



DEPARTMENT OF THE NAVY
NAVAL AIR SYSTEMS COMMAND
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IN REPLY REFER TO

NAVAIRINST 5221.1A
AIR-10.0

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NAVAIR INSTRUCTION 5221.1A

From: Commander, Naval Air Systems Command

Subj: WORKLOAD ACCEPTANCE

- Ref:
- (a) 10 U.S.C. §2208, Working-capital funds
 - (b) 10 U.S.C. §2460, Definition of depot-level maintenance and repair
 - (c) 10 U.S.C. §2464, Core depot-level maintenance and repair capabilities
 - (d) 10 U.S.C. §2466, Limitations on the performance of depot-level maintenance of materiel
 - (e) 10 U.S.C. §2470, Depot-level activities of the Department of Defense: Authority to compete for maintenance and repair workloads of other Federal agencies
 - (f) 10 U.S.C. §2474, Centers of Industrial and Technical Excellence: Designation; public-private partnerships
 - (g) 10 U.S.C. §2539b, Availability of samples, drawings, information, equipment, materials, and certain services
 - (h) 10 U.S.C. §2563, Articles and services of industrial facilities: Sale to persons outside the Department of Defense
 - (i) 10 U.S.C. §2681, Use of test and evaluation installations by commercial entities
 - (j) 15 U.S.C. §3710a, Cooperative research and development agreements
 - (k) 22 U.S.C. §2751, Need for international defense cooperation and military export controls; Presidential waiver; report to Congress; arms sales policy
 - (l) COMNAVAIRFORINST 4790.2B
 - (m) DoD 7000.14-R, DoD Financial Management Regulation
 - (n) DoD Directive 3200.11, Major Range and Test Facility Base (MRTFB) of 27 Dec 07
 - (o) DoD Instruction 4151.21, Public-Private Partnerships for Depot-Level Maintenance of 25 Apr 07

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- (p) DoD Instruction 5100.73
- (q) NAVAIRINST 5450.20A
- (r) NAVAIRINST 5450.22
- (s) NAVAIRINST 5451.65A
- (t) NAVAIRINST 5451.95
- (u) OPNAV Instruction 5450.350
- (v) CAO CONOPS: Competency Aligned Organization Concept of Operations for the Naval Air Systems Command and the Affiliated Program Executive Offices of 25 Aug 10
- (w) NAVAIRINST 5401.1
- (x) Operating Agreement between Program Executive Officer for Unmanned Aviation and Strike Weapons Programs, Program Executive Officer for Tactical Aircraft Programs, Program Executive Officer for Air Anti-Submarine Warfare, Assault and Special Mission Programs, and Commander, Naval Air Systems Command of 24 Feb 12
- (y) DoD Directive 5000.01
- (z) OPNAV Instruction 4790.14B

Encl: (1) Customer Prioritization Framework
(2) NAVAIR Workload Acceptance Decision Process Flowchart

1. Purpose. To issue the Naval Air Systems Command (NAVAIR) policy and procedures for current and future workload acceptance, ensure work performed is mission compliant, strategically aligned, and meets sound business rules, including statutory and regulatory compliance. This policy provides the terms of reference for NAVAIR managers to prioritize workload according to a common prioritization framework. The procedures described herein formalize the process for accepting, declining, and deferring workload.

2. Cancellation. This instruction cancels NAVAIRINST 5221.1. This is a major revision and should be reviewed in its entirety.

3. Scope. This policy applies to all workload, both reimbursable and direct cite, being considered for assignment to and acceptance by NAVAIR, including NAVAIR Headquarters (NAVAIRHQ), competencies, the Program Executive Officers (PEOs), Program Managers, AIR (PMAs), subordinate commands, and field activities, whether the source of funding is from other Department of the Navy (DON) and Department of Defense (DoD) customers, Foreign Military Sales customers, Private Party

Special Deposits for Commercial Services Agreements, Cooperative Research and Development Agreements, Public-Private Partnerships, or Project Agreements between the United States Government and other countries. This standardized policy and process will be used to evaluate any work planned for future years as well as work being accepted and performed in the execution year. Directly appropriated funding allocated to NAVAIRHQ as the Budget Submitting Office and allocation holder is outside the scope of this workload acceptance decision-making policy and process. Reimbursable and direct citation funding received by NAVAIRHQ and subordinate commands is within the scope of this workload acceptance decision-making policy and process.

