



DEPARTMENT OF THE NAVY
SPACE AND NAVAL WARFARE SYSTEMS COMMAND
4301 PACIFIC HIGHWAY
SAN DIEGO, CA 92110-3127

SPAWARINST 7000.5D
SPAWAR 05P1
09 MARCH 1998

SPAWAR INSTRUCTION 7000.5D

From: Commander, Space and Naval Warfare Systems Command

Subj: MANAGEMENT PROCEDURES WITHIN SPAWAR FOR SHIPBUILDING
AND CONVERSION, NAVY (SCN) SHIP PROJECT DIRECTIVES (SPDs)

Ref: (a) NAVSEAINST 5000.5 of 19 June 1994

Encl: (1) Ship Project Directive Review Process

1. Purpose. To provide policy, procedures, and responsibilities within SPAWAR for establishing and managing SCN SPDs received from NAVSEA and to implement provisions of reference (a) within SPAWAR.
2. Cancellation. SPAWARINST 7000.5C of 23 September 1991 is cancelled.
3. Background.
 - a. Reference (a) established a standard Ship Project Directive system by which NAVSEA Ship Acquisition Program Managers (SHAPMs) specify and control project tasks within the Systems Commands.
 - b. The SPD is a negotiated agreement between the NAVSEA SHAPM as the Requiring Manager (RM) and SPAWAR as a Participating Manager (PARM). It is the official record of the agreement between the RM and the PARM that tracks mutual participation in the Ship Acquisition Project from the initiation of the project by "Planning" SPDs, through "Contractual" SPDs to the delivery of a total ship to the active fleet. The SPD is the official instrument by which the authority and funding for accomplishment of the planned project effort is promulgated by NAVSEA. It authorizes SPAWAR to initiate action to accomplish the tasks specified in the SPD at a total cost not to exceed the funds negotiated and cited therein. It is the means by which the "what" and "when" of specified tasks are conveyed and by which the administrative funding authorities and limitations are transmitted and established.
 - c. Internal SPAWAR policy, procedures, and responsibilities are required to support establishment and management control of negotiated tasks and associated SCN funds received from NAVSEA via SPDs.
4. Scope. The provisions of this instruction apply to all SCN SPDs received by SPAWAR for ship construction, conversion, and modernization.

5. Policy. SPAWAR shall participate in the ship construction and conversion process via the SPD system established by reference (a). The SPD is the documented record of negotiated agreements between NAVSEA and SPAWAR on specific tasks, schedules, and financial resources and identifies mutual responsibilities and commitments.

6. Financial Control. Funds in the amount negotiated and agreed upon by SPAWAR and NAVSEA will be transferred from NAVSEA to SPAWAR via Project Directive (Part II of the SPD), which is the financial document used to pass funds between agencies and to provide planning guidance and direction for the use of those funds. This document will be entered by NAVSEA into the Standard Accounting and Reporting System (STARS) and by SPAWAR into the Financial Information Management System (FIMS) for monitoring and tracking purposes.

7. General Description.

a. The standard SPD consists of a Transmittal Page and three basic parts: a single Part I (Management Direction), multiple Parts II (Funding), and multiple Parts III (Delivery Schedule) for issuance to all organizations involved in the ship project. The Transmittal Page identifies the ship project and SPD serial number; lists the current effective pages and issue dates and provides a record of all modifications; and records acceptance and authorizing signatures. Part I (Management Direction) specifies objectives and requirements; identifies responsibilities; establishes current project content, configuration and schedules; authorizes use of resources other than funds; and delineates special reporting requirements. Part II (Funding Direction) provides task descriptions and/or identification of deliverables at the level funded, funding information and other applicable accounting data and quantities, as required, for proper control of tasks specified in Part I. Part III (Delivery Schedule Direction) provides configuration identification and calendar Required Delivery Dates (RDDs) for all goods and services being furnished to the ship project.

b. There are two stages of SPD development: unfunded or "planning" SPDs and funded or "contractual" SPDs. Those SPDs developed during the years prior to the fiscal year in which funding obligations can be incurred are defined as "Planning" SPDs. Planning SPDs represent ship equipment configuration, tasks planned, and estimated costs, but contain no funding authorization. As funds become available, the SPD is revised to include funding authorization and is issued as a "Contractual" SPD. Acceptance of the Contractual SPD by SPAWAR constitutes a binding commitment by SPAWAR to provide the goods and services outlined in the SPD and to meet the delivery schedule identified in the SPD Part III.

c. SPDs shall not be accepted by SPAWAR when there is a disagreement with cited costs, tasks, delivery dates, or other contents of the SPD. If SPAWAR receives an SPD which has been signed by NAVSEA and SPAWAR disagrees with the funding or any of the SPD contents, every effort shall be made to resolve the disagreement as quickly as

possible. If resolution cannot be achieved, the SPD shall be rejected formally in writing, within 35 days after the date of receipt by SPAWAR.

d. After the SPD is issued by the RM and accepted by the PARM, it can only be changed through the SPD revision process. SPD revisions may be proposed by either the RM or the PARM in any appropriate format, subject only to the following considerations:

(1) Proposed SPD Revisions Involving Engineering Change Proposals (ECPs). Proposed revisions to an issued SPD which involve changes to an established configuration baseline require the prior application of procedures outlined in NAVSEAINSTs 4130.10 and 4130.12 and specified in the appropriate ship class Configuration Management Plan.

