

APPENDIX C**DEFINITIONS OF CORE PERFORMANCE MEASURES****A. CORE PERFORMANCE MEASURES**

Performance measures are intended to supplement financial statements with information that describes the attributes of a program entity, accomplishments or results, and the status of the efficiency and effectiveness of its operations. Performance measurement includes both program and financial measures. Program performance measures typically describe the output (number of units produced or services provided), inputs, the quality and timeliness of the goods or services, customer satisfaction, and outcomes. Financial performance measures typically include net operating costs, operating results, unit cost, and capital investment levels.

Appendix B lists the reporting entities (from Appendix A) that will be included in the FY 1997 financial statements. Core financial and program performance measures are shown in Appendix B for each reporting entity, as appropriate.

B. CORE PROGRAM PERFORMANCE MEASURES

Core program performance measures are to be included in the Overview of the Reporting Entity, or as Supplemental information, together with a narrative discussion and analytical review of relevant performance data of the programs, activities and funds that make up the reporting entity. The selection of program performance measures is discussed in Appendix D.

C. CORE FINANCIAL ATTRIBUTES

Core financial performance measures express financial attributes in quantitative terms: dollar amounts, ratios, and other relevant measurement units, such as net operating cost of a program or units of inputs required to produce a unit of output. Once measures and indicators are developed for a program, detailed cost analyses should be performed to find, to the extent information is available, changes in costs incurred in each functional area and in each category of cost objects.

Whenever possible, financial data should be related to other measures of performance on a program-by-program basis. The inclusion of financial performance measures will facilitate using the financial statement to assess both financial and program performance. The Overview may identify programs or activities that may need significant future funding or may provide an early warning of other potential financial management problems.

In developing financial, statistical, and other information for presentation in the Overview, DoD Components should prepare adequate supporting documentation and retain such documentation to facilitate future review and audit. In the event that information is not available to complete the foregoing narrative discussion and analysis of the financial condition of the

reporting entity, managers must discuss why such information is not available and describe its plan for meeting these reporting requirements in the succeeding year and future years.

There are five agency attributes that should form the focus of financial statement analysis. These agency attributes, together with measures and indicators, are described below. Measures and indicators express financial attributes in quantitative terms: Dollar amounts, ratios, and other relevant measurement units, such as net operating cost of a program or units of inputs required to produce a unit of output. Once measures and indicators are developed for a program, detailed cost analyses should be performed to find, to the extent information is available, changes in costs incurred in each functional area and in each category of cost objects. Techniques for performing detailed cost analysis will be discussed later in this appendix.

1. Operating Costs Attribute. This attribute represents how much it costs to operate a program. Information on the cost of a program's operations is useful for planning, budgeting, and cost control purposes. For example, the information provides feedback to compare actual with budgeted costs and serves as a baseline for projecting program operating costs in future years. Information that discloses accrued operating costs is useful in assessing a program's financial commitment and future requirements for cash outlays. Information related to program operating costs also is useful in evaluating program operating economy and efficiency, comparing program costs with benefits and assessing alternatives to reduce costs. This attribute is depicted in Appendix E.

a. Measure. The cost of operating a program is its net operating cost, which is equal to the program's total expenses and losses, minus its revenues and reimbursements. The net operating cost measure provides users with an accurate picture of how much the program cost the taxpayers in the given fiscal year.

b. Indicator. The percentage change (increase or decrease) in the net operating cost of a program from one year to another serves as an indicator for the trend of the program's operating costs. A better indicator is the trend developed from average percentage changes in net operating costs over a number of years.

2. Operating Results Attribute. This attribute identifies whether a program's operations resulted in an excess of expenses over revenues and appropriations or vice-versa. For example, the accumulation of net losses from year-to-year in a commercial-type activity weakens its financial condition and signals the existence of financial difficulties. The information relating to a commercial-type activity's operating results is important to assess the financial risks of a program, its needs for financial assistance and its potential cost to taxpayers. This attribute is depicted in Appendix E.

a. Measure. A program's operating results for a fiscal year are measured by calculating the difference between the net operating cost and the amount of funds appropriated to the program for that fiscal year.

b. Indicator. The ratio of appropriations received by a program for a fiscal year to the program's net operating cost is an indicator of the extent to which the net operating cost incurred was financed by appropriated funds. A complementary indicator is the ratio of the operating deficit or surplus to the net operating cost. This latter ratio shows the extent of financial deficiency or surplus.