4. Background. Workload acceptance and assignment decisions should be based on an approach that is common and transparent, such that the work performed represents the highest priority, highest value efforts, while achieving and maintaining an optimal level of capability and capacity within NAVAIR and its subordinate commands and field activities. Given legal, policy, and resource constraints; NAVAIR competencies and subordinate commands must be able to prioritize and source workload strategically, while at the same time promoting efficiency and total ownership cost reduction in the performance of mission tasking. Workload acceptance and assignment policy and processes are thus required to guide the associated workload planning and execution.

5. Policy. To be accepted, workload must be within mission tasking, be strategically aligned, and meet a common set of defined business rules. Acceptance of direct cite workload must be based on alignment with NAVAIR's contracting authority and be consistent with Navy Marine Corps Acquisition Regulation Supplement 5201.601-90 and with delegations of authority from other heads of contracting activities. These criteria, in conjunction with any command amplifying guidance, provide the basis for workload acceptance, assignment, and performance within NAVAIR.

a. Mission Qualification. Before any work is accepted it must fit within the assigned mission and governing legal authority. References (a) through (y) define the missions, authorities, and relevant operating guidelines for NAVAIR, the Naval Air Warfare Centers (NAWCs), Commander Fleet Readiness

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Center (COMFRC), and subordinate commands. Base Realignment and Closure (BRAC) Commission determinations once enacted into law are also definitive in terms of mission assignment. Those functions designated via BRAC to be performed within NAVAIR will be considered within mission tasking.

b. Strategic Alignment. Work requested that is within mission tasking and can be performed within available and planned resources should be accepted and performed. However, in the case that the demand for resources exceeds available supply, decisions regarding what work must be performed first and what must be declined or deferred must be done strategically. Work is best aligned strategically that advances the NAVAIR, Naval Aviation Enterprise (NAE), DON and DoD strategic vision and direction, is key to sustaining critical mission capability, and is required for future mission success. Strategic vision and direction is continuously evolving and is found in such documents as:

- (1) The NAVAIR Commander's Intent and Commander's Guidance;
- (2) NAVAIR and NAE vision, strategic plans and roadmaps;
- (3) Fleet Forces Command vision and guidance;
- (4) Secretary of the Navy and Chief of Naval Operations priorities and guidance;
- (5) Chairman of the Joint Chiefs of Staff Joint Vision documents;
- (6) National Defense strategies; and,
- (7) In prioritizing workload among alternative customer groups, the framework provided as enclosure (1) shall be used.

c. Business Rules. Naval Air Systems Command and its subordinate commands are bound by laws, regulations, and policies affecting business operations and by an expectation of high efficiency in these operations. Work accepted, in addition to being mission compliant and strategically aligned, must meet sound business criteria. Specifically, to be accepted, workload

must fit within a coherent workload management plan that considers:

(1) Program Risk. Workload acceptance decisions must avoid injecting risk in major, high priority, and high cost acquisition programs in keeping with the enclosure (1) framework. In general, acceptance of "Priority Level (PL) 2, Other DoD and Other Federal Government," or "PL-3, External Non-Federal and Commercial" workload, shall not increase risk to "PL- 1, NAE, Other DON, DoD Core and Specified Joint Programs." Decisions to accept PL-2 and PL-3 workload early in the Fiscal Year (FY) must support a coherent annual plan, considering an estimate of PL-1 workload likely to be received later in the FY and the risk associated with availability of resources and infrastructure capacity.

(2) Affordability and Total Ownership Costs (TOC). With the intent of reducing operating and sustainment costs for fielded systems and implementing life-cycle cost reduction initiatives as part of new systems development, workload acceptance decisions must consider the long term future sustainability and TOC to NAVAIR, the DON, and DoD. The cost and efficiency impact of all workload acceptance decisions must also be considered, to include:

(a) The direct and indirect costs of personnel, facilities and equipment; and,

(b) The TOC savings expected to be realized as a result of the project being considered.

