



**DEPARTMENT OF THE NAVY**  
**NAVAL FACILITIES ENGINEERING SYSTEMS COMMAND**  
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**WASHINGTON NAVY YARD DC 20374-5065**

NAVFACINST 7820.2  
DC  
8 Aug 22

NAVFAC INSTRUCTION 7820.2

From: Commander, Naval Facilities Engineering Systems Command

Subj: SUPERVISOR INSPECTION AND OVERHEAD RATES FOR REMOTE LOCATIONS

Ref: (a) DASD(EI&E) memo of 14 April 2022  
(b) NAVFACINST 7820.1L

Encl: (1) List of Remote Locations  
(2) Remote Location Justification Form

1. Purpose. To identify locations that require the **remote location** special Military Construction (MILCON) Supervision Inspection and Overhead (SIOH) reimbursement rate.

2. Background. Reference (a) directs the Naval Facilities Engineering Systems Command (NAVFAC) to charge geographic-specific SIOH rates for reimbursable project oversight and other costs associated with the administration of MILCON and military family housing projects authorized in Fiscal Year 2024 (FY24) or later. In addition to providing updated SIOH rates for locations within the Continental U.S. (CONUS) and Outside the Continental U.S. (OCONUS), reference (a) establishes a new SIOH rate (nine percent) and factors for a new category identified as "remotely located OCONUS" (also referred to as "remote locations").

3. Policy

a. Although some locations may have previously used a standard CONUS/OCONUS SIOH rate or might have an existing Department of Defense Construction Agent (DCA) presence nearby, such locations may now be designated as remote locations to address the unique challenges of funding proper project oversight (such as significantly lower costs of construction, need for unaccompanied tours or extended temporary duty for DCA field office staff, etc.).

b. As authorized by reference (a), NAVFAC has determined that the locations identified in enclosure (1) meet one or more of the remote location factors and will thus charge the nine percent SIOH rate for MILCON projects beginning with FY24 projects and beyond, unless modified by the Office of the Under Secretary of Defense during the DD-1391 review process.

c. The list in enclosure (1) is non-exhaustive, and any location that meets any one or more of the factors in reference (a) must justify the remote location SIOH rate by completing the template in the enclosure (2) and submitting the justification as part of the MILCON budget documentation.

8 Aug 22

4. Action. Echelon 3 Commanders and echelon 4 Commanding Officers shall utilize the remote locations SIOH rate for the locations in enclosure (1). If other locations should be included, use enclosure (2) to provide the required justifications and submit to headquarters Design and Construction Business Line (DCBL) for approval.

5. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned per the records disposition schedules located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Records%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this instruction [notice, change transmittal] or the records disposition schedules, please contact the local records manager or the DON/AA DRMD program office.

6. Review and Effective Date. Per OPNAVINST 5215.17A, the DCBL will review this instruction annually around the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, Department of Defense, Secretary of the Navy, and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will be in effect for five years, unless revised or cancelled in the interim, and will be reissued by the five-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.



J. W. KORKA

Releasability and distribution:

This instruction is cleared for public release and is available electronically only via the NAVFAC Portal Library.

8 Aug 22

**LIST OF REMOTE LOCATIONS**

1. The following locations (and their internal and surrounding areas) meet the remote location factors (as indicated) and therefore, are considered “remote locations” for charging a nine percent Supervision Inspection and Overhead rate for Military Construction projects beginning with Fiscal Year 2024 projects and beyond.

FACTOR (see legend below) -	(a)	(b)	(c)	(d)	(e)	(f)	(g)
LOCATION							
1. American Samoa					X	X	X
2. Australia (e.g., Darwin)					X		X
3. Bahamas (e.g., Andros Island)				X	X	X	X
4. Brunei					X	X	X
5. Commonwealth of the Northern Mariana Islands (e.g., Rota, Pagan, Saipan, Tinian)					X	X	X
6. Cuba (e.g., Guantanamo Bay)	X	X	X	X			
7. Diego Garcia, British Indian Ocean Territory						X	X
8. Djibouti (e.g., Camp Lemonier)				X			X
9. Federated States of Micronesia (e.g., Yap, Chuuk, Ulithi)					X	X	X
10. Iceland (e.g., Keflavik)					X	X	X
11. Indonesia					X	X	X
12. Midway					X	X	X
13. Malaysia					X	X	X
14. Nauru					X	X	X
15. Papua New Guinea					X	X	X
16. Republic of Palau					X	X	X
17. Republic of the Philippines (e.g., Basa)					X	X	X
18. Singapore					X	X	X
19. Thailand					X	X	X
20. Timor-Leste					X	X	X
21. Vietnam					X	X	X
22. Wake Island					X	X	X
23. United Arab Emirates					X		

## 2. LEGEND (remote location factors)

a. No current U.S. diplomatic relations.

b. No established Host Nation implementing arrangements for construction, taxation, and country agreements.

