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From: Commander, Navy Regional Maintenance Center
To: Distribution

Subj: SURFACE SHIP AVAILABILITY RISK ASSESSMENT

Ref: (a) COMFLTFORCOMINST 4790.3 Joint Fleet Maintenance
Manual (JFMM)
(b) NAVSEAINST 4790.28 (Draft)

Encl: (1) Availability Risk Letter Template
(2) Sample Availability Risk Letter
(3) Guidelines for Risk Consequence and Likelihood
Ratings, Documentation and Mitigation Plans

1. Purpose. This letter provides Risk Assessment and Management guidance in planning for CNO availabilities and major CMAVs per reference (a) and in advance of reference (b).

2. Cancellation. N/A

3. Background. Many issues contribute to the late completion of ship maintenance availabilities. Most are recognized at some level within the Project Team (PT) but are not effectively communicated and updated to leadership. Risk Management and the associated Risk Letter, is a proactive, continuous, forward-looking process that addresses events or conditions before they negatively impact key availability planning and execution milestones.

4. General

a. It is critical that all PT members understand and actively support the process for identifying, managing and communicating the risks associated with their availability. This broad participation ensures that all possible talent is brought to bear identifying, assessing, prioritizing and managing individual and collective project risk.

Subj: SURFACE SHIP AVAILABILITY RISK ASSESSMENT

b. Active engagement in PT meetings and other events (e.g., job planning meetings, quality and problem resolution meetings, critiques, briefings for special attention work, onboard work execution, progress reviews, project metrics reviews, etc.) facilitates prompt identification and communication of risks in a timely way.

c. Risk assessment is a continuous effort that is performed to quantify the severity of risk and to allow prioritization to support application of resources in the order of risk severity. Every risk has two components:

(1) Likelihood of occurrence

(2) Consequence in terms of technical, quality, cost, schedule and environmental, safety and health performance.

d. Once assessed, a conscious decision can be made to determine the appropriate method to handle the risk (i.e.; accept, mitigate, transfer, share or avoid). Execution of deliberate mitigation plans, and periodic review of risk status and mitigation effectiveness, allows an organization to avoid or minimize the realization of potential consequences that affect availability performance.

e. Each PT will incorporate the Risk Management process and associated activities into their communication strategy. This includes internal project team meetings and briefings that focus entirely on the Risk Management process, as well as definition of the role that the process will play in other routine meetings and briefings. Timely communication with internal and external organizations is necessary to ensure that appropriate community resources are brought to bear in support of PT performance objectives and that the maintenance community recognizes, understands and aligns on the uncertainty and risk at hand.

5. Scope. This guidance applies to all future CNO availabilities and those that have started but not reached 50 percent completion by 1 February 2012. *This guidance may also apply to any other major maintenance availabilities that have been designated by TYCOM or Fleet Commanders as high risk or designated high interest.*

6. Availability Risk Assessment Requirements and Procedure. The format outlined in enclosure (1) provides, in a template, the minimum requirements, process and products for RMC Commanders to utilize in assessing and conducting Risk

Subj: SURFACE SHIP AVAILABILITY RISK ASSESSMENT

Assessment and Management. Enclosure (2) provides an example of a risk assessment recently submitted. The content as outlined in enclosure (1) is to be utilized for reporting availability risk according to specified categories and any strategies to be used to mitigate the risk to the availability. This risk assessment process is developed to provide the RMC Commander, via the RMC Availability Project Manager the situational awareness of risk(s) to an individual Surface Ship's maintenance availability in a timely manner. This process is intended to be a continuous assessment by regular updates at prescribed times or when significant changes occur that may affect availability performance with regard to technical complexities, work load, time and or cost.

7. Action

a. The Project Manager will provide input regarding "risk" to the assigned availability. This input will form the basis of the RMC Risk Letter to CNRMC via NRM Code 300 and will be submitted in sufficient time to meet the requirements as listed in paragraph 7(b). Enclosure (3) is provided for assessing risk at an elemental level that can be advanced into the reported consolidated estimates. This input will take the form as directed by the RMC Commander but at a minimum include the following categories:

- (1) Cost/Workload
- (2) Schedule
- (3) Technical
- (4) Resources: Manpower/Fiscal
- (5) RMC Capability/Capacity
- (6) Contractor Capability/Capacity
- (7) Lessons Learned
- (8) Other (at the discretion of the RMC Commander)

b. The RMC Commander will sign and approve the Availability Risk Assessment Letter in conjunction with the accomplishment of the planning milestone to "perform risk assessments, contained in reference (a), Appendix D1, page II-II-2D-5. The letter will

Subj: SURFACE SHIP AVAILABILITY RISK ASSESSMENT

then be submitted to NRMC Code 300 for review and then endorsed and forwarded by CNRMC to the appropriate Chain of Command.

c. For CNO availabilities, this milestone aligns with and is supported by the results of the A-120 Integrated Project Team event.

d. The RMC Commander will at a minimum, update the letter to correspond with the A-45/30 IPTD event and again at A+50%. The update at A-45/30 will focus on detailed "risk to availability and mitigation strategies," the A+50% update will focus on risk to availability close out, the risk associated with deferring work in order to accomplish on-time delivery and the impact of delayed completion on the ship's training/operating cycle.

e. As a general rule, I fully expect the RMC Commander will always advise NRMC Code 300 as soon as practical of any factors of significant weight that will impact the current assumed risk level. As always never hesitate to contact me directly when you believe the situation warrants.


DAVID J. GALE

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