

## Why GAO Did This Study

The Navy's four public shipyards—Norfolk Naval Shipyard, Pearl Harbor Naval Shipyard, Portsmouth Naval Shipyard, and Puget Sound Naval Shipyard—are critical in maintaining fleet readiness and supporting ongoing operations worldwide. The Navy requests funds for the shipyards' restoration and modernization as infrastructure condition may affect their mission and workforce. GAO was asked to review (1) the extent to which the shipyards have plans for their restoration and modernization needs; (2) the extent to which the Navy has a process to capture and calculate these needs; (3) the Navy's process to prioritize and fund projects to meet these needs; and (4) the extent to which the shipyards resolve infrastructure-related safety, health, and quality-of-life issues. GAO assessed the Navy's shipyard plans against elements of a federal strategic planning framework; evaluated its process for determining its restoration and modernization needs and addressing safety, health, and quality-of-life issues; visited the shipyards; and interviewed Navy command and shipyard officials.

## What GAO Recommends

GAO recommends that the Navy develop guidance to standardize shipyard strategic planning requirements, improve its process for developing shipyard restoration and modernization needs, and document resolution of identified quality-of-life issues. In written comments on a draft of the report, DOD concurred with GAO's recommendations.

View [GAO-11-7](#) or key components. For more information, contact Zina Merritt at (202) 512-5257 or [merrittz@gao.gov](mailto:merrittz@gao.gov).

## DEFENSE INFRASTRUCTURE

### Actions Needed to Improve the Navy's Processes for Managing Public Shipyards' Restoration and Modernization Needs

## What GAO Found

Each of the Navy's four public shipyards has plans that vary in the extent to which they address key elements of a federal comprehensive framework that GAO has previously identified as key principles of strategic planning. Pearl Harbor and Portsmouth Naval Shipyards' plans fully or partially addressed all of the key elements, such as having mission statements and addressing external factors that could affect goals. Norfolk Naval Shipyard's plans fully or partially address all but one of the key elements—establishing metrics—and Puget Sound Naval Shipyard's plans do not address three key elements—establishing long-term goals, metrics, and monitoring mechanisms. The Navy has not issued guidance detailing the need for shipyard strategic plans or what to include in them. Without such, the Navy and its shipyards may not have visibility over the effectiveness of their efforts to improve their overall infrastructure planning and may not have the information necessary to guide and prioritize investments.

In addition, the Navy's process to capture and calculate its total shipyard restoration and modernization needs produces understated total costs because certain data inputs are unavailable while others were not fully validated or are undervalued. For example, GAO found that some facility data, when unavailable, defaulted in the Navy's data system to a rating that indicated the facilities were well-configured and thus did not generate any restoration and modernization costs for the facilities. However, the Navy does not currently have a plan in place to address these challenges. Without relevant, reliable, and timely information, the Navy is limited in its ability to make informed decisions for effective and efficient use of resources.

The Navy has a collaborative process to prioritize and fund the shipyards' restoration and modernization projects. The Navy has to decide among requests from all its installations, including the shipyards, to fund the highest-priority needs. However, current Naval Sea Systems Command guidance to the shipyards limits the number of military construction projects each shipyard submits per year for infrastructure restoration and modernization, which sometimes leads to delays in requesting and completing projects.

The Navy shipyards have processes to systematically identify safety and occupational health mishaps and hazards, and document their actions to resolve these issues, but do not have a method to document actions to address other infrastructure-related situations affecting the quality of life of their workforce. The shipyards used interim fixes to partly address identified safety and health hazards, and in some cases the fixes have led to quality-of-life issues for the workforce. Shipyard officials recognize that the issues exist and currently have restoration and modernization projects to address some safety, health, and quality-of-life issues. However, according to officials, projects primarily for safety, health, and quality-of-life improvement have to compete with projects to improve shipyard operations that may be more heavily weighted. Without capturing and tracking quality-of-life issues, the Navy lacks visibility over the magnitude of these issues as it weighs potential improvement initiatives against other priorities.