



DEPARTMENT OF THE NAVY
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CNICINST 1700.2B
N9
26 Sep 2017

CNIC INSTRUCTION 1700.2B

From: Commander, Navy Installations Command

Subj: NAVY GATEWAY INNS AND SUITES NONAPPROPRIATED FUND
RECAPITALIZATION PROGRAM

Ref: (a) DoD Instruction 1015.15 of 20 March 2008
(b) DoD Instruction 1015.11 of 6 October 2006
(c) DoD Instruction 1015.12 of 30 October 1996
(d) OPNAVINST 11010.20H CH-1
(e) DoD Instruction 7700.18 of 15 December 2004
(f) NGIS Recapitalization Strategy of 19 August 2016
(g) ASN (EI&E) Memo of 17 February 2016

Encl: (1) Navy Gateway Inns and Suites Project Submission and Evaluation Procedures
(2) Navy Gateway Inns and Suites Directors' Panel and Evaluation and Assessment Board Bylaws and Procedures

1. Purpose. To establish and define the Navy Gateway Inns and Suites (NGIS) Nonappropriated Fund (NAF) Recapitalization Program processes, and the membership of the Directors' Panel (DP) and the Evaluation and Assessment Board (EAB).
2. Cancellation. CNICINST 1700.2A.
3. Scope and Applicability. This instruction applies to all Commander, Navy Installations Command (CNIC) headquarters and Regions.
4. Background. Quality of Life operations and services contribute to personnel readiness and are essential to the effectiveness of the Navy. The NGIS program supports lodging operations world-wide for both official and unofficial travelers. The NGIS NAF Recapitalization Program evaluates the potential use of self-generated NAF to repair, renovate, upgrade and replace lodging facilities. The NGIS NAF Recapitalization Program is only considered when the sponsoring command has documented that appropriated funds (APF) are not available. Enclosure (1) contains NGIS NAF recapitalization funding approval limitations.

5. Policy

- a. The EAB evaluates, approves or disapproves and recommends the priority of project execution to the DP.
- b. The DP evaluates and approves or disapproves the priority of NGIS capital projects submitted by the EAB.
- c. Duties, responsibilities and membership of the DP and EAB are provided in enclosure (2). NAF capital improvement reporting requirements will follow guidance per references (a) through (g).
- d. Changes in Federal law and Department of Defense (DoD) or Department of the Navy (DON) policies can result in the need to make immediate changes. When such changes are required, the corrections will be made and republished in the NGIS Recapitalization Strategy per reference (f).

6. Responsibilities

- a. CNIC (N9) is responsible for:
 - (1) Establishing NGIS programs, services and operational oversight.
 - (2) Implementing program direction and applying the execution authority necessary for successful administration of NGIS capitalization programs Navy-wide.
 - (3) Coordinating with other DON, DoD and non-DoD entities on matters associated with the NGIS NAF Recapitalization Program.
 - (4) Ensuring all NGIS NAF recapitalization projects are reported per reference (e).
 - (5) Ensuring all projects adhere to and meet NGIS recapitalization strategy requirements per reference (f).
- b. The NGIS NAF Recapitalization Program DP is responsible for:
 - (1) Approving governing policies and strategic capital plans that affect mission requirements and incorporate fleet considerations pertaining to the NGIS Lodging Program.
 - (2) Approving or disapproving construction and recapitalization projects to ensure that the mission and training requirements of official travelers are met.
 - (3) Ensuring the viability of NGIS NAF recapitalization requirements is maintained through programming and resourcing of NAF support, per references (a) through (c).

c. CNIC (N924) will support the deliberations of the DP and EAB to obtain approval for the NGIS NAF Recapitalization Program.

d. The recapitalization fund will accrue funding from NGIS guest rooms. The recapitalization fee will be based on guest room nights sold and set by the Region DP/EAB to support the NGIS Recapitalization Program. The EAB may recommend to the DP at any time to adjust the recapitalization fee. Recapitalization fee changes will be effective at the beginning of the fiscal year.