(3) Available Resources. Subordinate commands and competencies will adhere to overhead budget allocations and to workforce or other resource controls until these controls are formally adjusted by the cognizant authority. Accepted workload must not contribute to concerns of bona fide need (e.g., excess carryover in the Navy Working Capital Fund), and appropriate thresholds shall be considered by the respective command as triggers for additional review based on PL, point in the FY, and informed FY capacity estimates. If acceptance of workload will require a net increase in facility space or seats, appropriate approvals must be obtained in advance, to include Space Board approvals for the respective subordinate command or field activity.

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6. Process

a. General. A flowchart representing the workload acceptance and performance process is provided in enclosure (2). This decision process provides for desired speed, agility, and adaptability. Within this broadly defined process and in keeping with this policy and the imperative for continuous process improvement and accelerated "Speed to the Fleet," NAVAIR competencies and subordinate commands are encouraged to further clarify and tailor roles and procedures, consistent with this guidance.

b. Documentation. NAWCs and COMFRC shall document all declined workload by customer, dollar amount, approximate level of effort, and reason. This documentation shall be used by the subordinate commands and provided as requested by the Director, Command Analysis, Strategy, and Operations office (AIR-00X), at least annually, for the purpose of improved workload management, to include assessing strategic investment options, customer prioritization, and needed capabilities and capacity development.

c. Coordination and Adjudication. If work requires interface or overlap with one or more competencies or subordinate commands, the receiving command and competency will coordinate roles and work share arrangements with other commands and competencies. This collaborative approach, as well as the resolution of any associated disagreements, will be done consistent with the conflict resolution rules identified in enclosure (2) and references (v) through (x).

7. Responsibilities

a. NAWC Commanders and COMFRC shall:

(1) Implement this policy and associated processes within their respective commands, clarifying and tailoring as appropriate consistent with this guidance;

(2) Consistent with references (v) and (w), collaborate with National Competency Leads and PEOs in work assignment and adjudication;

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(3) Maintain command fiduciary, legal, and other regulatory accountability within their commands while striving to maximize efficiencies and minimize cycle times through appropriate delegations, workforce training and development, and process improvement; and,

(4) In collaboration with the competencies, maintain documentation of declined workload, perform appropriate analysis for business and strategic impact, and act as appropriate to efficiently and effectively execute the command mission.

b. Competency Leaders shall:

(1) Be consistent with references (v) through (x), collaborate with NAWCs, COMFRC, and PEOs in work assignment and adjudication;

(2) Establish internal competency guidelines for communication and coordination of workload related issues, both across competencies and between levels within the competency, in a way that maintains appropriate command authorities and accountabilities while minimizing delay and process cycle times; and,

(3) Manage workforce knowledge and skills development as required to strategically support current and future critical warfighter requirements.

c. PEOs, associated PMAs, and Other Program Managers (AIR Codes) shall:

(1) Consistent with respective charters and reference (u), adhere to direction from the Assistant Secretary of the Navy for Research, Development, and Acquisition regarding work assignment and sourcing pertaining to research, development and acquisition of assigned programs, to include in the use of Naval Laboratories and Warfare Centers.

(2) Be consistent with respective charters and references (v) through (x), collaborate with NAVAIR Competencies and subordinate commands in work assignment and sourcing decisions to include appropriate use of COMFRC, for the execution of Naval Aviation logistics sustainment, in-service support and operating forces support.

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d. AIR-00X shall:

(1) At least annually, collect and analyze NAVAIR workload declined by customer, dollar amount, approximate level of effort, and reason, for the purpose of improved workload management, to include assessing strategic investment options, customer prioritization, and needed capabilities and capacity development;

(2) Incorporate relevant analysis results into the NAVAIR Command Information Center;

(3) Based on analysis results, make recommendations to the Commander and Comptroller for policy revisions and/or process improvements.

8. Action. Naval Air Systems Command-associated leadership shall work collaboratively to execute this workload acceptance policy.

9. Review. This instruction will be reviewed by the NAVAIR Comptroller annually and provide recommendations or cancellation to the Commander.



