

INSTRUCTIONS FOR COMPLETION AND SUBMITTAL **OF THE MAJOR REPAIR NOMINATION CAT C**

The following instructions governs the submittal, validation and approval process for a Major Repair CAT C project. CNIC CIB approval is required for CAT C projects **greater than \$1M**. Nomination forms are required for submission in the Program Year (year 1), of the 10-year Integrated Priority List (IPL).

Nominations for Major Repair CAT C projects are required to be submitted to N944 during the annual NAF Report submission no later than 30 April for assessment of the project's viability and CNIC CIB approval. Nominations will **ONLY** be accepted from the Region N9, N92 or their designated representative and will **NOT** be accepted directly from the Installation/Activity.

Nominations received without all signatures will be returned without action.

E-mail transmission shall be sent to the following mailbox: MILL_MWR_NAFProjects@navy.mil or directly to the Capital Requirements Coordinator Eric Gaines email: duncan.e.gaines.naf@us.navy.mil

Development procedures:

Step 1: Installation MWR Program Manager identifies requirement or need in coordination with the Region N944 Project Manager. Region/Installation MWR coordinate with Installation's Public Works Office to verify their support of the project.

Step 2: Installation MWR Program Manager will forward to the Region N92 / N9 for initial endorsement of the project scope and cost.

Step 3: Region shall engage the CNIC Headquarter Project Manager N944 PM assigned/deployed to the Region to visit the site to access the existing facility. The N944 PM will then provide a facility analysis along with recommendations for alternatives to the proposed.

Step 4: Region submits the project to N944 via the Region N944 PM using the Minor NAFCON-Repair Nomination for CNIC N9 approval. Financial data for the appropriate cost centers must be as recorded in SAP for the last two full fiscal years.

Step 5: The N944 CRC will review information submitted, as well as engage the CNIC N92 Program Manager, to determine the viability of the project and verify CNIC N92 program support. N944 will provide findings of the determination to the N9 for approval.

Step 6: After receipt of the N9 approval, Region may proceed with project execution using N944, Regional Maintenance Team / Work Crew or NAVFAC.

Major – Repair Nomination Form Completion Instructions:

The Major – Repair Nomination is intended to be easily completed and help streamline the approval process. Tooltips, which provide simple but helpful hints, can be accessed simply by “hoovering” with the cursor over the input areas. A complete and accurate submittal will help facilitate a quick review/evaluation of the desired project and contribute to its successful approval.

Project Title: Provide a concise and accurate title for the proposed project (i.e. RV Park Expansion, Renovate Beach Cottages, Repair Marina, Renovate Bowling Center, etc.).

Installation: Select the name of the Installation from the alphabetized list in the dropdown box.

Region: Select the Navy Region where the Installation selected above is located from the list in the dropdown box.

1. **Project Category:** Using the drop-down select whether project is considered Fact-of-Life or Revenue Generator based on following criteria.

Fact-of- Life - Projects that are necessary to maintain an existing financially healthy program (positive net income) so the program can continue to provide a recreation option to Service members and generate earnings to support other MWR programs.

Revenue Generator - Projects that provide a significant return on investment and either resolve a non-profitable situation to a net profit or increase the net income that it generates to support other MWR programs.

2. **Project Description / Company Code & Cost Center:** Provide the Company Code and applicable cost center(s) associated with the project.

3a. Provide the Statement of Need. A clear and concise explanation of “why” the project is needed.

3b. Provide the project background. Historical summary of the project issues, previous repairs, level of effort or continued degradation. When applicable, address level of effort to address repairs with appropriated funds.

3c. Project Description. Provide an accurate and comprehensive description of the proposed project. The information needs to be so “clear” that an individual not familiar with the project or current operations can fully understand the project. The description shall include whether the project is new construction or repair/renovation of an existing facility or equipment. It should also include information about the size of the new facility being constructed or information about the size and condition of the existing facility if it is a repair/renovation project. This is an extremely important part of the submittal and justification in support of the size (sq. ft.) of the proposed facility often requires more explanation to fully convey the need in a clear and logical format. If the proposed project has several Program functions included, provide a description (attach additional sheets as needed) of each function. Photos of the existing building(s) and/or the proposed site are also encouraged to help provide a clear understanding of the proposed project.