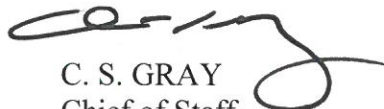
e. Total project costs must be secured, confirmed and fully funded when a project is submitted to the DP.

7. Records Management. Records created as a result of this instruction, regardless of media or format, must be managed per SECNAV Manual 5210.1 of January 2012.

8. Review and Effective Date. Per OPNAVINST 5215.17A, CNIC (N9) will review this instruction annually on the anniversary of its effective date to ensure applicability, currency, and consistency with Federal, DoD, Secretary of the Navy (SECNAV) and Navy policy. This instruction will automatically expire five years after effective date unless reissued or canceled prior to the five-year anniversary date, or an extension has been granted.

9. Forms Management Control. Project nomination forms and documents below can be found on the CNIC Gateway 2.0:

<https://g2.cnic.navy.mil/tscnichq/N9/N92/N924A/Lodging/Forms/AllItems.aspx?RootFolder=%2ftscnichq%2fN9%2fN92%2fN924A%2fLodging%2fNavy%20Gateway%20Inns%20and%20Suites%2fFacilities%2fRepair%5fRenovation%5fConstruction%20Instructions%20and%20Forms&FolderCTID=0x0120009AC928F3E810D445A9617D490D19D0EC&View=%7bB9EDEE18%2d1BF2%2d4312%2d9009%2dFD62ECF6AF38%7d>. DD Form 1391, FY __ Military Construction Project Data, is available on the DoD Forms Management website at: <http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd1391.pdf>.


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Releasability and distribution:

This instruction is cleared for public release and is available electronically only via <https://g2.cnic.navy.mil/CC/Documents/Forms/Directives%20Only.aspx>

Navy Gateway Inns and Suites
Project Submission and Evaluation Procedures

1. The use of NAF to support NGIS capital facility requirements is identified in references (a) through (g).

2. Definitions

a. Construction. This includes construction, development, conversion or extension of any kind carried out with respect to a military installation, whether to satisfy temporary or permanent requirements. Construction includes the following: erection, installation or assembly of a new real property facility; addition, expansion, extension, alteration, conversion (including category code changes) or replacement of an existing real property facility; and relocation of a real property facility. Construction projects may include supporting utilities, roads, parking lots, equipment installed in and made a part of such facilities (built-in equipment), related site preparation, excavation, filling and landscaping or other land improvements incidental to the project.

b. Repair and Renovation (R/R). Work to restore a real property facility, system or component to such condition that it may effectively be used for its designated functional purpose. Deteriorated facility components (not entire facilities) may be repaired by replacement and the replacement must meet current standards or codes. Interior rearrangement (except for load-bearing walls) and restoration of an existing facility that allows for effective use of existing space or to meet current building code requirements is considered R/R. Reference (g) amplifies work classification incidental to a facility repair project. Accessibility, health, safety or environmental requirements require APF funding. If APF is not available and a certified non-availability form has been submitted for project review, use of NAF funding will be presented for consideration and approval.

c. Whole Room Concept (WRC)/NGIS Signature Design Packages. This applies to all required furniture, fixtures, artwork, wall decorations, appliances, window treatments, table and floor lamps and carpeting to furnish an NGIS facility to include guest rooms, registration and lobby area(s) and common or public spaces. WRC projects may not include painting, flooring (other than carpet) or any permanently installed fixtures or equipment. WRC requirements will be primarily funded by the Region.

d. Right Sizing. Determination will be based on meeting 85 percent of the Official Temporary Duty Assignment (TDY) Priority 1 demand on-base while achieving an overall 70 percent annual occupancy rate. Leisure travelers (space available) do not establish the requirement for the size of, or need for, a lodging facility but may be lodged once mission requirements are met. Priority 2 (non-duty) market segments are part of the lodging portfolio and should be considered, but not to the extent of maintaining or increasing inventory footprint for the sole purpose of accommodating Priority 2 customers. These spaces are considered in excess of the Official TDY Priority 1 requirements. If there is limited off-base capability or if it

is shown to be more cost effective to meet greater than 85 percent of Priority 1 demand on-base, it should be documented in the local market analysis and financial benefit should be demonstrated using an amortization and capital reinvestment plan.

