



## DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND  
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IN REPLY REFER TO

NAVSEAINST 5040.1D  
Ser 00N/83  
26 Apr 00

### NAVSEA INSTRUCTION 5040.1D

From: Commander, Naval Sea Systems Command

Subj: NAVAL SEA SYSTEMS COMMAND PERFORMANCE INSPECTION PROGRAM

Ref: (a) Baldrige Criteria for Performance Excellence  
(b) Naval Inspector General Memorandum on Operational Cost Management, 8 Sep 99  
(c) United States Navy Regulations, 1990

Encl: (1) Unit Self-Assessment Preparation Guidance  
(2) Command Performance Inspection Description

1. Purpose. To establish policy, procedures, and responsibilities for the conduct of the Naval Sea Systems Command (NAVSEA) Inspection Program. This is a major revision to the previous instruction.

2. Cancellation. NAVSEAINST 5040.1C of 4 January 1989.

3. Background. Procedures for the conduct of Command Inspections within NAVSEA have been realigned and expanded to include criteria performance excellence and process improvement strategies of reference (a). The new inspection procedure, referred to as a Command Performance Inspection (CPI), is designed to maintain the fundamental requirements prescribed by references (b) and (c) while stimulating a command wide focus on managing process improvements within the strategic planning framework prescribed in reference (a).

4. Applicability. Provisions of this instruction apply to the conduct of command performance inspections at all commands and units subordinate to the Commander, Naval Sea Systems Command (COMNAVSEACOM). Evaluations under the cognizance of SEA 08 are governed by Executive Order 12344, statutorily prescribed by P.L. 98-525 Title XVI, and are exempt from the requirements of this instruction.

5. Objectives. The objectives of the NAVSEA Command Performance Inspection Program are:

a. To ensure the operational and material readiness, effectiveness, and efficiency of NAVSEA commands and units.

b. To assess performance management of NAVSEA commands and units.

c. To assist NAVSEA commands and units to focus on continual improvement using the business and strategic planning process.

d. To assure that reliable processes are in place to accurately demonstrate compliance with statutory and regulatory requirements, which apply to NAVSEA commands and units.

6. Definitions

a. Baldrige Criteria for Performance Excellence (BCFPE) - An integrated and balanced system of performance evaluation standards using the Baldrige Criteria for Performance Excellence. The criteria, a set of basic, interrelated, results-oriented standards of performance, address all aspects of performance in an integrated and balanced way. The criteria address key business processes and results for diagnosis and feedback in improving performance.

b. USA - The Unit Self-Assessment (USA) is a written self-evaluation prepared by NAVSEA commands and units that are undergoing a Command Performance Inspection. It is a comprehensive assessment of important elements of organizational leadership, management processes, and operational results. Enclosure (1) provides guidance for preparing a USA.

c. CPI - The Command Performance Inspection (CPI) is a four phased process designed to meet the objectives of the NAVSEA Command Inspection Program. Phase I consists of the inspected command's completion of a USA. Phase II is the review and validation of the USA by the designated NAVSEA authority. Phase III is the development of a Command Improvement Plan by the inspected command. Phase IV is a Performance Assessment Review (PAR), referred to as Follow-Up Review of the Command Improvement Plan by the designated NAVSEA authority. Enclosure (2) provides detailed descriptions of each Phase of the CPI and establishes notional milestone dates for implementing the overall CPI process.

d. CPI Criteria - The CPI Criteria is an integrated and balanced system of performance evaluation standards using the Baldrige Criteria for Performance Excellence. The criteria, a set of basic, interrelated, results-oriented standards of performance, address all aspects of performance. The criteria address key business processes and organizational results in a systematic approach that requires self-evaluation and continuous feedback in improving performance.

e. Best Practice - A process that is the best of its type in the unit and possibly NAVSEA. Best Practices produce measurable results and deliver products that fully meet or exceed customer requirements. They are efficient, institutionalized and can serve external or internal customers.

f. What a Good Idea - Is defined as a strength, new innovation, or process that should be shared with Corporate NAVSEA via the Business Process Interface Link (BPIL) web site. These have not been designated as a "Best Practice" because they are in the beginning stages of capturing data, therefore, having limited results.

g. Process Improvement Plan (PIP) - The written plan that the Command develops to accomplish desired improvements based on the CPI inspection report. It includes the Command-prioritized CPI Opportunities for Improvement and is integrated and in consonance with the Command business and/or strategic plan. It includes a prioritized listing of the process improvement, identification with a short-or long-term goal, linkage with the business and/or strategic plan, and the strategy for deployment. The results of the plan are reported in the CPI Performance Assessment Reviews (PAR).

h. Performance Assessment Reviews (PAR), referred to as Follow-Ups - The process used to track the progress of the CPI; usually includes an on-site visit 18 to 24 months after the CPI.

