiscal year and dollar requirements. The capacity of the IDS facility must be sufficient to avoid competition with the end equipment and spares production schedules.
- d. Contract Vehicle. NAVSEA may contract for IDS via a AM/PM/PEO repair contract or an Inventory Control Point (ICP) Basic Ordering Agreement (BOA). If the period of interim support will exceed one year, incentives may be offered to the contractor to enter into a multi-year contract. Where applicable, the contract should contain reliability improvement or warranty clauses.
- e. Resource Materials. A decision must be made as to whether or not Government Furnished Material (GFM) will be provided to affect repair of failed items, e.g., test equipment, documentation, and piece parts. Likewise, a decision must be made as to whether some or all depot investment type material will be contractor furnished and whether or not a bonded storeroom will be required for piece parts.
- f. Responsiveness. Determine priority of repairs with respect to production line requirements. Determine contractual performance requirements, e.g., Repair Turn Around Time (RTAT), cost and quality standards.
- g. Failure Data. Determine responsibility and procedure for collecting and forwarding failure data on items returned to the IDS facility.
- h. Retrograde Procedures. Establish procedures for returning failed DLRs to the interim DOP. Establish and document procedures to be used within the IDS facility to receive, identify, repair, package, and ship the items.
- i. Budget Plan. Consistent with the above planning areas, a proposed budget plan should be developed. As appropriate, it must address all of the investment (non-recurring) as well as the material and repair (recurring) costs that are required to establish and operate an interim DOP. Note that if an item has not reached Material Support Date (MSD), i.e., the planned day on which the full range of supply support responsibility transitions from the AM/PM/PEO to the Program Support ICP, the AM/PM/PEO has the responsibility to fund the repair of that item. After MSD, repair funding responsibility transfers to the cognizant ICP. Close coordination and planning between the AM/PM/PEO, and the ICP is required to affect this repair budget responsibility transfer.

### **3.5.2 Transition from IDS to the Permanent DOP**

a. **Time Frame/Phasing.** Establish a date for transition to the permanent life cycle DOP. If the transition will be phased, a milestone plan should be established to execute the phasing.

b. **Resource Material.** If GFM has been provided to the interim DOP, instructions should be made for transfer to the permanent DOP, disposal, or other disposition.

### **3.5.3 Establishment of Permanent Depot Support**

a. **Assignment of DOP.** Confirm that DMI requirements have been met. Determine dates for requesting new start approval and assignment of the permanent DOP, as appropriate.

b. **Workload.** Determine anticipated workload for the permanent DOP, broken down by FY with the funding requirements projected over a five-year period from the anticipated startup.

c. **Investment Resources.** Determine investment resources required by the permanent DOP. Investment resources must be specifically identified in the following categories and be traceable to specific DLRs or groups of DLRs:

(1) **Facilities.** Define the need for facility alteration or construction. If MILCON is required, detailed plans for acquiring MILCON should be documented. Obtaining MILCON approval is a long and tedious process, and proposed depot maintenance MILCON projects must include a statement that interservicing alternatives to MILCON have been considered. Accordingly, prior approval by the Defense Depot Maintenance Council (DDMC) is required prior to inclusion in the budget of MILCON for depot maintenance facilities.

(2) **Support Equipment** including both common and peculiar support equipment.

(3) **Industrial Plant Equipment.**

(4) **Test Equipment** including both general and special purpose electronic test equipment, tools, test jigs and fixtures, automatic test equipment, and test benches.

(5) **Manpower** including requisite skills and numbers required by FY.

(6) **Documentation** including technical manuals, technical repair standards and specifications, test program sets and engineering drawings.

(7) Training including a determination as to whether formal school/factory training is required or if on the job training will suffice.

(8) Piece Part requirements based on workload forecasts.

(9) Depot Maintenance Support Resources to include:

(a) Packing and Preservation. Quantify workload and determine if additional facilities or manpower are required.