3. Project Approval Authority Limits

a. All NAF construction projects will be accompanied by a waiver request to use NAF in lieu of APF, approved by the SECNAV or DON headquarters designee. This request should be addressed to the Assistant Secretary of the Navy (ASN) (Manpower and Reserve Affairs (M&RA)) via Director, Shore Readiness Division (OPNAV N46). Construction projects must be submitted for approval by the Office of the Secretary of Defense (OSD) and reported in the annual NAF Capitalization Report to OSD, via ASN (M&RA), per references (a), (b) and (e).

b. All NAF Sustainment, Restoration and Modernization (SRM) projects will be funded with APF. If APF is not available, the project will be accompanied by a waiver request to use NAF in lieu of APF, approved by SECNAV or DON headquarters designee. The request will be addressed to the ASN (M&RA) via OPNAV (N46).

c. All APF companion projects will have obtained approval by 1 July, two years prior to the proposed fiscal year program. NAF projects will not be forwarded without prior approval for APF companion projects.

d. The NGIS DP is the approving authority for all NGIS NAF projects costing more than \$750,000. All project approvals expire two years from the date of the DP or congressional approval to award. All projects not awarded within the two year limit are considered cancelled and must be resubmitted for future consideration.

e. Projects approved by the DP will be forwarded to the Morale, Welfare and Recreation (MWR)/Navy Exchange (NEX) Board of Directors via OPNAV (N46), for notification purposes and inclusion in the annual NAF Capitalization Report to OSD and Congress.

4. Project Approval Thresholds. Increase in project cost due to unforeseen requirements will be funded with the same shared percentages as originally proposed. Increase in project cost due to customer scope changes will be funded by the customer. The following approval thresholds apply:

a. Navy Region

- (1) R/R (up to \$750,000).
- (2) Construction (up to \$200,000).
- (3) WRC (no limit).

- b. NGIS DP: R/R projects (no limit), per reference (d).
- c. OSD/Congress: Construction (no limits).

5. Project Nominations

- a. R/R projects costing more than \$750,000, and all construction projects, will be presented to the DP via the EAB.
- b. Nominations for R/R projects costing more than \$750,000 will be submitted to CNIC (N944) not later than 1 November of the current year for approval in the following fiscal year.
- c. Construction projects must be submitted not later than 1 November of the current year for program consideration in the second follow-on fiscal year.
- d. To be considered EAB-eligible, all nominations will be signed by the proper authority and include the following:
 - (1) CNIC Nomination Form.
 - (2) Nomination Quad Chart.
 - (3) DD Form 1391 (35 percent designed Military Construction Project Data Sheet, completed within 12 months of project submission, with the correct NGIS category code).
 - (4) Non-Availability of APF form, signed by the Region Engineer and Region (N9).
 - (5) Project Validation Assessment (PVA) completed within 24 months of project submission for projects costing more than \$2,000,000, with the correct NGIS category code.
 - (6) Property Record Card with the correct NGIS category code.
 - (7) A minimum of three photos (one photo of the building exterior and two or more photos of the identified area(s) of repair).
 - (8) Supplemental narrative, analysis or slides that reflect the scope of the project.
- e. Construction or R/R work completed by an MWR Region Maintenance Team will be executed under a memorandum of agreement (MOA) between NGIS and NAF MWR Region Maintenance. A local NAF DD Form 1391 identifying all project costs, to include labor, will be submitted for construction or R/R projects per the MOA. An annual MOA may be established in lieu of individual project MOAs, with a total cost not to exceed the annual amount established by the Region.

f. R/R projects costing less than \$750,000 will be reported at each EAB meeting, utilizing a quad chart and all associated project files.