## 7. Command Inspection Program Policy

a. Program Requirements. The objectives, policies, and requirements of the Naval Command Inspection Program prescribed by reference (b) shall be the basis for the NAVSEA Command Performance Inspection Program.

b. Program Manager. The NAVSEA Inspector General (NAVSEAINSGEN) shall be the designated authority for managing and implementing the NAVSEA Command Performance Inspection Program.

c. Performance Criteria. The criteria used to evaluate command performance excellence shall be the Baldrige Criteria for Performance Excellence (BCFPE).

d. Information Control. Unit Self-Assessments, NAVSEAINSGEN Inspection reports, report endorsements, and Command Performance Improvement Plans (PIP) constitute internal NAVSEA communications, which are "For Official Use Only." Requests for copies shall be promptly forwarded to the NAVSEAINSGEN for coordination and clearance. All NAVSEAINSGEN CPI Reports shall follow reference (b) regarding reproduction and distribution of reports.

e. Inspection Cycle. Command Performance Inspections (CPI) of NAVSEA field activities shall be conducted as deemed appropriate. All commands meeting one or more of the following criteria will be inspected on a four-year cycle (which includes a two-year PAR (follow-up visit)).

- (1) An industrial facility
- (2) A research and development facility
- (3) Employment of various skill levels (both professional and/or trades)
- (4) Provider of various products and services

Commands not meeting one or more of the above criteria will be inspected on a three-year cycle with no on-site PAR visit. However, this cycle could change to the four-year cycle (which also includes a two-year PAR visit) should one of the following criteria exist:

- (1) Known future changes identified affecting role and mission (i.e., transfer of functions, expansion of mission) in the near future (1-3 years).
- (2) Planned transfer of role and mission (1-3 years).

During the third quarter of each year a CPI Schedule is published which identifies upcoming CPIs and PARs for the next year.

f. Inspection Coordination. Every effort shall be made to reduce the number, redundancy, and overlap of inspections. Where practicable, inspections occurring within the year of a scheduled CPI shall be merged with the CPI to minimize the impact on commands and units.

g. Inspection Team Composition. NAVSEAINSGEN Inspection Teams shall be constituted per the following policies:

(1) The NAVSEAINSGEN shall operate with a small permanent staff. NAVSEA Deputy Commanders, Program Managers, NAVSEA Field Activities, and other Navy commands shall provide inspection assistance.

(2) All costs to support personnel temporarily detailed to NAVSEAINSGEN as inspection team members shall be funded by the NAVSEAINSGEN unless the office providing the personnel is separately tasked to inspect that area.

(3) All assigned CPI team members shall receive basic and updated Criteria training administered by NAVSEAINSGEN.

(4) All CPI team members will perform duties under the leadership and management direction of NAVSEAINSGEN.

h. Inspection Findings and Command Actions

(1) At the conclusion of the CPI, the NAVSEAINSGEN shall provide the inspected command a draft copy of the CPI Report of findings. Additionally, the NAVSEAINSGEN shall prepare within 30 days of a command inspection an official CPI Report of findings. The narrative evaluation of an inspected command's overall performance shall be limited to SATISFACTORY or UNSATISFACTORY. CPI scores developed by the CPI Team using the BCFPE scoring approach shall be provided only to the inspected command. The score shall not be used as a measure for reporting or judging the various NAVSEA field activities, but as a means for the activity to assess their individual improvement progress. **The score is not to be used for individual awards.**

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(2) The CPI Report shall summarize findings in each BCFPE Category item as command STRENGTHS and OPPORTUNITIES FOR IMPROVEMENT (OFIs). A separate letter will be issued, as necessary, outlining required corrective action for compliance issues identified.

(3) Sixty days after the CPI, the inspected command shall forward to NAVSEAINSGEN their Process Improvement Plan (PIP), which identifies selected improvement objectives for each of the seven BCFPE categories. The Plan, however, must address all the areas for improvement as they pertain to statutory and compliance requirements (i.e., security, safety, environmental, personnel and procurement/contract areas). The plan shall include necessary actions, as required, to establish compliance with statutory and regulatory directives and policies from Headquarters and higher authority.