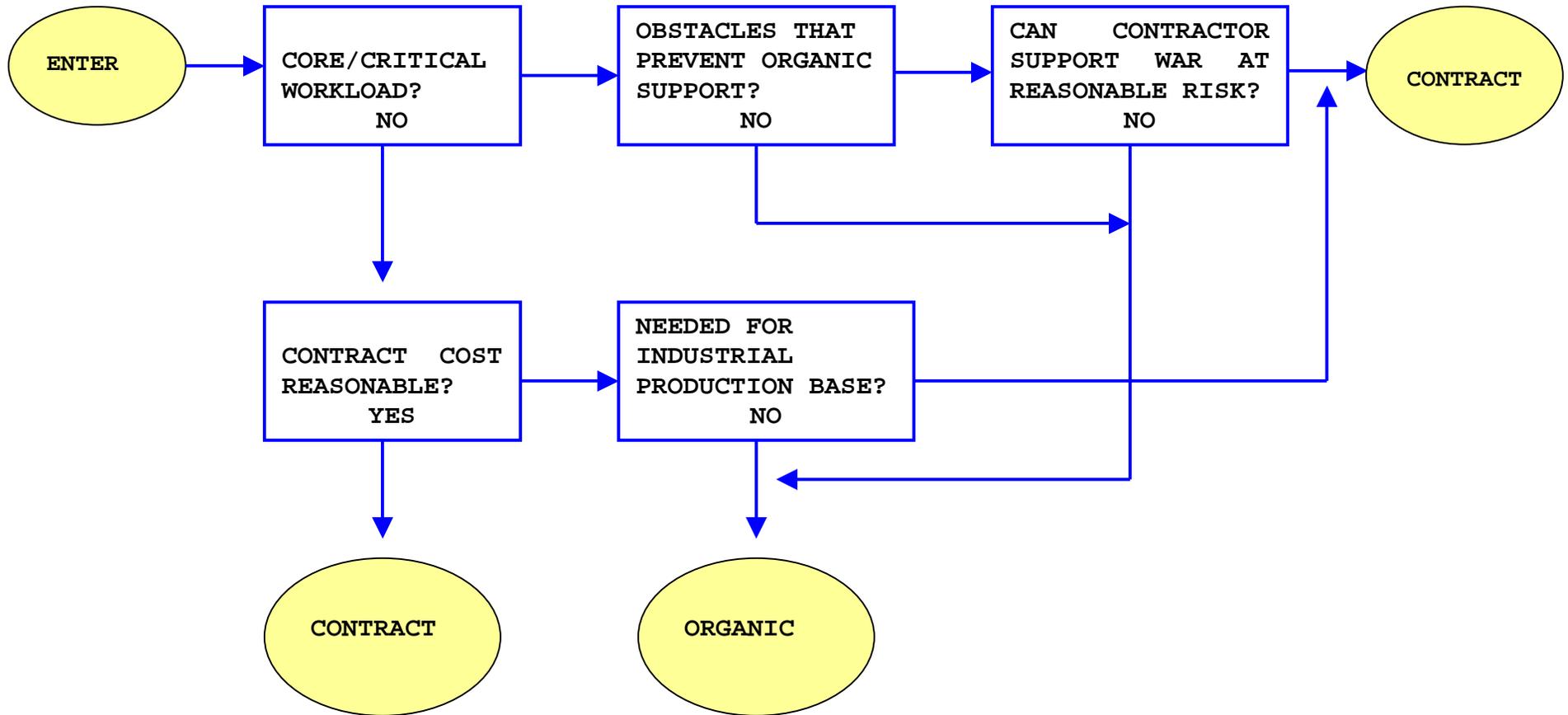
(b) Depot Support Point Supply Interface. Determine if the workload volume will require additional supply personnel, additional ADP equipment or additional software.

(c) Production Status Report Capability. Determine if the DOP has a management information system capable of generating a repair workload status report.

d. Certification. Determine when the DOP will be certified. If transition to the permanent DOP is phased, certification will also have to be phased. SEA 04L4 coordinates the certification of the facility and must provide input to this section.

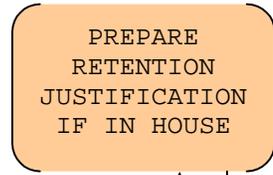
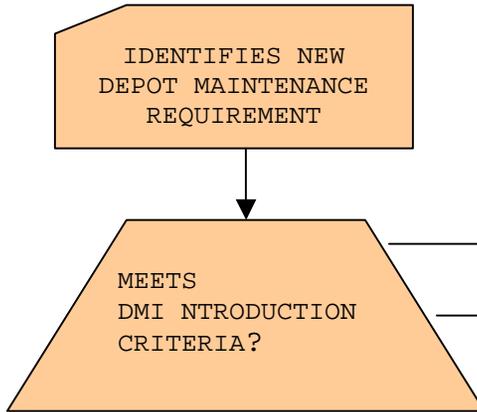
e. Budget Plan. The AM/PM/PEO must develop a budget plan that addresses the funding for all resources needed to establish depot capability and capacity. This plan should display all budgetary requirements by investment category, broken down by appropriation and FY.

# DECISION TREE ANALYSIS (SAMPLE)

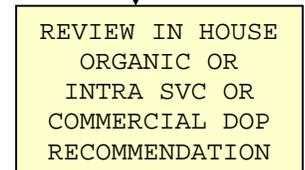
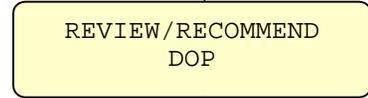


# DOP/DSOR ASSIGNMENT DECISION

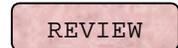
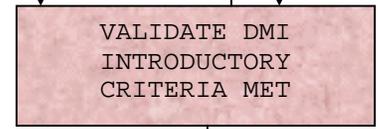
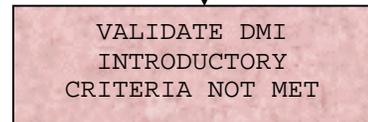
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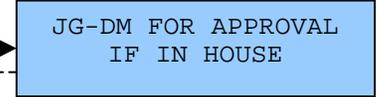
PROGRAM MANAGER  
FOR  
DEPOT MAINTENANCE  
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NAVSEA MISO  
SEA 04L4



NAVY MISMO



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ATTACHMENT 2  
CHAPTER 3  
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