Enclosure (1)

8 Aug 22

- c. Department of Defense Construction Agent (DCA) is NOT able to obtain Embassy sponsorship.
- d. Current civil unrest, extenuating security situations (e.g., requires additional force protection measures).
- e. No existing DCA presence or no enduring requirement for a permanent DCA presence near project site.
- f. Cost of construction is significantly lower than typical Outside Continental U.S. locations thereby generating less reimbursement than necessary to cover the required costs.
- g. Requires unaccompanied tours or extended temporary duty for DCA staff.

Enclosure (1)

8 Aug 22

**FYXXXX UIC-SA Remote Location-Instnc Jstf YYYYMMDD-TTTT (TEMPLATE  
2022-06-03 (0605)**

*Remote Location Justification*

*Military / Family Housing Construction, Navy / Navy Reserve*

Approval Date: DD Month YYYY  
Approved by: NAVFAC Chief Engineer  
Installation: [Project Location (Not all caps/per enacted NDAA)]  
Reference: USD(C) Memo 2022-04-14 MILCON SIOH Rates Change  
memo (PTDO PDASD(EIE) 14 Apr 22)

Installation Mission:

[Provide a Brief summary of the installation mission and location]

Justification:

The work site at **[Provide Specific Location]** is determined to qualify as a “remote” location in accordance with the factors set forth by Department of Defense policy (referenced above) because the location is/has **[Provide the Relevant Factor(s) in the USD(C) Memorandum, as Applicable]** as evidenced by **[Provide the Actual Facts that Demonstrate the Relevant Factor(s) are Met to Support the Justification]**  
[Repeat for all the Relevant Factors and Facts, as Applicable].

[Repeat for all the Relevant Locations, as Applicable].

8 Aug 22

**Completion Instructions for Cost Variation Report (aka Justification) Template****1. Provide Specific Location, e.g.,**

- a. Australia (e.g., Darwin).
- b. Bahamas (e.g., Andros Island).
- c. Cuba (e.g., Guantanamo Bay).
- d. Diego Garcia, British Indian Ocean Territory.
- e. Djibouti (e.g., Camp Lemonier).
- f. Iceland (e.g., Keflavik).
- g. Philippines.
- h. Wake Island, U.S.
- i. United Arab Emirates.

**2. Provide the Relevant Factor(s) in the Under Secretary of Defense (Comptroller) Memorandum (as applicable)**

- a. No current U.S. diplomatic relations.
- b. No established Host Nation implementing arrangements for construction, taxation, and country agreements.
- c. Department of Defense Construction Agent (DCA) is NOT able to obtain Embassy sponsorship.
- d. Current civil unrest, extenuating security situations (e.g., requires additional force protection measures).
- e. No existing DCA presence or no enduring requirement for a permanent DCA presence near project site.
- f. Cost of construction is significantly lower than typical OCONUS locations thereby generating less reimbursement than necessary to cover the required costs.
- g. Requires unaccompanied tours or extended temporary duty for DCA staff.

Enclosure (2)

8 Aug 22

3. **Provide the Actual Facts that Demonstrate the Relevant Factor(s) are Met to Support the Justification**

a. e.g., “the fact that the U.S. currently has no diplomatic relations with the country nor are any anticipated in the near future;” or

b. e.g., “the fact that the host nation has not historically established construction, taxation, and country arrangements, even though such arrangement might be contemplated in the long term.”

c. Provide a succinct summary of how this remote location category applies to this installation or location. For categories that are not listed above, utilize the same approach to describe the factor and the facts to demonstrate that the factor is met.

4. **Example Justification.** The work site at location “X” is determined to qualify as a “remote” location in accordance with the factors set forth by Department of Defense policy (referenced above) because the location requires unaccompanied tours or extended temporary duty for DCA staff as evidenced by the fact that (even though there is an existing DCA presence) NAVFAC Pacific has historically and consistently staffed the office through unaccompanied tours and extended temporary duty by staff detailed from within the AOR.

Enclosure (2)