FROM THE COMMANDER

I am pleased to present NAVFAC’s Stakeholder Report for Fiscal Year 2022. This document provides a transparent assessment of our progress in meeting NAVFAC Capabilities’ strategic objectives, as measured by associated Tier 1 outcomes.

Over the past year, inflation in construction material costs, supply chain delays, and tight labor markets reduced our margin for error in delivering on budget and by mission need date. Our workload also became more complex, executing the once-in-a-generation recapitalization of our shipyard infrastructure. These challenges highlight the need to leverage data-driven decisions and ruthless performance assessment to deliver results to the Fleet in this demanding economic environment.

This report documents our progress towards meeting the NAVFAC Strategic Plan, released in August. Strategic Priority #1 to Accelerate Execution Performance focuses on transparency, measurement, and accountability to improve our output to the Fleet. This data serves as the benchmark for assessment and improvement to meet these objectives.

In areas where we are underperforming or not meeting industry benchmarks, we will honestly assess our performance to understand root causes. We will also embrace the Get Real Get Better culture to act transparently, accelerate learning, and fix or elevate issues.

I am proud of how quickly the NAVFAC team is shifting to an outcome-focused mindset using our capabilities framework. We remain committed to optimizing our performance to drive results for the Navy and Marine Corps.
NAVFAC CAPABILITIES

NAVFAC’s mission, functions, and tasks are encompassed within ten capabilities unique to our SYSCOM role, each with a strategic objective to maximize our support to Fleet and Marine Corps forces.

THIS REPORT MEASURES PERFORMANCE AGAINST THE TIER 1 OUTCOMES THAT SUPPORT THE STRATEGIC OBJECTIVES OF EACH CAPABILITY.

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<th>Strategic Objective</th>
<th>Improve the speed, cost control, and quality of MILCON project delivery</th>
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<td>Deliver reliable and resilient infrastructure based on Fleet and Marine Corps priorities with focus on Task Critical Assets</td>
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<td>Strategic Objective</td>
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<td>STRATEGIC OBJECTIVE / Environmental Conservation</td>
<td>Strategic Objective</td>
<td>Assess the overall health, status, and effectiveness of shore conservation for natural and cultural resources</td>
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<td>STRATEGIC OBJECTIVE / Weight Handling Ashore Procurement &amp; Inspection</td>
<td>Strategic Objective</td>
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<td>STRATEGIC OBJECTIVE / Non-Tactical Vehicles &amp; Equipment Maintenance &amp; Operations</td>
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THE NAVFAC STRATEGIC PLAN

- Accelerates efforts for improving command-wide performance
- Drives outcomes to enable Fleet readiness
- Develops our SYSCOM workforce for future challenges

Scan here to download the NAVFAC Strategic Plan
MILCON Reprogramming

ASSESSMENT
Focusing processes and workforce towards:
- Historically high MILCON workload
- Emerging SIOP and PDI missions driving future program growth

CAPABILITIES PROGRESS REPORT

FY22

MILCON Workload

DESIGN & CONSTRUCTION

STRATEGIC OBJECTIVE / Improve the speed, cost control, and quality of MILCON project delivery

MILCON Reprogramming

FA22 STAKEHOLDER REPORT / 6

FY22

ASSESSMENT
Fewer reprogrammings resulting from deployment of process improvements and best practices
**DESIGN & CONSTRUCTION**

**STRATEGIC OBJECTIVE** / Improve the speed, cost control, and quality of MILCON project delivery

### Projects Awarded as Planned

- **ASSESSMENT**
  - Performance lower for smaller projects
- **COUNTERMEASURE**
  - Improving requirements and design processes
  - Addressing inflation trends in cost estimates

### Projects Completed Within Mission Need Date

- **ASSESSMENT**
  - Root causes include inflation and supply chain disruptions
- **COUNTERMEASURE**
  - Mitigating risk for components on the critical path
  - Incentivizing contract schedule performance

### Cost Estimates Compared to Actual Award Costs

- **ASSESSMENT**
  - Critical cost variances exist outside overall average
  - Inflationary impacts on par with industry
- **COUNTERMEASURE**
  - Adjusting escalation factors informed by economic data and labor/material forecasts

### Average Project Cost Growth During Construction

- **ASSESSMENT**
  - Root causes include supply chain disruptions, labor market shortages, and inflation
- **COUNTERMEASURE**
  - Adjusting acquisition strategy to share cost escalation risks with contractors