3. Financial Obligations. This attribute represents the liabilities that a program incurs in its operations or asset acquisitions. A program incurs liabilities in two ways: (a) when it borrows money from the Treasury, other agencies, or from the public, and (b) when it incurs costs or losses under a financial commitment that will be paid in the future. The information relating to a program's financial obligations is important because financial obligations represent a future demand for resources and, thus, future costs to taxpayers. This attribute is depicted in Appendix E.

a. Measure. A program's short-term financial obligations are measured by determining its current liabilities. These include accrued salaries and benefits at the end of a fiscal year. By definition, current liabilities must be paid within a year, either with cash available, or with anticipated appropriations for that year.

A program's long-term financial obligations are measured by determining its long-term liabilities. These liabilities represent the amount of cash that the program will need in order to pay its obligations when they become due.

b. Indicator. For short-term obligations, the ratio of current assets to current liabilities is an indicator of the program's ability to pay its obligations that will be due within a year. For purposes of calculating this ratio, current assets include cash, notes, and other receivables that can be collected within a year. Current liabilities include accounts, notes, and other obligations payable within a year.

For long-term obligations, a program's long-term liabilities should be segregated into categories according to how the liabilities were incurred. In some circumstances, a group of assets is reserved or earmarked to pay a certain category of obligations when they become due. This is typical with pension trust or insurance funds. The funding adequacy ratio, which equals the amount of reserved assets divided by the amount of liabilities, is applicable to those covered liabilities. It indicates the extent of liabilities covered by available assets. When depicted over a number of years, the funding adequacy ratio helps reveal whether the funding level has improved or worsened. The ratio is indicative of the financial soundness of a program. For example, a 90 percent funded program is financially healthier than a 50 percent funded program.

4. Financial Condition. This attribute is defined as the financial health of a program and its ability to generate financial resources to maintain its operations and meet its financial obligations, when they are due, without considering financial assistance (such as additional appropriations). This attribute is depicted in Appendix E.

a. Measure. The purpose of analyzing the financial condition of a program is to determine whether it has adequate resources to carry out its operations and satisfy its obligations when they become due. The analysis is particularly pertinent to commercial-type programs that operate with revolving or trust funds and are designed to be financially self-supporting. Financial condition is a multidimensional concept. Several indicators are available to help users of agency financial statements form a conclusion about the financial condition of a program.

b. Indicator. The amount of cash shortfall or surplus is one indicator of a program's financial condition. Cash flow analysis is an effective tool for evaluating the financial condition of a commercial-type program. In doing a cash flow analysis, the analyst compares a program's available sources of cash with its future needs for cash to determine whether the program will have adequate cash to continue its operations and satisfy its obligations. In cases where cash shortfalls are projected, the analyst also may determine the amounts of financial assistance that the program would need through additional appropriations.

Other indicators also can be developed from data available in a program's financial statements. The current ratio can be used as an indicator of a program's liquidity. This is the ratio of the program's current assets to its current liabilities. A current ratio of less than "1" indicates that current assets are not adequate to meet current obligations. The current ratio, however, suffers a shortcoming from looking at a static picture of current assets and current liabilities at the balance sheet date. It does not consider the dynamic cash flows during the year. It also reflects a narrow view that current assets are the only source that would be used to liquidate current liabilities.

The balance sheet of a commercial-type program reveals the solvency condition of a program. A program probably is in financial difficulty and would need additional appropriations if its liabilities exceeded its assets. One indicator that can be used to test a program's solvency is the debt-to-asset ratio, which is the ratio of the program's total debt obligations, including accrued liabilities, to its total assets.

5. Operating Efficiency. This attribute relates to the performance of a program in terms of how much it accomplished in comparison with the resources it consumed. The information on a program's operating efficiency can help evaluators assess the effectiveness of resource utilization by program managers. The information also can help managers improve program operations. This attribute is depicted in Appendix E.

a. Measure. The operating efficiency of a program is generally evaluated by inputs (efforts and resources) required to produce the program's outputs (services and goods). It also can be the units of input required to produce a unit of output. However, the accurate measurement of a program's inputs and output requires specific statistical data not routinely available in the financial statements of an agency.

b. Indicator. Within the Department, efficiency can be measured by cost-per-output or unit cost. Such an indicator would alert the program managers to an area where attention is needed to improve operating efficiency.

D. CORE FINANCIAL PERFORMANCE MEASURES-NON-WCF

1. Conventional Ammunition Acquisition.

Acquisition Lead Time. The sum of procurement lead time and production lead time.