6. Boards

a. The EAB will meet not less than bi-annually. The first board meeting will be held in January or February.

b. PVAs will be completed not later than 30 May. Based on the completed PVA, the EAB will reconvene in June or July to evaluate and prioritize final nominations for presentation to the DP.

c. The DP will convene not later than 15 August to review and approve programming of R/R projects and to approve construction projects for upcoming submission to the annual NAF Capitalization Report to SECNAV and Congress.

d. To be considered execution-ready (approved by the DP), Site Approval and National Environmental Policy Act (NEPA) documentation for all approved construction projects must be submitted to CNIC (N944), not later than 1 April of the calendar year preceding the fiscal year for which the project is programmed. Projects which fail to meet this deadline will be returned for future resubmission.

e. All approved waivers for the use of NAF in lieu of APF for execution-ready projects will be included in the annual NAF Capitalization Report to SECNAV via ASN (Energy, Installations & Environment (EI&E)), due out by 15 April.

7. EAB/DP/Submission Dates – Current Fiscal Year

a. R/R Projects are due to CNIC (N944) by 1 November of the current year.

b. Construction Projects are due to CNIC (N944) by 1 November, two years prior to the proposed program year.

c. APF Companion Projects are due to CNIC (N944) by 1 November, two years prior to the proposed program year.

d. R/R Projects (less than \$750K) are executed within Region authority and approval threshold.

8. Timelines – Current Fiscal Year

a. January/February – First EAB session.

b. March/May – PVAs completed.

- c. June/July – Final EAB session.
- d. August – DP.
- e. September – CNIC (N924) approval/disapproval Region project notification letter.
- f. September – APF certification waiver to ASN (as required).
- g. 15 April – Annual NAF Capitalization Report to ASN (EI&E).
- h. 15 May – NAF Fund Construction report to SECNAV.

9. Resource Links

a. DD Form 1391 is available on the DoD Forms Management website at:
<http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd1391.pdf>.

b. Nomination forms and documents below are located on the CNIC Gateway 2.0:
<https://g2.cnic.navy.mil/tscnichq/N9/N92/N924A/Lodging/Forms/AllItems.aspx?RootFolder=%2ftscnichq%2fN9%2fN92%2fN924A%2fLodging%2fNavy%20Gateway%20Inns%20and%20Suites%2fFacilities%2fRepair%5fRenovation%5fConstruction%20Instructions%20and%20Forms&FolderCTID=0x0120009AC928F3E810D445A9617D490D19D0EC&View=%7bB9EDEE18%2d1BF2%2d4312%2d9009%2dFD62ECF6AF38%7d>

- (1) CNIC Nomination Forms.
- (2) APF Non-availability.
- (3) ASN certification of APF waiver templates.
- (4) Project Quad Chart.
- (5) Construction/conversion projects require a planning status sheet along with site approval.
- (6) NEPA documentation.

Navy Gateway Inns and Suites
Directors' Panel and Evaluation and Assessment Board Bylaws and Procedures

1. Creation and Organization

- a. The standing committee of the NGIS NAF Recapitalization Program is the EAB.
- b. The NGIS NAF Recapitalization Program DP and EAB may determine rules and procedures consistent with these bylaws or other direction from the DP.
- c. Meetings of the DP or EAB may be called at the direction of the respective chairperson. Meetings of the EAB will be scheduled prior to the DP. The EAB may forward matters for consideration to the DP to assist in the management of the NGIS NAF Recapitalization Program.
- d. The quorum required to conduct NGIS NAF recapitalization program and EAB business will be six members. At the direction of the chairperson, any designated ex officio non-voting member may be asked to participate in a designated event or meeting and to do so in a voting capacity. However, this individual may not vote unless designated as an alternate by the chairperson.
- e. At meetings of the DP or EAB, a majority of members is required to constitute a quorum for the transaction of business. When a quorum is present, action taken by the majority will be considered the decision of the DP or EAB.
- f. The DP or EAB may take action within its authority without a meeting, provided the matter requiring action is outlined in writing and all members are afforded the opportunity to vote.
- g. Temporary additional duty travel funding for DP or EAB members is the responsibility of the Region.