(2) Proposed SPD Revisions Involving Non-Engineering Change Proposals (NECPs). Proposed changes to an issued SPD which have impact on delivery or work scope but do not impact on the established configuration baseline require prior application of NECPs Procedures outlined in the Ship Acquisition Contract Administration Manual NAVSEA 0900-LP-079-6010.

8. Responsibilities.

a. SPAWAR Program Directors (PDs) shall have full management and technical responsibility for the content, schedules, and negotiated costs reflected in the SPD for hardware, software, systems, and subsystems under their cognizance. The PDs shall:

(1) Provide representation at inter-SYSCOM design meetings to coordinate overall procedures and responsibility.

(2) Price out the SCN POM requirements via NAVSEA Form 7300/4.

(3) Identify requirements and request advance funding for long lead time procurements.

(4) Identify funding requirements for all engineering services and technical support.

(5) Prepare obligation phasing plans.

(6) Validate and update the SPD baseline configuration, nomenclatures, quantities, and funding.

(7) Agree to RDDs or provide Best Estimated Delivery Dates (BEDDs).

(8) Provide ECPs for configuration changes affecting form, fit, function, or nomenclature.

(9) Provide NECPs for configuration changes not affecting form, fit, function, or nomenclature and for late deliveries.

(10) Provide SPAWAR 05P1 with updated SPD Part I and Part III information as configuration changes are approved, to ensure accurate RS 1301 reviews.

(11) Reprogram funds within Project Directive Line Items as required.

(12) Initiate procurement and tasking documents for all SPD equipment and services.

(13) Initiate procurement for special program requirements and peculiar equipment (i.e., AEGIS, Turnkey, non-2Z, etc.)

(14) Ensure all funding documents (Project Orders, Work Requests, Requests for Contractual Procurements, Orders for Work and Service/Direct Citation (Form 2276A), and Contract PRs/MRs) specifying SPD funding cite correct configuration, quantity, funding and RDDs.

(15) Monitor the status of funds and production delivery schedules.

(16) Define workaround alternatives for late or non-available equipment (e.g., cross-decking, borrowing from ship programs, or redefinition of contract deliveries).

(17) Update the SPAWAR Government Furnished Equipment Management System (GMS) with BEDDs, procurement information, shipping dates, etc.

(18) Liaison with Supply Centers, SPCC, ASO to validate equipment shipment.

(19) Track and validate material deliveries.

(20) Develop jeopardy and other required reports.

(21) Conduct annual Ship Cost Adjustment reviews, justify all unobligated funds to NAVSEA, and request extension of funds as required.

(22) Prepare and present program reviews to NAVSEA.

b. SPAWAR Comptroller (SPAWAR 01), as the principal financial adviser to the Commander, Space and Naval Warfare Systems Command, shall:

(1) Accept or reject SPD funding for the Command; maintain current funding status and make adjustments as required.

(2) Enter and update SPD Part II information in the FIMS SCN tracking system.

(3) Review funding documents and reprogramming of funds.

(4) Review each SPD Part II to ensure compliance with the STARS policies and procedures and perform RS 1517 reviews.

(5) Report on the status of unliquidated obligations.

c. SPAWAR Chief Engineer's Office (SPAWAR 05F2) is designated as the PARM and SPAWAR central point of contact for SCN SPD system execution and shall:

(1) Maintain an overview of shipbuilding programs relating to SPAWAR systems.

(2) Serve as SPAWAR point of contact for SCN POM cost estimation and updates and for planning and funded SPDs.

(3) Input both POM and SPD baselines in the SCN Management, Analysis, Reporting and Tracking System (SMARTS); SPD Routing, Control and Electronic Tracking System (SPROCETS); and GMS databases.

(4) Coordinate inter-PD resolution of SPD problems and NAVSEA requests for assistance, information, or status.

(5) Perform RS 1301 reviews on all SPD funding documentation.

(6) Develop reports to NAVSEA as required.

9. SPD Review Procedures. All SPDs (planning, contractual, and revisions) shall be processed through the following SPAWAR review process, which is graphically depicted in enclosure (1).

a. The NAVSEA SHAPM will generate the SPD and forward it to SPAWAR 05P1 for administrative coordination within SPAWAR.

b. As an SPD is received by SPAWAR, it will be scanned and stored as an electronic image to be used for review and retrieval via the SPROCETS. Notification that the SPD is in SPROCETS for review and comments will be provided to the appropriate points of contact for each applicable PD. Concurrently, SPAWAR 05P1 will forward the original SPD Part II of the SPD to SPAWAR 01 for action.

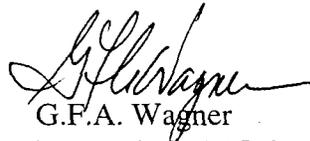
c. SPAWAR 01 will enter SPD Part II funding data into FIMS and provide SPD Part II acceptance status to SPAWAR 05P1. Funding becomes available for use by the appropriate PDs upon update into FIMS.