2. Foreign Military Sales (FMS)

a. Number of Purchase Orders Issued. This indicator shows the number of new purchase orders placed against obligational authority. Purchase orders, in the form of Military Interdepartmental Purchase Orders, are issued by one DoD component to another DoD Component that is responsible for the procurement of the item.

b. Number of Purchase Orders Closed. This indicator shows the number of purchase orders that were closed during the fiscal year and their relative ages. The indicator should be analyzed over a number of years to show trends

c. New Sales Cases Accepted. This performance indicator indicates the level of activity for new Sales Cases combined with amendments to existing sales cases.

d. Sales Cases Closed. This indicator demonstrates the number of Sales Cases "Closed" during the fiscal year. The "Closure" of a sales case, like the completion of a legal contract, occurs when all the terms have been met. Sales cases must be legally, logistically, and financially complete prior to closure.

e. Aged Number of Sales Cases Closed. This performance indicator reveals the age spread of the sales cases closed. The average 6-10 year life of a case is attributable directly to its complexity, whereas, major weapons systems procurement, such as aircraft and construction cases, require more time to execute and complete financial closeout than logistics and training cases.

f. Number Of Open Cases. This performance indicator shows the number of active FMS cases at the end of the fiscal year stratified to the DoD Components.

E. CORE FINANCIAL PERFORMANCE MEASURES - DWCF

1. Supply Management

a. Cost Per Dollar of Sales.

(1) Cost Per Dollar of Wholesale Sales. Sales represent the volume of gross sales at posted prices to include consumable and reparable sales plus credit returns for all DoD Components except the Air Force. Air Force sales represent the sum of the volume of sales at posted prices to include consumable gross sales (including consumable credit returns), plus net reparable sales (excluding reparable credit returns). A sale has been made for all components except the Air Force when the depot confirms to the Inventory Control Point that the materiel has left the distribution depot. An Air Force sale has been made when the materiel moves out of Air Force base supply.

(2) Cost Per Dollar of Retail Sales. Retail sales represent the volume of sales out of the retail-level supply system. A sale is made when materiel is removed from the following supply levels: Army - to authorized stockage list (ASL) and installation; Navy - to resupply ships, intermediate maintenance afloat units and shore installations; Air Force - base supply; Marines - to Marine Expeditionary Force (MEF) and base supply.

b. Fill Rate. The percentage of demands processed by the supply system without interruption at initial processing. These data are available from the Military Supply and Transportation and Evaluation Procedures System.

c. Stock Turn (Demand Base Consumables). Stock turn is the ratio of annual sales to the average inventory value. The ratio should exclude non demand based inventory, which is inventory held for reasons other than anticipated demand (e.g., insurance items, war reserves, economic retention, or contingency retention). Sales and inventory value should be expressed in current year dollars. Average inventory value should be computed by dividing the sum of the beginning and ending demand based inventory by two. Sources of data for this ratio include the DoD Supply System Inventory Report, Secondary Item Data base, and Component specific management information systems. Where sales and inventory values are affected by transfers, explain how data was handled.

2. Distribution Depot

a. Cost Per Line Item.

(1) Cost Per Line Item - Bin Receipts. Bin receipt is the receipt of inbound supplies, including new procurement, customer returns, depot maintenance returns not classified as end items, foreign military sales material, total package fielding materiel, and contingency materiel. This output measure ends with the notification to the materiel manager that the materiel has been received.

(2) Cost Per Line Item - Bulk Receipt. Bulk receipt is the receipt of inbound supplies, including new procurement, customer returns, depot maintenance returns not classified as end items, foreign military sales material, total package fielding materiel, and contingency materiel. Bulk Items are stored in a pallet rack location in bulk areas or in bulk warehouse locations and are processed in less than truckload receipts/shipments or full truckload receipt/shipments of a single, easy-to-handle commodity (e.g., subsistence, clothing) or may be

items that are hard to handle and generally unpalletized (e.g., steel, wire, cable, rope, tires, lumber, anchors, etc.) which are stored in bulk warehouses or outside areas.

(3) Cost Per Line Item - Bin Issue. Bin issue is comprised of a count for each line of materiel issued. This includes the selection of stock from storage and release to transportation (or directly to the customer) for delivery of material to the consignee. Includes Materiel Release Orders, Disposal Release Orders, and Redistribution Orders, as well as any issues to maintenance activities collected with distribution depots. Includes issued from wholesale and retail stocks.