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**Root causes include inflation and supply chain disruptions**

**COUNTERMEASURE**

- Mitigating risk for components on the critical path
- Incentivizing contract schedule performance

**Critical cost variances exist outside overall average**

**COUNTERMEASURE**

- Adjusting escalation factors informed by economic data and labor/material forecasts

**Inflationary impacts on par with industry**

**COUNTERMEASURE**

- Adjusting acquisition strategy to share cost escalation risks with contractors
STRATEGIC OBJECTIVE / Deliver reliable and resilient infrastructure based on Fleet and Marine Corps priorities with focus on Task Critical Assets

Critical Buildings Condition Index

FY22 Electrical Resilience

- Power Outage Duration
  - FY18: 240 minutes
  - FY19: 120 minutes
  - FY20: 360 minutes
  - FY21: 480 minutes
  - FY22: 600 minutes

FY22 Electrical Reliability

- Power Outage Frequency
  - FY18: 2.5
  - FY19: 1.5
  - FY20: 1.0
  - FY21: 1.5
  - FY22: 2.0

Navy aggregate investment at 2% of Plant Replacement Value

- Industry Range 2–5%

MAINTENANCE & FACILITY OPERATIONS

ASSESSMENT

Outage duration continues to exceed industry standard

COUNTERMEASURE

Implementing improved recovery procedures to drive down outage duration
**CYBERSECURITY: FACILITY-RELATED CONTROL SYSTEMS**

**STRATEGIC OBJECTIVE** / Support Fleet operational readiness by securing all Facility-Related Control Systems (FRCS) of defense critical infrastructure

### Identification & Authorization of Mission Critical FRCS (MC-FRCS)

- **29** MC-FRCS Assessed and Authorized
- **10** Known MC-FRCS Graded
- **10** Active, Not Yet Authorized
- **2** On Hold, Not Yet Authorized
- **1** Assessed and Authorized
- **1** Approved, But Only Active, Not Yet Authorized

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
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</thead>
<tbody>
<tr>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
<td>100%</td>
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### Progress of MC-FRCS through Risk Management Framework Authorization

- **89%** FY19
- **89%** FY20
- **82%** FY21
- **82%** FY22

**EXPERIMENTARY ENGINEERING & LOGISTICS**

**STRATEGIC OBJECTIVE** / Exercise Expeditionary, Table of Allowance, and Contingency Engineering responsibilities to enable Naval and Joint Warfighter readiness

### RESEARCH & DEVELOPMENT

**Expeditionary P-8A Runway Design**

Developed P-8A contingency-use pavement criteria to support expeditionary runway planning and operations

### TABLE OF ALLOWANCE

Enabling the expeditionary warfighter to make risk-based decisions on equipment and materiel

### CONTINGENCY ENGINEERING

**100% Stakeholder Timelines and Requirements Met**

Enabling security cooperation/assistance programs to the Navy, Combatant Commands, and partner nations rapidly to prevent war

**ASSESSMENT**

Mission growth and complexity outpacing current capacity

**COUNTERMEASURE**

Focused on the 52 known MC-FRCS supporting 117 defense critical infrastructure assets

**OUTFITTING THE EXPEDITIONARY FORCE**

Exceeded plan to outfit the Navy’s expeditionary forces with required vehicles and equipment

**ASSESSMENT**

Fully executing the mission requirements of the expeditionary community

**COUNTERMEASURE**

Focusing on improving and sustaining agile acquisition support across all phases of military operations

**PLAN > 80% execution in first year of three year procurement**

- **89%** FY19
- **89%** FY20
- **82%** FY21
- **82%** FY22
### Strategic Objective / Assure continued Fleet dominance at-sea and ashore through innovation and engineering

**Ocean Facilities & Equipment Engineering**

**ENABLE UNDERSEA SURVEILLANCE**

- SURTASS In-Service Engineering Agent: 100%
- Undersea Cables In-Service Engineering Agent: 100%
- XLUUV In-Service Engineering Agent: 100%

**ENABLE SUSTAINMENT OF WATERFRONT INFRASTRUCTURE**

- Fleet Mooring Inspections: 100%
- Waterfront Inspections: 83% (FY21) / 65% (FY22)
- Magnetic Silencing Facilities Project Milestone: 100%