2. Responsibilities

- a. The NGIS EAB evaluates, approves or recommends disapproval and recommends priority ranking of execution to the DP.
- b. The EAB will review long range plans of the NGIS NAF Recapitalization Program and may make recommendations on capitalization or revenue matters that are referred to the DP.
- c. The EAB defines and champions APF support for authorized requirements, consistent with established policies.
- d. The EAB integrates and reviews capitalization requirements to prioritize NAF projects, forwarding nominations to the DP for review with recommendations for approval or disapproval.

All construction requirements must be submitted for approval per the provisions of references (a) through (e). Any changes must be identified separately.

3. NGIS NAF Recapitalization Program DP

a. Voting members of the DP:

- (1) CNIC (N9) Chairperson.
- (2) Commander, Navy Region Mid-Atlantic (N9).
- (3) Commander, Navy Region Southwest (N9).
- (4) Commander, Navy Region Southeast (N9).
- (5) Commander, Navy Region Hawaii (N9).
- (6) Commander, Navy Region Japan (N9).
- (7) Commander, Joint Region Marianas (N9).
- (8) Commander, Navy Region Europe, Africa, Southwest Asia (N9).
- (9) Commander, Navy Region Northwest (N9).
- (10) Commandant, Naval District Washington (N9).

b. Ex-officio non-voting members are:

- (1) CNIC (N92).
- (2) CNIC (N924).
- (3) U.S. Navy Region Center Singapore (N9).
- (4) Commander, Navy Region Korea (N9).

c. In case of a voting tie, the NGIS DP Chairperson will cast the deciding vote.

d. Alternate Panel Members. DP members may designate a temporary alternate to act and vote on his or her behalf. However, delegated membership will be at a senior level to assure proper oversight and awareness of subject matter.

e. The DP will meet at least annually. To meet emergent needs, the DP may also meet at the direction of the chairperson.

f. In lieu of additional meetings, the chairperson may elect to poll the voting members in any convenient manner to achieve resolution on matters that require expeditious handling.

4. NGIS NAF Recapitalization Program DP Proceedings

a. In the absence of the chairperson, the CNIC Deputy (N9), or other senior DP member as designated by CNIC, will assume the Chair for the designated event.

b. Only designated DP members or designated alternate may vote.

5. NGIS NAF Recapitalization Program EAB. The EAB will be comprised of Region Lodging Directors (N924).

a. At meetings of the EAB, a majority is required to constitute a quorum for the transaction of business. When a quorum is present, action taken by the majority will be considered the decision of the entire EAB.

b. Voting CNIC EAB members and representatives from the following Regions:

- (1) CNIC (N92), Chairperson.
- (2) CNIC (N924), Navy Lodging Program Manager.
- (3) Commander, Navy Region Europe, Africa, Southwest Asia.
- (4) Commander, Navy Region Japan.
- (5) Commander, Navy Region Hawaii.
- (6) Commander, Navy Region Mid-Atlantic.
- (7) Commander, Navy Region Northwest.
- (8) Commander, Navy Region Southeast.
- (9) Commander, Navy Region Southwest.
- (10) Commandant, Naval District Washington.
- (11) Commander, Joint Region Marianas.

c. Ex officio non-voting members are:

(1) CNIC (N924) Policy.

(2) CNIC (N924) Financial Manager.

d. Alternate EAB Members. An EAB member may designate an alternate to act and vote on his or her behalf. Delegated membership will be at a senior level to assure proper oversight and awareness of subject matter.

e. In the case of a voting tie, the NGIS EAB Chairperson will cast the deciding vote.