(4) Cost Per Line Item - Bulk Issues. Bulk issues includes the selection of stock from storage and release to transportation (or directly to the customer) for delivery of material to the consignee. Includes Materiel Release Orders, Disposal Release Orders, and Redistribution Orders, as well as any issues to maintenance activities collected with distribution depots. Includes issued from wholesale and retail stocks.

(5) Cost Per Line Item - Hazardous Receipt. Hazardous receipt is comprised of one or more pallet load receipts of hazardous or radioactive items. Hazardous materiel is a substance or materiel that the Secretary of Transportation has determined be capable of posing an unreasonable risk to health, safety, and property when transported in commerce. This is expanded to include items of supply (substances or materiel), that because of their quantity, concentration, physical, chemical, or infectious characteristics, may either cause or significantly contribute to serious, irreversible, or incapacitating illness or an increase in mortality.

(6) Cost Per Line Item - Hazardous Issues. Hazardous issues is comprised of one or more pallet loads of hazardous or radioactive items issued. Hazardous materiel is a substance or materiel that the Secretary of Transportation has determined to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce. This is expanded to include items of supply (substances or materiel), that because of their quantity, concentration, physical, chemical, or infectious characteristics, may either cause or significantly contribute to serious, irreversible, or incapacitating illness or an increase in mortality.

b. Percent of On Time Shipments. On time shipments (effectiveness measure) is defined as the percent of shipments processed by the depots within the time frame objectives contained in the Uniformed Materiel Movement and Issue Priority System. The time frame is measured from the receipt of the order by the depots from the inventory control point to the time it is available for transportation. Time frame objectives vary with the issue priority group (e.g., 1 day for PIG I). The source of this information is the Military Supply and transportation Evaluation Procedures, Part 1.a..

c. Inventory Accuracy. Inventory accuracy (effectiveness measure) consists of two measures--the Materiel Denial Rate and Location Record Accuracy. The Materiel Denial Rate is the ratio of the number of denials to the total number of issues for a given period. A materiel denial is defined as a transaction notifying the integrated materiel manager that there is insufficient materiel in storage to satisfy, in total or in part, the quantity directed for shipment and

specifying the quantity that could not be issued. Location Record Accuracy is based on the number of discrepancies between depot location records and the results of the physical inspection. The information is compiled in accordance with procedures contained in Chapter 7 of the "Military Standard Transaction Reporting and Accounting Procedures," (DoD 4000.25-2-M) and as reported in the DoD Inventory Control Effectiveness Report.

3. Depot Maintenance/Ordnance

Cost Per Direct Labor Hour. The direct labor hour rate is computed by dividing the sum of all labor, non labor, and material direct, indirect, general and administrative expenses projected to be incurred by the activity during the fiscal year, by the total number of direct labor hours anticipated to be accomplished during the fiscal year. The fully burdened cost per direct labor hour used as the initial basis for establishing stabilized rates for customers of the Depot Maintenance business area.

4. Research and Development

Cost Per Direct Labor Hour. The fully burdened cost per direct labor hour used as the initial basis for establishing stabilized rates for customers of the Research and Development business area. For FY 1994, the direct labor hour rate is computed by dividing the sum of all labor, non-labor added and material direct, indirect, general and administrative expenses projected to be incurred by the activity during the fiscal year, by the total number of direct labor hours anticipated to be accomplished during the fiscal year. For FY 1995, direct nonlabor and direct material excluded.

5. Information Services

a. Central Design Activities - Cost Per Billable Direct Labor Hour. The total identified project hours (manhours) for all customer requirements anticipated to be performed during the budget year. This includes those hours required for both organic and contractor resources and excludes non-productive time, e.g., sick leave, holiday, training, etc.

b. Data Processing Installations

(1) Cost Per Central Processing Unit (CPU) Time. The amount of time the central processing unit requires to perform logical operations and calculations on data submitted by the user. CPU time is adjusted to normalize the operating speed of different models of computers and is measured in the batch and/or interactive mode. This output includes all labor and non-labor costs related to the CPU, I/O Transfers, Memory and Connect time. CPU time is measured in hours in the IBM processing environment and standard units of processing (SUPs) in the UNYSIS environment.

(2) Cost Per Tape Service. The number of tapes mounted or stored (reel/-cartridge) for a customer. Includes all labor and non-labor costs related to tape or cartridge storage and tape mounts. Output is the number of tapes mounted.

(3) Cost Per Direct Access Storage Device (DASD) Storage. The number of storage units each user uses per day. This includes any peripheral data storage device which the customers' software can access directly without operator interface. Output is the number of megabytes per day.

(4) Cost Per Output Media. Any output produced for customers, e.g., pages printed, cards punched, microfiche/film, etc. Output measure is the number of pages printed.