**FY22 Key Accomplishments:**

- **SURTASS:** Design and sustainment of handling system enabling current and future passive and active sonar capability
- **Undersea Cables:** Completed submarine fiber optic cable landings for enhanced communication connectivity of US forces in Diego Garcia
- **XLUUV:** Procured In-Water Support platform for homeporting in Port Hueneme, CA

**Assessment**

Program goals met mission requirements of supported commands. Funds phasing and travel restrictions impacted Waterfront Inspection performance

**Countermeasure**

Improved phasing plan for FY23 will drive improved performance

### Strategic Objective / Increase operational capability while reducing Navy total ownership costs

**Real Estate Acquisition & Management**

**Innovative Land Use Agreements**

- $156M in FY21
- $168M in FY22

**Southeast Federal Center Land Exchange** avoids cost for ATFP hardening for Washington, DC, National Security missions

**Assessment**

Navy’s return on investment utilizing land use agreements increased by 8% in FY22

**Countermeasure**

Aggressively seek opportunities for land use agreements that avoid MILCON investment

**Pinecastle Permit (East Coast)** provides critical capability to conduct air-to-ground training for US Joint and Allied Services
ENVIRONMENTAL COMPLIANCE

**STRATEGIC OBJECTIVE** / Comply with National Environmental Policy Act (NEPA) and environmental site regulations

- **100% NEPA DOCUMENTS COMPLETED**
  - Within operational support date, up from 94% in FY21

- **93% ENVIRONMENTAL RESTORATION RESPONSE COMPLETE**
  - 11% increase from FY21

**ASSESSMENT**
- NEPA compliance actions enacted on plan and enabled training range expansion and RDT&E programs
- Environmental Restoration Response performance continues to improve

**COUNTERMEASURE**
- Further improvements of Environmental Restoration Response and PFAS management underway

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WEIGHT HANDLING ASHORE PROCUREMENT & INSPECTION

**STRATEGIC OBJECTIVE** / Lead the Navy’s shore activity weight handling program to maintain Fleet readiness

**Future Equipment Readiness**

- **Crane Procurement Performance**

**ASSESSMENT**
- Schedule adherence slightly improved in FY22
- Root cause of delays include supply chain disruption and supported command changes

**COUNTERMEASURE**
- Initiatives include P2P metrics, CPARs use, analyze negative events, and actionable lessons learned

**WEIGHT HANDLING ASHORE PROCUREMENT & INSPECTION**

**Mission Readiness Inspections of Navy Activities**

- **99%** Navy activities comply with SECNAV weight handing program requirements
- **83%** Active inventory of Navy weight handling equipment is operationally ready
NON-TACTICAL VEHICLES & EQUIPMENT MAINTENANCE & OPERATIONS

STRATEGIC OBJECTIVE / Provide the Navy with transportation services that meet Fleet and shore readiness requirements

Availability for Priority 1–3 Assets

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<tr>
<td>86%</td>
<td>88%</td>
<td>90%</td>
<td>92%</td>
<td>88%</td>
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Goal > 90% Asset Availability

TRIANGULAR OBJECTIVES

- Priority 1: Mission Critical Fleet Support
  - Crash Response
  - Ordnance Transport
  - Waterfront Crane Ops

- Priority 2: Mission Essential
  - Security
  - Incident Response
  - ATFP Patrol
  - Aviation Ops Support

- Priority 3: Special Purpose
  - EOD
  - HAZMAT
  - Emergency Management
  - Aviation Maintenance Support

ASSESSMENT
- 86% overall asset availability is 4% lower than last year
- Inconsistent preventative maintenance is a leading contributor to availability

COUNTERMEASURE
- Improving preventative maintenance oversight
- Developing predictive analytics to better manage risk

Worldwide reach with over 100 points of delivery to Navy, Marine Corps, and DOD

NAVFA C COMMAND LAYDOWN

NAVFA C Commands
- Echelon 3 Commanders / Theater Engineers
- Engineering Specialty Centers
- Echelon 4 Facilities Engineering Commands
- Echelon 4 Officers In Charge of Construction

Theater / Contingency
- Contingency Action Worldwide supporting the following programs:
  - Counter Narcotics
  - Exercise Related Construction
  - Foreign Military Sales / Foreign Military Funds
  - Global Peacekeeping Operations Initiative
  - Humanitarian Assistance
  - Humanitarian Mine Action
  - Ocean Facilities Engineering
  - Security Assistance
  - Theater Security Cooperation
Portsmouth Naval Shipyard
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