#### 8. Responsibilities and Actions

##### a. NAVSEA Inspector General. The NAVSEAINSGEN shall:

(1) Establish policy and procedures associated with executing the NAVSEA Command Performance Inspection Program, and is responsible for overall program management and implementation of the Program.

(2) Approve all NAVSEA inspection schedules occurring in the same fiscal year as the scheduled CPI or within six months of the scheduled CPI.

(3) Incorporate all NAVSEA inspections of field activities when those inspections occur in the same fiscal year as a scheduled CPI or within six months of a scheduled CPI (i.e., security, safety, environmental, personnel, and procurement/contract areas).

(4) Publish, during the third quarter of each fiscal year, dates of scheduled Command Performance Inspections and Performance Assessment Reviews for the forthcoming fiscal year and identify which version of the BCFPE will be used.

(5) Budget Inspections (CPIs and PARs) and inspector training requirements.

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(6) Manage CPI criteria training and maintain updated procedures, Inspector Duties, and Responsibilities.

(7) Provide detailed CPI and PAR teams' logistic support, including all travel arrangements (i.e. orders, reservations, and transportation).

(8) Obtain inspection team members and assistance from NAVSEA Directorates, Program Managers, field activities, other Navy commands, and federal agencies.

(9) Schedule and conduct on-site CPIs and PARs. Issue final reports within thirty days of the on-site visit.

(10) Review all PIPs and provide comments as required.

(11) Establish early communications with activity Commanders and identify logistics requirements for on-site CPIs and PARs.

(12) Identify compliance item deficiencies with recommendations. Upon approval by COMNAVSEA, these recommendations constitute orders to the command inspected or to directorates within NAVSEA for correction of deficiencies.

(13) Provide to NAVSEA field activities preliminary information pertaining to BCFPE and guidance for preparing a USA.

(14) Waive selected inspection requirements, consistent with paragraph 7e.

(15) Coordinate inspection assistance for other Navy activities.

(16) Partner with the Business Process Interface Link (BPIL) for ensuring NAVSEA Best Practices, Strengths, and "What a Good Idea" items are distributed throughout NAVSEA.

(17) Maintain Command Metrics on overall CPI results.

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b. NAVSEA Deputy Commanders and Program Managers. NAVSEA Deputy Commanders and Program Managers shall:

(1) Obtain NAVSEAINSGEN approval of scheduled inspections, audits, and reviews scheduled in the same fiscal year or within six months of a scheduled CPI.

(2) Support the CPI process by providing Baldrige trained inspectors, and an alternate should the designated individual not be able to support the specific inspection.

(3) Take prompt action to implement mandatory requirements and provide status reports to NAVSEAINSGEN as required.

(4) Protect the privileged status-of-command inspection reports.

c. Commanding Officers and Officers in Charge of Activities subordinate to COMNAVSEA. Commanding Officers and Officers in Charge of Activities subordinate to COMNAVSEA shall:

(1) Provide full cooperation and timely responses to all inquiries of the NAVSEAINSGEN and staff.

(2) Budget, plan, and conduct appropriate training for command personnel to understand the BCFPE for meeting the USA requirements.

(3) Complete a written Unit Self-Assessment as part of the overall CPI process, and forward a copy to NAVSEAINSGEN forty-five days prior to the scheduled on-site validation period. The use of contractor support is prohibited for determining or interpreting information to be included in the USA or for writing or reviewing the USA.

(4) Provide logistics support to the NAVSEAINSGEN team during the on-site period.

(5) Within sixty days after the NAVSEAINSGEN on-site, submit to NAVSEAINSGEN a PIP.


(6) Submit a PIP status report to NAVSEAINSGEN thirty days prior to the scheduled PAR.



(7) Provide first-rate candidates to attend CPI inspection training, which commits the individual to participating in two CPIs within 18 months.

(8) Provide trained CPI and/or PAR team members as requested.

(9) Protect the privileged nature of CPI Reports.