(5) Cost Per Support Service. Direct labor technical support services such as consulting, application recovery, systems analysis, etc., performed in support of specific customer requirements which may vary among customers. Output is the number of billable direct labor hours.

6. Finance and Accounting - Cost Per Financial Services

a. Cost Per Civilian Pay Account Maintained. Maintain and update assigned civilian employee accounts for the purpose of providing accurate compensation to those employees in an active pay status, and make payments (disbursements) to employees for each applicable pay period, either by EFT or check. Count the number of active, civilian accounts maintained as of the last pay period of each month. (Total of "Active Paid," "Active Unpaid," and "Separated This Pay Period.")

b. Cost Per Civilian Pay Account Maintained - Partial DBMS. Maintain and update civilian employee accounts in an active pay status not on full DBMS, for the purpose of providing accurate compensation to those employees in an active pay status, and make payments (disbursements) to employees for each applicable pay period, either by EFT or check. Count the number of active, civilian accounts maintained as of the last pay period of each month. (Total of "Active Paid," "Active Unpaid," and "Separated This Pay Period.")

c. Cost Per Active Military Account Maintained. Maintain and update active military pay accounts within active military pay systems for the purpose of providing accurate compensation to those military in an active pay status, and disburse payments for each applicable pay period, either by EFT or check at the end of the processing month. Count includes all active pay accounts, deserters, AWOL members, confined members, personnel missing in action, personnel enrolled at Service Academies, and Guard and Reserve personnel being maintained on active pay systems. Count also includes current month separations.

d. Cost Per Active Army Military Pay Account maintained. Maintain and update active or reserve military pay accounts within the military pay systems at DFAS Operating Locations. Count includes pay and non-pay accounts. Note: Does not include Individual Ready Reserve (IRR) except when paid.

e. Cost Per Retired Military Pay Account Maintained. Accounts maintained on the retired pay system for retired, annuitant, and former spouse accounts at the end of the processing month. Count includes pay, non-pay, suspended, unestablished, and terminated awaiting settlement status accounts. Note: Terminated accounts in a “final” status are included in the count.

f. Cost Per Reserve Military Account Maintained. Reserve pay accounts maintained on reserve component pay systems, which includes personnel in active, inactive, pay and non-pay status at the end of the processing month. Categories include Armed Forces Health Professional Scholarship Program members, ROTC, National Guard, Reserve, and current month separations. Note: Does not include Individual Ready Reserve (IRR) except when paid.

g. Cost Per Contract Invoices Paid - MOCAS. Contract invoices paid through the Mechanization of Contract Administration Services (MOCAS), and other invoices paid on major contracts requiring contract administration for a given month.

h. Cost Per Travel Voucher Paid. Process and pay travel vouchers, documents that result in payment to an individual for actual or anticipated expenses while on approved local or TDY travel, or for PCS entitlements to include advances and settlements. Count includes the number of payment vouchers disbursed, either by check or EFT.

i. Cost Per Transportation Bill Paid. Process and pay bills for Transportation Requests (TRs) and Government Bills of Lading (GBLs) (including GBLs with commercial bills of lading attached).

j. Cost Per Commercial Invoice Paid. Process and pay commercial invoices which result in payment (check) to a commercial entity for goods or services rendered, including local payments for transportation of things and persons, and credit card invoices paid. Excluded are invoices which are returned to the contractor or otherwise disposed of and invoices being held for cash management.

k. Cost Per Debt Case Closed. Process out-of-service debt cases to closure. Includes debt cases closed as collected in full, referred for operational offset, formally compromised, and GAO approved waivers. Note: Deceased, bankruptcies, and write-offs are not counted.

l. Cost Per Trial Balance Prepared per Month. Prepare and process trial balances for each activity (one or more per activity) which receives accounting services. For DWCF customers, count different departments, fiscal years, appropriations, subheads, allotments and suballotments as separate trial balances. For non-DWCF customers, count different departments, fiscal years, appropriations, major command/claimants, and installations. For customers for which accounting is performed, but trial balances are not produced, surrogate reports are prepared and counted.

m. Cost Per Accounting and Finance Support per Commissary. Finance and accounting support per commissary for the number of commissaries supported.

n. Cost per Contract Invoice Paid - SAMMS. Process and pay contract written requests (invoices) through the Standard Automated Materiel Management System (SAMMS) for a given month. Count both hardcopy and electronic payments, and invoices manually paid from the STANFINS Redesign Phase I system.

o. Cost Per Active Foreign Military Sales Case Managed. Manage and execute accounting and finance service for the Security Assistance Program, Foreign Military Sales (FMS) cases offered, extended, accepted, implemented, and pending closure (C2 status). C2 status is a case waiting final closeout transaction from military departments. Count FMS Active Cases Managed.