D. A. DUNAWAY

Distribution:

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Customer Prioritization Framework

1. General. Workload accepted by the Naval Air Systems Command (NAVAIR), including NAVAIR Headquarters, competencies, the Program Executive Officers, Program Managers, AIR, subordinate commands, and field activities, shall be in accordance with the criteria and procedures delineated in this instruction. Accepted workload must fit within mission tasking, be strategically-aligned, and be compliant with the applicable business rules, to include resource controls. Beyond legal, regulatory, and policy compliance, workload acceptance decisions must consider multiple dimensions, to include impact on core workload and core competencies or capabilities, criticality to overall mission, extent of alignment to top strategic priorities, risk effect to major programs of record, product total life cycle cost, and resource impacts, both now and in the future. The resulting decisions must be made collaboratively, with rapid elevation of particularly difficult trade-offs to the appropriate level in the chain of command. While higher priorities may require the divestment or deferral of current customer workload, in general current customer demand should be met before new workload requests are accepted. Declined workload must be documented consistent with this instruction.

2. Joint Urgent Operational Need (JUON). Workload associated with an approved JUON and supported by applicable documentation, where the command identified is considered the best source, represents the highest NAVAIR workload priority. Other urgent requests directly from operational forces will also be considered for priority status on a case-by-case basis.

3. Major Range and Test Facility Base (MRTFB). References (m) and (n) specify Naval Air Warfare Center (NAWC) Aircraft Division (Patuxent River) and NAWC Weapons Division (China Lake and Point Mugu) as MRTFBs. As national assets, MRTFBs are sized, operated, and maintained to provide Test and Evaluation (T&E) information to Department of Defense (DoD) Component T&E users in support of the DoD Research, Development, Test, and Evaluation and acquisition process set out in reference (y). NAWCs must schedule use of the MRTFB based upon a priority system that gives equitable consideration to all DoD Components and accommodates DoD acquisition program priorities. MRTFBs may also be made available to users outside DoD, such as United States Government Agencies, State and local governments, allied foreign governments, and commercial entities.

Enclosure (1)

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4. Depot Source of Repair (DSOR). Commander, Fleet Readiness Centers (COMFRC) workload associated with an approved DSOR and supported by applicable documentation in accordance with reference (z), where a Fleet Readiness Center is considered the best source, represents the highest COMFRC workload priority. Other requests directly from operational forces will also be considered for priority status on a case-by-case basis.

5. Base Realignment and Closure (BRAC) Decisions. Work realigned to NAVAIR via the DoD BRAC process carries the force of law and thus shall not be divested. This workload will be accepted and performed in keeping with BRAC decision language unless and until superseded by subsequent BRAC decisions or other statutory direction. BRAC-aligned workload is considered within mission, as noted in in the Policy section of this instruction, and will be prioritized by customer group according to the table below.

6. Workload Acceptance and Prioritization by Customer Group. In general, prioritization of workload by customer group will occur as shown in Table 1. Work for customers identified within each customer group Priority Level is considered of equivalent rank.

Table 1. Customer Group Priority Levels

Priority Level	Basis for Prioritization
1 - NAE, Other DON, DoD Core, and Specified Joint Programs	<ul style="list-style-type: none"> • Naval Aviation Enterprise (NAE) and Naval Aviation Programs of Record (POR) representing NAWC and COMFRC primary customer category • JUON workload • Foreign Military Sales (FMS) programs associated with Naval Aviation PORS • DoD work designated Core (10 U.S.C. 2464) and/or specifically assigned via the DSOR process • Department of the Navy (DON) customers primarily serving Naval needs • Public-Private Partnerships (PPP) for DON workload
2 - Other DoD or Federal Government	<ul style="list-style-type: none"> • Other DoD or Federal Government workload promoting inter-service and inter-agency national security solutions <ul style="list-style-type: none"> - Where available capacity and no added risk to Priority Level (PL) 1 programs - Applied revenue can offset indirect costs to NAE or other DON customers • FMS programs associated with other DoD PORS

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<p>3 - External Non- Federal and Commercial</p>	<ul style="list-style-type: none">• Cooperation with Industry (especially small business) and academia promoting NAE advanced technology applications; other international cooperation<ul style="list-style-type: none">- Where available capacity and no added risk to PL-1 or PL-2 programs- Applied revenue generated can offset indirect costs to NAE or other DON customers• All other FMS, including Direct Commercial Sales• Commercial workload and other PPPs where excess capacity and no added risk to PL-1 or PL-2 programs• Authorized use of NAWC MRTFB assets on not-to-interfere basis with DoD programs, assuming no additional burden on institutional MRTFB
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NAVAIR Workload Acceptance Decision Process Flowchart