  
G. P. NANOS, JR.

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**UNIT SELF-ASSESSMENT (USA) PREPARATION GUIDANCE**

**NAVAL SEA SYSTEMS COMMAND  
COMMAND PERFORMANCE INSPECTION**

The following sections describe the format and content of the USA. A single submission should be sent to NAVSEAINSGEN no later than 45 days prior to the CPI. All CPI team members will receive a copy of the USA for review and assessment. USA documents are "FOR OFFICIAL USE ONLY."

Section 1: BUSINESS OVERVIEW. Provide a Business Overview that includes a mission description (what the activity does for the Navy), organizational structure (clearly explaining the break-down of the activity including detachments and what the roles of the leadership positions include) and organizational factors.

Organizational factors include as a minimum: demographics of the activity (including the work force), regulatory limitations that impact the USA (e.g., federal, state, and local laws; environmental; safety; and other compliance items), organizational values (how the activity is driven to meet the vision, goals, and objectives), key products and services, including associated processes (for external customers), external customers, and suppliers. You are to address only those external customers/key suppliers from whom you, the activity, deliver and/or receive a key product or service. There must be clearly a link between these products and services to the key customers/suppliers you have identified. In addition to providing your major products and services, identify your key processes and business results as called for in the BCFPE Criteria. Also provide a copy of your strategic plan and/or business plan. The maximum length of the written description for the Business Overview is five pages. These five pages are not counted in the overall page limitation as specified in the BCFPE. Refer to the appropriate year BCFPE for application page limitation and further detailed guidance. The specifications for the USA are the same as specified in the BCFPE guidance.

Section 2: UNIT SELF-ASSESSMENT. Conduct the USA using the performance excellence criteria described in the appropriate year

BCFPE Criteria booklet. The NAVSEAINSGEN will publish the updated version of the BCFPE Criteria to be used in the USA in the annual NAVSEA Notice that promulgates scheduled CPI dates. All seven categories are to be addressed and specific entries provided for each area (i.e., 1.1a, 1.1b, etc.) as opposed to a single entry for 1.1. The maximum length of the USA is defined by the BCFPE Criteria. Should you have Best Practices to nominate, while there is no page number limitation, activities are restricted to nominating not more than five Best Practices to be validated by the CPI team. The minimum length is whatever it takes to adequately address the various areas. Provide one hard copy of your submission, printed on both sides, and one copy on 3.5-inch disk. Use Microsoft Word for Windows 6.0 software, standard 1-inch margins, and Courier New 12-point type font.

The use of multicolor covers, color pictures, and other expensive assembly is discouraged. Do not use glue or tape as the CPI Team will need to reproduce your self-assessment. Score your assessment, but do not include or divulge your self-score until the Inspector General or the Deputy Inspector General requests a copy during the on-site.

The following processes should be examined, discussed, and considered in developing the Unit Self-Assessment. The support processes (e.g., administration, information and personnel security, physical security, safety, and financial) should be addressed in 6.2 of your USA. This list is not all-inclusive. Additional processes should be addressed as appropriate to your activity in the context of the CPI criteria:

ADMINISTRATION	INFORMATION/PERSONNEL SECURITY
CIVILIAN PERSONNEL	INFORMATION SYSTEMS
CLAIMS AVOIDANCE	LAW ENFORCEMENT
COMBAT SYSTEMS	MANAGEMENT CONTROL PROGRAM
COMMAND EVALUATION AND REVIEW	MILITARY PERSONNEL
CONTRACTS	PHYSICAL SECURITY
ENGINEERING	PLANT PROPERTY MANAGEMENT
ENVIRONMENTAL	SAFETY (NAVOSH)
EQUAL EMPLOYMENT OPPORTUNITY	SUPPLY/MATERIAL MANAGEMENT
FINANCIAL MANAGEMENT	

Section 3: BEST PRACTICES. NAVSEAINSGEN is interested in sharing validated Best Practice results with all of NAVSEA. Nominations must meet the definition, which is a process, that is the best of

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its type in the unit and possibly NAVSEA. Best Practices produce measurable results and deliver products that fully meet or exceed customer requirements. They are efficient, institutionalized, and can serve external or internal customers. Limit your nominations to five. Provide information (factual data, comparative analysis with other commands or companies, etc.) on these processes. Also include the data point-of-contact, telephone numbers, and other substantive information. NAVSEAINSGEN will validate the processes during the CPI Site Visit. If any process meets the criteria as a best practice, it will be used for command recognition and process improvement in NAVSEA. Additionally, report instances where your unit has successfully used process improvements, results, and lessons learned or ideas your command has acquired from other organizations via competitive comparisons, benchmarking, or other methods.