7. Commissary – Cost Per Dollar of Sales

a. Cost Per Dollar of Sales. Sales is the total retail sales of groceries, produce, meats, and household goods sold through cash registers at all commissaries.

b. Cost Per Dollar of Resale Sales. Resale Sales is the cost of commissary operations (limited to civilian labor, labor contracts, transportation, TDY, & Base Support) divided by total commissary sales.

8. Transportation – Cost Per Transportation Service

a. Cost Per Authorized trained flight crew. This is a measured output which includes both active duty and reserve associate flight crews, but excludes Guard and Reserve unit equipped crews. The number is essentially fixed each year.

b. Cost Per Channel Passengers Per 1,000 Miles. The measure is the total number of actual passenger mile capacity flown by the Air Mobility Command.

c. Cost Per Channel Cargo Per 1,000 Ton Miles. The measure of this output is the actual number of ton mile capacity flown.

d. Cost Per 1,000 Miles Special Assignment Airlift Missions (SAAMs). SAAMs are similar to commercial charter flights in that they are not regularly scheduled (as is the case with the channels), and the customer rents the whole plane regardless of whether it is used to capacity. Therefore, the measure, expressed in ton miles, indicates units of capacity available rather than capacity actually used.

e. Cost Per 1,000 Miles JCS Exercises. This output is similar to SAAMs except that the aircraft are chartered for the purpose of supporting JCS exercises.

f. Cost Per Port Operations Per Million Tons. There is one cost per output measure for MTMC, currently -- Port operations (\$/Measurement Ton): Measurement Ton (MTon) is a volume measurement equal to 40 cubic feet.

g. Cost Per Tankers Per Day. Ships involved with the delivery of petroleum, oils and lubricants (POL). Sponsor of petroleum products is normally DFSC but some comes from DoE and CINCPACFLT.

h. Cost Per Breakbulk Cargo Per Million Measurement Ton Miles. Ship cargo carried in the holds of a ship vice carried in containers. Cargo can be carried either by commercial or government owned vessels.

i. Cost Per Container Cargo Per Million Measurement Ton Miles. Cargo carried in either twenty or forty foot containers. Rates are computed by measurement ton for this cargo for about 6,000 routes.

j. Cost Per Afloat Positioning Force. Ships propositioned with loaded cargo at strategic locations around the globe. Each Service sponsors ships for its own equipment. (The Navy Afloat Positioning Fleet (16 ships) is being transferred from DWCF-T to DWCF-N in FY 1995. This will necessitate the creation of a third DWCF-N goal and radically change the estimates for the APF/FSS goal inside of DWCF-T.)

k. Cost Per Fast Sealift Ships (FSS) Per Ship Day. Eight ships in reserve status. They are funded by the Navy when in this status, but when they are activated they are funded by DWCF-T. These ships are used in exercises and contingencies on a regular basis.

l. Cost Per Special Mission Ships Per Ship Day. Output is the cost per ship day. This is a day paid for by the sponsor (usually on a 365 day per year basis). The costs are accumulated whether the ship is at sea, in port, in the yard, or cold iron. These ships consist of missile instrumentation ships, oceanographic research ships, hydrographic survey ships, cable laying and repair ships and one acoustical research ship. They research underwater sound acoustical phenomena, and marine biology.

m. Naval Fleet Auxiliary Force Per Ship Day. Output is the cost per ship day for dedicated vessels. A day that the sponsor of a ship is paying for (usually on a 365 day per year basis). The costs are accumulated whether the ship is at sea, in port, in the yard, or cold iron. Provides underway replenishment to the Navy combatant ships worldwide.

9. Reutilization and Marketing - Cost Per Dollar of Disposals Reutilization, Transfer, Donations, and Sales (RTDS). Total Proceeds from excess items sold to the public, regardless of which account receives the actual cash, are included in the DRMS work count. Proceeds are also set by developing a return-on-investment (ROI) dividing the acquisition cost of items sold by the proceeds received from the sale. This ROI is multiplied by the acquisition value of items that are reutilized, transferred or donated. The product is added to the actual total proceeds from sale for the workload count of "proceeds." Some hazardous material and waste is disposed of through

the RTD&S process and is included in this work count - not in the hazardous unit cost. The cost of running the RTD&S program is then divided by this workload figure to calculate the unit cost.