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d. Each PD will conduct a detailed review of applicable portions of the SPD to validate the technical requirements, design configuration, funding, and delivery schedule status for cognizant systems and submit review comments (technical, funding, delivery schedule, etc.) or markup copy to SPAWAR 05P1 within two weeks of SPD receipt.

e. SPAWAR 05P1 will collect, review, and consolidate all SPAWAR review comments, coordinate resolution of any differences, and issue a response letter to the NAVSEA SHAPM indicating either acceptance or conditional acceptance. SPAWAR 05P1 will provide a copy of the SPD response letter and consolidated SPD markup to each participating PD for review and retention (via SPROCETS).

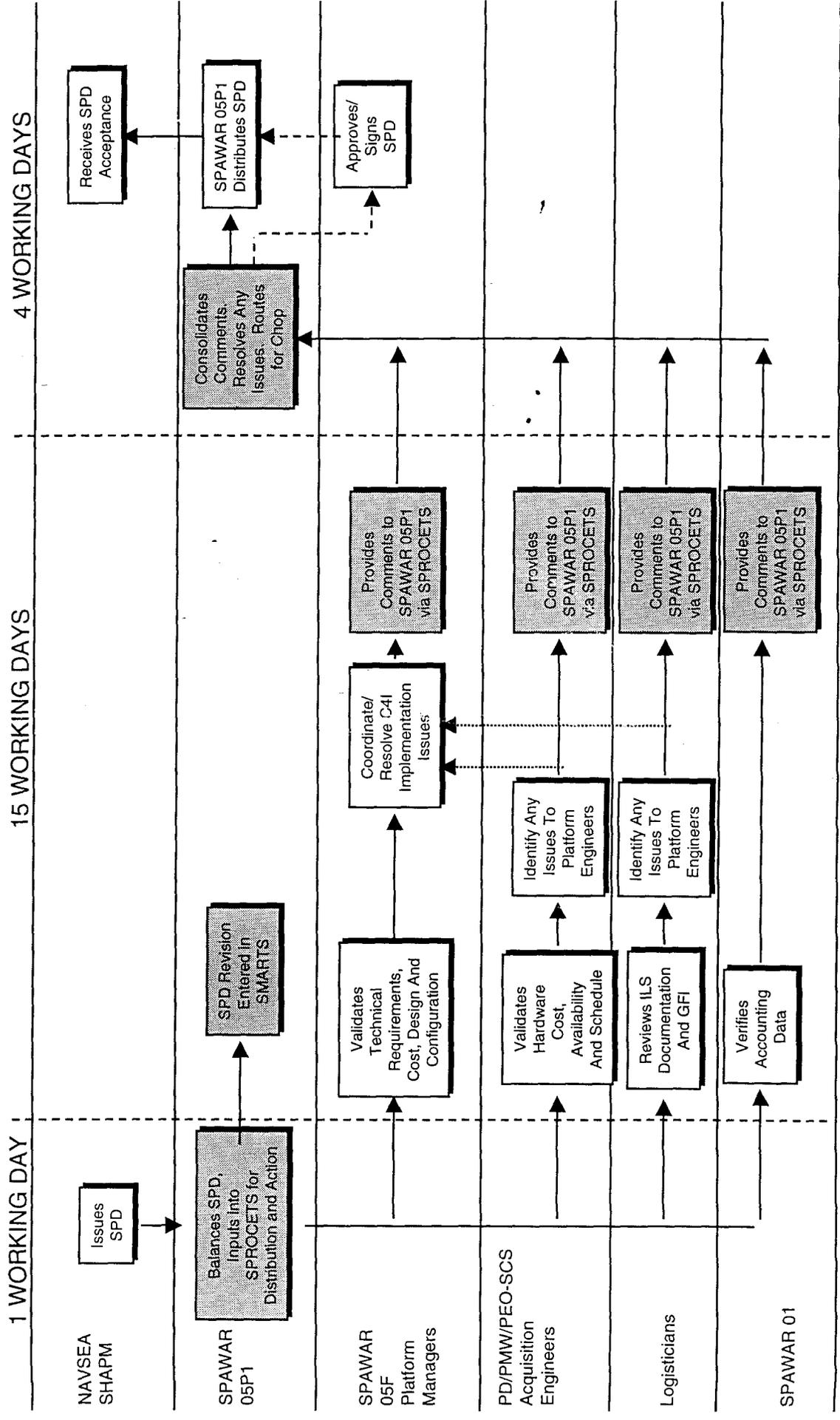
10. Action. SPAWAR 01, 05, and SPAWAR PDs are responsible for implementing the SPD system according to this instruction.


G.F.A. Wagner
Rear Admiral, U. S. Navy

Distribution:
SPAWAR List 3

Copy to:
SNDL Part II:
FKA1 (NAVSEA Only)
PMS 303
PMS 312
PMS 317
PMS 325
PMS 350
PMS 377

SPAWAR SPD PROCESS OVERVIEW



- Shaded areas indicate data entered into automated systems