4. **Historical Financial Performance:** Provide the requested existing financial information (revenue, expenses, profit/loss and net cash flow) for the existing facility (if applicable) for the previous 2 full fiscal years as recorded in SAP. Where applicable, pull the information for all activities and departments cost centers being consolidated as part of the new project. The following table shows the yearly summarized operations statement generated in SAP for a MWR activity.

	PLAN	CURRENT MONTH				YTD PLAN	YEAR TO DATE			
		\$	ACTUAL	\$	PFY		\$	YTD ACTUAL	\$	PFY
REVENUES:										
501000 PROGRAM REVENUE										227-
501001 ROOM REVENUE	15,375	53.49	15,947	77.76	22,800	124,500	93.24	201,928	97.39	208,071
502000 PROGRAM REVENUE	15,375	53.49	15,947	77.76	22,800	124,500	93.24	201,928	97.39	208,044
562000 CENTRAL FUND-OPERATING GRANTS	13,367	46.51	5,418	22.24	15,079					15,079
564000 OTHER OPERATING GRANTS										
571000 COMMERCIAL SPONSORSHIP REVENUE										3,019
OTHER REVENUE	13,367	46.51	5,418	22.24	15,079	13,367	6.76	5,418	2.61	18,098
TOTAL REVENUE:	28,742	100.00	24,945	100.00	37,878	197,067	100.00	267,945	100.00	226,741
EXPENSES:										
601000 SALARIES & WAGES	1,680	5.85				1,360	10.51	13,328	6.43	19,528
602000 BONUS/INCENTIVE										941
604000 PAYROLL OVERTIME EXPENSE										
621000 EMPLOYER'S SHARE OF FICA	129	0.45			104	1,594	0.61	1,025	0.49	1,417
SALARIES & BENEFITS	1,809	6.29				22,298	11.32	14,427	6.96	21,486
601000 SALARIES	50	0.17			1,464					2,402
601000 SUPPLIES	833	2.90				10,000	5.05	6,954	3.35	9,412
SUPPLIES	883	3.07				10,000	5.06	8,070	4.22	12,014
763000 DEPR EXP FF&E	1,477	5.14				17,724	8.96			
DEPRECIATION-LOCAL	1,477	5.14				17,724	8.96			
681000 REPAIRS & MAINT VEHICLES										
MAINTENANCE						2,000	1.01			
641000 UTILITIES	5,556	19.44	3,459	14.32	6,078	50,069	25.30	44,939	21.67	60,765
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781000 ADVERTISING & PROMOTION	50	0.17				400	0.30			
ADVERTISING & PROMOTION	50	0.17				400	0.30			
639000 WORKERS COMP INSURANCE COST	40	0.14			30	496	0.25	322	0.16	468
634000 UNEMPLOYMENT INSURANCE COST	10	0.04			14	224	0.11	148	0.07	219
ALLOCATION EMPLOYEE BEN/DES COST	58	0.20				722	0.36	470	0.23	683
641000 TELEPHONE & POSTAGE	100	0.35	100	0.41	30	1,200	0.61	1,082	0.52	978
784000 CREDIT CARD SALES EXPENSE	1,200	4.18	931	3.82	1,301	14,295	7.22	14,415	6.95	14,652
799000 MISCELLANEOUS EXPENSE								92	0.04	
OTHER EXPENSE	1,300	4.52	1,031	4.23	1,331	15,495	7.83	15,592	7.52	15,227
SUBTOTAL NAF EXP. INCL. UFM OFFSET	11,163	38.84	4,520	18.53	9,717	119,804	60.45	84,298	40.66	110,174
TOTAL NAF EXP. INCL. UFM OFFSET	11,163	38.84	4,520	18.53	9,717	119,804	60.45	84,298	40.66	110,174
OPERATIONS BEFORE NET DIVIDEND	17,579	61.16	19,845	81.45	28,161	78,263	39.55	123,047	59.34	116,567
NET PROFIT/LOSS	17,579	61.16	19,845	81.45	28,161	78,263	39.55	123,047	59.34	116,567
NET CASH FLOW FROM OPERATIONS	19,056	66.30	19,845	81.45	28,161	95,987	48.51	123,047	59.34	116,567

The following instructions further explain the information requested in the Nomination as well as show where, on the SAP report, that the information is located.