10. Industrial Plant Equipment

Cost Per Direct Labor Hour. The direct labor hour rate is computed by dividing the sum of all labor, nonlabor, and material direct, indirect, and general and administrative expenses projected to be incurred by the activity during the fiscal year, by the total number of direct labor hours anticipated to be accomplished during the fiscal year. The fully burdened cost per direct labor hour used as the initial basis for establishing stabilized rates for customers of the Industrial Plant Equipment business area.

11. All Others: Includes all other outputs not specifically delineated above.

a. Laundry and Dry Cleaning - Cost Per Laundry and Dry Cleaning Service. Services include all laundry and dry cleaning services.

b. Printing and Publication

(1) Cost Per Offset Press Unit. An offset press unit is an 8 1/2 x 11 inch impression from in-house offset printing and duplicating inclusive of related preparation and bindery operations.

(2) Cost Per Electronic Impression. An electronic impression is an 8 1/2 x 11 inch impression from in-house electronic and electrostatic duplicating, electronic and technical manual print-on-demand, electronic page printing, and similar automated output.

c. Cost Per Public Works Service - Utilities

(1) Electricity. Provide continuous distribution of AC/DC electricity sold to customers of a Public Works Center (PWC). Includes all direct actions necessary including generation, operation, maintenance and repair, distribution, and connection. Vast majority of electricity is purchased from the local utility company; however, the Mobile Utility Support Equipment (MUSE) does provide backup electricity generation for the piers. Output is megawatt hours (MWH).

(2) Potable Water. Provide continuous distribution of drinkable water sold to customers of the PWCs. PWCs purchase from the local municipality for resale from the delivery connection point to PWC customers' connection points through pipelines and booster pumping stations. Includes all direct actions necessary including laboratory testing, maintenance and repair, distribution, and connection. Output is thousands of gallons (KGAL).

(3) Salt Water. Provide continuous distribution of salt water sold to customers of the PWCs. Includes all direct actions necessary including laboratory testing, maintenance and repair, distribution, and connection. Output is thousands of gallons (KGAL).

(4) Steam. Provide continuous distribution of steam sold to customers of the PWCs. PWCs provide base heating and process steam to Fleet units berthed at Naval Station piers. Includes all direct actions necessary including generation, operation, maintenance and repair, distribution, and connection. Output is millions of British Thermal Units (MBTU).

(5) Clean Steam. Provide continuous distribution of steam sold to customers of the PWCs. PWCs provide shore steam (clean steam) to Fleet units berthed at Naval Station piers. Includes all direct actions necessary including generation, operation, maintenance and repair, distribution, and connection. Output is millions of British Thermal Units (MBTU).

(6) Sewage. Sewage processed for customers of the PWCs. Includes the continuous flow of sewage from PWC customers' connection points through distribution pipelines and sewer lift stations to the local treatment facility connection point. Includes laboratory testing and all direct actions necessary in operation including connection, maintenance and repair. Output is thousands of gallons (KGAL).

(7) Natural Gas. Natural gas delivered to customers of the PWCs. PWCs provide distribution of natural gas purchased for resale from the local utility delivery point to the PWC customer connection point through distribution pipelines. Includes testing for leaks and all direct actions in operation including connection, maintenance and repair. Output is millions of British Thermal Units (MBTU).

(8) Compressed Air. The production and provision of compressed air for shore and Fleet activities. Output is in thousands of cubic feet (KCF).

(9) Telephones. Telephone equipment and instruments rented to customers of the PWCs. Includes connection, technical consultations, maintenance and repair, and telephone operator services. Output is number of lines (LINES).

d. Cost Per Public Works Service - Sanitation

(1) Refuse Collection. The collection, separation, recycling, and disposal of waste material including the repairs and maintenance of the equipment. The types of material include: waste wood, scrap metal, medical waste, foreign waste, contaminated/spoiled food, general waste, fill material and construction debris. It does not include hazardous or industrial waste. Output is measured in cubic yards (CUYDs) capacity of containers or loose measure.

(2) Pest Control. The use of chemicals and traps to control vermin for PWC customers. Output is measured in number of hours (HRS).

(3) Hazardous Waste I. Dispose of legislatively controlled industrial waste and shipboard waste that requires special processing and disposal. Includes pickup, packaging, laboratory testing, and disposal in gallons. Output is measured in number of gallons (GALS).