**WHAT A GOOD IDEA (WAGI).** Is defined as a strength, new innovation, or process that should be shared with Corporate NAVSEA via the Business Process Interface Link (BPIL) web site. These have not been designated as a "Best Practice" because they are in the beginning stages of capturing data, therefore, having limited results. These may be items nominated by the command as a Best Practice or may be something identified by the CPI team during the on-site validation. This information is collected on a disk and provided to the Commanding Officer at the end of the CPI for further reference.

**CATEGORY SCORING.** This information is not included in the USA.

The CPI Criteria as defined by the BCFPE Criteria are segmented into seven major categories, and each category is broken down into numerous items. Within the framework of the Baldrige Award process, a scoring system is used to assess activity's improved achievements for each of the seven category items. Each category is assigned a number of points so that the total for all categories is 1000 points; for example, Category 1, Leadership may be assigned 125 of the total 1000 points with the 125 points further broken down between two items within the category. The scoring system also includes guidelines, which help inspectors assess activities' written description of achievements in each category and describe how to assign varying percentages of the available points for each category.

As part of the overall self-assessment process, NAVSEA field activities score themselves using the scoring guidelines for

percentage scoring in each category. Self-scoring helps activity management to focus on the extent to which their processes are systematic, integrated improvement cycles based on lessons learned and reliable data. A single score by itself is of little value, but over a period of several CPI cycles, the trend in the unweighted scores in each category is of value to the activity as a measure of their continuous improvement strategies. For long-term trend analyses, only the unweighted scores in each category should be used. Weighting factors for each category of the BCFPE Award Criteria may change from year to year, so the total scores derived using prescribed weighing factors should not be used.

During the on-site, the NAVSEAINSGEN CPI Team will also apply the scoring guidelines in each category and develop an independent CPI team score. These scores are useful to the activity for monitoring improvements over several CPI cycles. These scores will not be published or disseminated outside of the activity, and they will not be reported in the NAVSEAINSGEN CPI Report. It is extremely important to understand that these scores will not be used to report, compare, or judge one field activity against another. **The score is not to be used for individual awards.**

USA writing teams and activity managers are cautioned to anticipate differences in BCFPE scores. Based on documented experiences within private industry and the office of the NAVSEAINSGEN, experience has demonstrated that activity self-scoring may be higher than that of an independent assessment team, especially for an activity engaging in the CPI process for the first time.

### **NAVSEA Command Performance Inspection Description**

1. **Introduction.** The Command Performance Inspection (CPI) is the expanded NAVSEAINSGEN approach for command inspection. The purpose of the CPI is to evaluate and improve mission performance, readiness, effectiveness, and efficiency in key processes using the Baldrige Criteria For Performance Excellence (BCFPE). The award and the criteria are managed and updated periodically by the Department of Commerce's National Institute of Standards and Technology. Copies of the BCFPE are available free of charge from the National Institute of Standards and Technology at (301) 975-2036 via their website at <http://www.quality.nist.gov/> or by e-mail at [ogp@nist.gov](mailto:ogp@nist.gov). The CPI focus is on identifying, measuring, and improving the performance of NAVSEA activities using validated self-assessments and process improvement plans incorporated into the activity strategic and/or business plan directly linked to the NAVSEA Strategic Plan.

The goals of the Unit Self-Assessment (USA) are to (1) establish a baseline against which improvements can be evaluated and measured, (2) provide useful data for systematic and continuous process improvement and strategic planning, and (3) share information throughout the NAVSEA community regarding best practices, strengths, and lessons learned.

2. **Command Performance Inspection Program.** The overall Command Performance Inspection Program is a four-phased process:

- Phase I: Completion of Unit Self-Assessment (USA)
- Phase II: USA Validation and Inspection
- Phase III: Completion of Process Improvement Plan (PIP)
- Phase IV: Performance Assessment Review (PAR)

Throughout all of these phases the Naval Sea Systems Command Inspector General (NAVSEAINSGEN) works closely with the NAVSEA field activity representatives to assist them in the self-evaluation and validation approach that has been implemented as the NAVSEA Command Performance Inspection Program. NAVSEAINSGEN serves as the NAVSEA advocate for transitioning field activities into performing strategic planning with a focus on well-defined and implemented operational and support processes for achieving positive business results. Regulatory, statutory, and command policy compliance is included in the Command Performance Inspection Program.