- Annual Revenue:** Provide the amounts for the activity for the previous 2 years of operation. These amounts are located in the SAP report, on the line titled "Total Revenue", as indicated in the example above.
 - Annual Expenses:** Provide the amounts for the activity for the previous 2 years of operation. These amounts are located in the SAP report, on the line titled "Total NAF Exp. Incl. UFM Offset", as indicated in the example above.
 - Annual Profit/Loss:** Provide the amounts for the activity for the previous 2 years of operation. These amounts are located in the SAP report, on the line titled "Net Profit/Loss", as indicated in the example above.
 - Annual Net Cash Flow:** Provide the amounts for the activity for the previous 2 years of operation. These amounts are located in the SAP report, on the line titled "Net Cash Flow from Operations", as indicated in the example above.
5. **Projected Financial Performance:** Provide the requested financial information. Since the purpose of the nomination process is to determine whether the project will be a good business proposition and investment for the NAFI, the financial projections must be developed using reasonable assumptions for the projected future performance as well as the past financial performance of the operation.
- Total Project Cost:** Provide the total required investment amount for the project including any costs for construction, repair, design, RFP preparation, collateral equipment, SIOH, PCAS, etc.
 - Projected Revenue for Year 1:** Provide the total amount of projected revenue for the 1st year of operations after completion of new project. This total may be comprised of multiple categories of revenue included in the SAP generated report.
 - Projected Expenses for Year 1:** Provide the total amount of projected expenses for the 1st year of operations after completion of new project for all cost centers associated with the project. The projection **must include the depreciation** for the new project. The depreciation should be based on the straight-line depreciation of the estimated total project cost from section 5a of the Nomination. This amount should be depreciated

over a 15 year time frame for a repair/renovation project.

- d) **Projected Profit (Loss) for Year 1:** Compute the projected profit (loss) (PL) for the 1st year of operations after completion of new project by subtracting the projected expenses from the projected revenue ($PL = 5b - 5c$).
 - e) **Projected Net Cash Flow:** Provide the projected net cash flow less depreciation.
 - f) **Change in Net Cash Flow:** Provide the change in net cash flow by subtracting the existing net cash flow from the projected net cash flow.
 - g) **Payback Period:** Compute the payback period (PB) required to recover the investment by dividing the total project cost by the change in net cash flow ($PB = 5a \div 5f$).
 - h) **Return on Investment:** Compute the return on investment (ROI) by dividing the change in net cash flow by the total project cost then multiplying times 100 to convert answer into % ($ROI = (5f \div 5a) \times 100$).
6. **Basis of Financial Projections:** Briefly describe basis of the financial projections. Include project lifespan, rate/fee structures, occupancy rates, escalation, depreciation, or other assumptions that are used in the projections. Address any budget anomalies.
 7. **Benefit/Risk:** Provide the direct impact on quality of work / quality of service to the warfighter and family. Provide the current facility Condition Index (CI) category (Good, Fair, Poor or Failing). Briefly describe benefit of the project or consequences of not executing the project. Include things such as lack of similar services off base, cost savings, Quality of Service, increased revenue generating capacity, ability to maintain existing revenue, etc.
 8. **Date of Site Approval:** Provide date of Site Approval and include copy with submittal if possible. If Site Approval has not been received, provide current status and anticipated date of approval. If Site Approval is not required, provide email from PWO stating site approval is not required.
 9. **NEPA:** Provide date of NEPA clearance and include copy with submittal if possible. If NEPA clearance has not been issued, provide status and anticipated date of receipt.
 10. **Signatures and Coordination:** Provide the requested signatures and other contact information. **The signatures of the Installation and Region CIB/N9 are both required. If the Repair Nomination is received without both signatures, it will be returned without action.** While the signature of the Installation Public Works Officer (PWO) is not required, coordination is necessary to ensure the PWOs support of the project.

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