(4) Hazardous Waste II. Dispose of legislatively controlled industrial waste and shipboard waste that requires special processing and disposal. Includes pickup, packaging, laboratory testing, and disposal in pounds. Output is measured in pounds (LBS).

(5) Environmental Engineering. Services and expertise on all customer environmental issues. Includes hazardous waste cleanup, asbestos removal, laboratory testing, oil spill cleanup, interpretation of regulations, permit applications, and representing customers in regulatory agency interface. Output is measured in number of hours (HRS).

(6) Industrial Waste. General liquid industrial waste material processed for customers. Includes operating the Naval Aviation Depot Industrial Waste Treatment Plant and collection system, and water quality monitoring for National Pollution Discharge Elimination System, and Sanitation District permits. Output is in thousands of gallons (KGAL).

e. Cost Per Public Works Service - Transportation

(1) Equipment Rental. Automotive, transportation, or other PWC-owned equipment that is rented or leased on an hourly basis to customers. This includes maintenance and all other associated costs. Output is measured in number of hours (HRS) charged to assignment/rental.

(2) Vehicle Operations. Rental of automotive, transportation and other PWC-owned equipment that is rented to customers with attendant PWC operator(s). Includes the labor of the operator and the equipment rental. Examples include snow removal, street maintenance, crane/rigger operations, weight handling equipment maintenance and construction equipment operations. Output is number of rental hours (HRS).

(3) Vehicle Maintenance. Maintenance of customer owned equipment. Includes routine and breakdown maintenance, body repair, and painting. The services provided may be accomplished either at the PWC or at a remote site within the customers' facilities. Measured by number of shop repair orders (SROs).

f. Cost Per Public Works Service - Maintenance and Repair

(1) Specifics (Jobs). Performance of larger scale, planned, non-repetitive repair or replacement work with an identifiable end product that is performed by the PWC work force to meet unique customer requirements. It includes all material, overhead and managerial support required to complete the work for the customer. Generally, the size of the job is greater than \$10,000 in labor and material. Output is number of jobs completed (JOBS).

(2) Minor Work. Medium sized repair or replacement work with an identifiable end product. Jobs generally do not require engineering and are usually under \$10,000 in labor and material. Output is number of jobs completed (JOBS).

(3) Emergency/Service (E/S) Work. Unplanned customer demand work with a short turnaround time. Service work performed by the PWC work force that generally involves up to 16 hours to complete. Emergency work will commit the PWC work force until the emergency situation is satisfied. Direct material over \$25.00 is charged in addition to the predetermined E/S rate. Output is measured by number of chits separately identified either as "Emergency" or "Service" (CHITS).

(4) Recurring Work. Ongoing, repetitive work. Includes work performed to maintain buildings and equipment to manufacturer's standards. Required work hours to do this is variable. Includes all material required to complete this type of work for the customer. Output is number of jobs/line items (JOBS).

g. Cost Per Public Works Service - Design Services

(1) Design Management. PWC effort as Engineer/Architect in Charge (EIC/-AIC) to monitor contracts where design effort is accomplished using commercial contractors. PWC management of architecture and engineering services for customer projects. Output is percent of design in place.

(2) PWC (In-House) Design. PWC provided architecture and engineering (A&E) design projects as a percentage of project estimate. Output is percent of Current Working Estimate (CWE).

(3) Planning. Provide planning support services for customers of the PWC. Includes long-range maintenance planning, engineering studies, surveys, inspections, environmental assessments, project preparation, and military construction documentation. Also includes investigations, hydrographic studies, post-construction award support (PCAS), minor works, asbestos surveys/management, energy audits, cross-connection control and back flow prevention program, elevator/VTE certification program, railroad/crane trackage certification program, weight handling equipment certification program, nuclear moisture surveys, infrared surveys, annual inspection summary, and long-range maintenance planning training. Output is number of hours (HRS).

h. Cost Per Public Works Service - Contracting Services

(1) Administration of Facility Support Contracts (FSC). PWC effort to perform contract administration duties for this type of contract. Output is percent of Work In Place (WIP).

(2) FSC Inspection. PWC effort to inspect the work performed by a contractor on this type of contract. Output is a percent of Work In Place (WIP).

(3) Non-Military Construction Contracts administration (Non-MCON). PWC effort to perform contract administration for all contracts of this type. This also includes small purchase and maintenance construction as well as pre-award and post-award functions. Output is percent of Work In Place (WIP).

(4) Non-MCON Contracts Inspection. PWC effort to inspect the work performed by a contractor on this type of contract. Output is percent of Work In Place (WIP).