The following sections provide a brief description of each phase and identify major milestones, sequences of events, and notional time periods associated with each milestone.

**3. Phase I: Completion of USA.** Implementation of the NAVSEA Command Performance Inspection (CPI) begins with the activity's unit self-assessment of its capabilities, processes, and business results as they relate to improvement strategies. Using the Baldrige Criteria For Performance Excellence (BCFPE), a team of the activity personnel performs the assessment and writes the Unit Self-Assessment (USA). Prior to this, NAVSEAINSGEN establishes schedules for the overall process and coordinates training and administrative requirements with the activity. The schedule is promulgated by NAVSEA notice. It contains scheduled CPI Inspections and Performance Assessment Reviews (PARs) for the upcoming fiscal year as well as tentative dates for the next two out years.

NAVSEA field activities are encouraged to begin BCFPE criteria training and USA Team development as early as possible. Experience has demonstrated that employees who serve first as qualified CPI Examiners, are able to inject valuable lessons learned into their own activity development of a USA.

As part of the self-assessment process, activities also score themselves using the BCFPE scoring guidelines for percentage scoring in each category. Enclosure (1) provides additional information about the scoring process.

**4. Phase II: USA Validation and Inspection.** The USA validation and inspection period is a process of corroborating on a sound basis of authority the content of the USA and, where corroboration is not feasible, identifying areas for improvement. The process is a sequence of activities including USA analysis; on-site examination of performance data, processes, and business results; evaluation of performance; and documentation of the validation. The on-site period is typically referred to as the CPI.

The NAVSEAINSGEN establishes a team of qualified CPI examiners who thoroughly analyze the USA and generate Site Visit Issues (SVIs) pertaining to each of the seven BCFPE Criteria categories prior to the on-site period. The CPI Team travels to the activity for a 5-to-10 workday period, depending upon the size of the command, and gathers data and information to validate the contents of the USA and to address the site-visit issues.

Prior to the CPI on-site, the activity is contacted by NAVSEAINSGEN requesting personnel data needed prior to conducting on-site focus groups. In advance of the CPI on-site (up to 3

months and not later than 3 weeks before the CPI), a team of approximately two will go to the activity and conduct focus groups with selected groups of diverse personnel. This includes both military and civilian employees. Overall comments and survey data are provided to the Commanding Officer of the activity during the CPI on-site. The information is used by the CPI team during the on-site. The primary purpose of this process is to assess command climate, to commend the command on its achievements and to encourage future improvements.

During the CPI on-site, the team members identify command Strengths, Best Practices, What a Good Idea, and summarize Opportunities For Improvement based on gaps identified between the USA and the BCFPE criteria. Information gathering includes attending scheduled staff and project meetings as well as personal interviews with activity leadership, managers, the writing team, employees, detachment sites, customers, suppliers, union personnel, and inclusion of focus group information. The CPI team meets several times in closed sessions to complete an extensive scoring process associated with the BCFPE. During this period compliance topics and issues of interest to COMNAVSEA are also reviewed.

Prior to departing, the CPI Team prepares a written draft summary report of findings, referred to as the CPI Draft Report, which is provided to the Commanding Officer or Officer-in-Charge. Within 30 days after the inspection, the NAVSEAINSGEN forwards to the Commanding Officer the final CPI Report.

The CPI score based on validation findings of the CPI team will be provided to the Commanding Officer or Officer-in-Charge; however, it will not be published or disseminated outside of the activity.

**5. Phase III: Completion of Command Process Improvement Plan (PIP) (Attachment 1).** Within 60 days after the CPI, the activity is responsible for submitting to the NAVSEAINSGEN their PIP. This is a written plan that describes how the activity will use results of the CPI Report to improve strategic planning, management practices, processes, and business results. The PIP includes a prioritized list of process improvement objectives, identification of short-term and long-term goals, linkage with strategic plan objectives, and the strategy for deployment. There are both short and long-term goals for each of the seven categories. All



Compliance Areas are mandatory action items and must also be included in the PIP. Each goal must have established measures that will be used for quantifying success (Attachment 1). All changes to the PIP that occur between CPIs must be submitted to NAVSEAINSGEN within forty-five days of the change. The information provided in the PIP will be used as additional information during the next CPI cycle.

**6. Phase IV: Performance Assessment Review (PAR). (For Commands on the 4-year CPI Cycle).** Approximately 18 to 24 months after the CPI, the NAVSEAINSGEN will send a small team to the activity to review progress and validate accomplishments of their PIP. This period is often referred to as the on-site CPI Follow-Up or Performance Assessment Review (PAR). Two months prior to the follow-up inspection, the NAVSEAINSGEN will forward a "Notification Letter" to the activity stating the mutually agreed upon inspection dates (4 days) and request that the activity submit within 30 days of the inspection an updated PIP. The updated PIP will be forwarded to NAVSEAINSGEN and must address the activity's accomplishments towards their short/long-term goals and the disposition of all mandatory action items. Prior to exiting the activity, the follow-up team will provide to the Commanding Officer or Officer-In-Charge a written Performance Assessment Review (PAR) Report that will consist of an executive summary, strengths and opportunities for improvement (OFIs) as it relates to the activity's improvement plan. Thirty (30) days after the follow-up inspection, the activity must provide to NAVSEAINSGEN an updated Improvement Plan incorporating the feedback from the PAR Report. The activity will be notified by NAVSEAINSGEN of their next scheduled CPI, which occurs approximately two years after the follow-up review; whereby, all of their short-term goals should be completed, and accomplishments towards their long-term goals should be addressed in their Unit Self-Assessment (USA). Most recent previous CPI and PAR reports will be made available to the CPI team when preparing for future site visits. This information will also be used for assessing progress to date.

**7. Typical CPI Process Milestones and Timeline.** Table 1 presents typical CPI Process milestones and a timeline of the sequence of events. The timeline reference assumes day one of the on-site CPI Inspection is T+1 day.

**Table 1. CPI Process Milestones and Typical Timeline**

<u>EVENT</u>	<u>TIME</u>
1. Phase I: Completion of USA	
a. IG establishes CPI Schedule	T-1 year
b. IG Info letter to activity	T-6 months
c. USA/BCFPE Training	T-5 months
d. USA Team established	T-4 months
e. IG CPI Team nomination letters	T-90 days
f. IG establishes CPI Team	T-60 days
g. USA Submitted to IG	T-45 days
2. Phase II: USA Validation and Inspection	
a. IG Sends CPI Team package	T-30 days
b. IG CPI Team Instruction	T-5 days
c. IG CPI Team Travels to activity	T-0
d. IG Commences On-site USA Validation and Inspection	T+1 day
e. IG Completes On-site Inspection and leaves CPI Draft Report	T+10
f. IG Submits Final CPI Report	T+30
3. Phase III: Command Improvement Plan	
a. Activity Reviews Draft CPI Report	T+50 days
b. Activity Submits Command Improvement Plan to IG	T+60 days
4. Phase IV: Follow-Up Inspection	
a. Activity Submits Status Report	T+18 to 24 months
b. IG Follow-Up Visit	T+18 to 24 months

# CPI IMPROVEMENT PLAN

## FOCUS

PROCESS IMPROVEMENT (Examples)	GOALS SHORT      LONG	APPROACH	DEPLOYMENT	RESULTS  ↑
<ol style="list-style-type: none"> <li>1. 1.3</li> <li>2. 7.2</li> <li>3. 4.1</li> </ol>				<ul style="list-style-type: none"> <li>- What are the results?</li> <li>- How did you measure them?</li> <li>- Did you reach your goal?</li> <li>- Next step?</li> </ul>

### DEFINITIONS:

**1. PROCESS IMPROVEMENT:** Identify by Category and item number the area or opportunities for improvement (OFI) included in the process improvements the field activity selects for action. Should you decide to drop a process improvement or select a new one, submit a revision to NAVSEA IG within 60 days. Organize and prioritize OFIs most effectively for your activity. Do not try to work on too many OFIs in the first year or two. Choose a reasonable number but be sure to include at least one OFI from each category to reinforce linkage.

**2. GOALS** Short: 1 year or less  
 Long: 1 - 3 years  
 State the short and long term goals you select to achieve this process improvement. Determine whether each goal is a short or long term goal.

**3. APPROACH:** In bullet format, outline developed approach for each selected process improvement action, including an action item point of contact.

**4. DEPLOYMENT:** Discuss how you will deploy each process improvement action.

**5. RESULTS:** Respond within a year by answering the four questions above for each of the selected Process Improvement Actions.