



## DEPARTMENT OF THE NAVY

NAVY EXCHANGE SERVICE COMMAND  
3280 VIRGINIA BEACH BOULEVARD  
VIRGINIA BEACH, VA 23452-5724

IN REPLY REFER TO:

NEXCOMINST 4067.5L

A:GH

JUN 18 2012

### NEXCOM INSTRUCTION 4067.5L

From: Chief Executive Officer, Navy Exchange Service Command

Subj: SHIPS STORE RETAIL AND SERVICE EXCELLENCE AWARD

Encl: (1) Evaluation Criteria for Ships Store Retail and Service Excellence Award  
(2) Evaluation Criteria for Best of Class Designation

1. Purpose. To update and promulgate Navy Exchange Service Command (NEXCOM) program procedures for nomination and evaluation of candidates for the Ships Store Retail and Service Excellence Award.

2. Cancellation. NEXCOMINST 4067.5K

3. Overview. The Naval Supply Systems Command (NAVSUPSYSCOM) and NEXCOM sponsor the Ships Store Retail and Service Excellence Award program. This program formally recognizes contributions of the Ship's Servicemen to the quality of life of the afloat Sailor and Marine by evaluating their performance in daily operations and services, customer surveys, and performance trends. Each ship that meets or surpasses the program's excellence benchmarks receives recognition documenting the achievements of its Ship's Servicemen. The evaluation period is on a fiscal year basis.

#### 4. Awards and Criteria

a. Excellence Award. Enclosure (1) provides the evaluation benchmarks for each ship. Ships that meet the qualifying benchmarks noted in enclosure (1) will be evaluated for the award during the Supply Management Certification (SMC) for Commander, Naval Surface Force (COMNAVSURFOR) ships and during the Supply Management Assessments (SMA) and Supply Management Inspections (SMI) for Commander, Naval Air Forces (COMNAVAIRFOR) ships. Accountability, sustainability, and crew support will be evaluated by using information from: the SMC, SMA, and SMI process, operational analysis, Continuous Monitoring Program (CMP), customer evaluation of service, and the Defense Finance and Accounting System (DFAS) reports. Each ship that meets or exceeds the benchmark requirements will receive an Excellence Award.

b. Best of Class. At the end of each fiscal year, each ship that received an Excellence Award will be reviewed for sustained outstanding performance using enclosure (2). One ship, by hull type, with the highest overall score may be designated as the Best of Class within a Type Command (TYCOM).

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5. Selection. In keeping the selection process simple, the following key points are provided:

a. Each TYCOM establishes an SMA, SMC, and SMI schedule for their ships. If a ship meets the qualifying benchmarks noted in enclosure (1), the ship will be evaluated for the Excellence Award.

b. The award is not a competition between ships, but an evaluation of ships' performance against a fixed set of performance criteria.

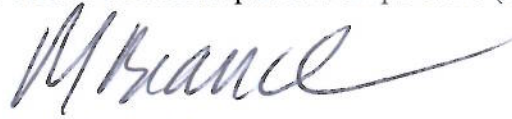
c. Each ship will receive a Retail and Service customer service evaluation as part of the selection criteria. This evaluation will be done on the ship during the SMA, SMC or SMI visit.

6. Award Presentation

a. Excellence Award. NEXCOM will provide an Award Certificate for presentation to each ship and commemorative coins for each ship's Commanding Officer to present to the Ship's Servicemen in recognition of their achievement. Each TYCOM will determine the appropriate award ceremony and recognition for their ships.

b. Best of Class Award. NAVSUPSYSCOM, and Fleet Commanders will send a special message to each ship judged as the Best of Class in their Fleet, recognizing them for their accomplishments. NEXCOM Chief Executive Officer will send a personal letter to the Commanding Officer of each winning ship. In addition, NEXCOM will provide each ship a commemorative plaque. Fleet Commanders will determine the appropriate award ceremony and recognition for their ships.

7. Action. This revised instruction is effective immediately and should be read in its entirety. Addressees will take immediate action to implement this instruction throughout NEXCOM Ships Store Program and ensure compliance with requirements stated herein. Questions or matters relating to this instruction may be directed to NEXCOM Headquarters Ships Store (Code A).



R. J. BIANCHI  
Chief Executive Officer

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EVALUATION CRITERIA  
FOR SHIPS STORE RETAIL AND SERVICE EXCELLENCE AWARD

1. Accountability

- a. No Level 2 or Level 3 losses during the last three accounting periods.
- b. No un-worked unmatched expenditures (UME) outside of the current government fiscal year. The ship will provide documentation on actions taken, which may include an annotated UME and emails to DFAS on specific items.

2. Sustainability

- a. Goal 4.0 Stock Turn. Ships may combine any 3 of the last 4 accounting periods to achieve their evaluation score. The stock turn total must be at least 4.0.
- b. Profit. Ship has transferred profit to Morale, Welfare and Recreation (MWR) each of the last three accounting periods.
- c. The ship's retail and drink vending machine gross profit percentages in each of the last three accounting periods are within the following range:
  - (1) Retail gross profit: 10% to 20%
  - (2) Drink vending gross profit: 35% to 55%
- d. Supply Management Evaluation Grade. For Naval Surface Force Atlantic (SURFLANT) and Naval Surface Force Pacific (SURFPAC) ships, the grade given by the TYCOM must equal or be above the average grade of all ships evaluated during the last fiscal year. To determine the average, all grades will be listed, the highest and lowest thrown out and the remaining grades averaged. For Naval Air Forces Atlantic (AIRLANT) and Naval Air Forces Pacific (AIRPAC) ships the grade must be 2 points higher than the minimum grade for excellent.
- e. Emblematic Inventory. The total dollar value of emblematic inventory must not be greater than 15% of total inventory dollar value at cost at the time of the evaluation. Each ship is permitted to have one style of ball cap designated as its Command ball cap that will not be counted as part of the emblematic inventory. A Command ball cap will be listed under retail department E-1 and have a markup of 6%. For ships with embarked staff, emblematic items will not be counted as part of the emblematic inventory. All other emblematic items will remain under retail department G-1 with a 15% markup.
- f. Store Room Validity. Ship has accomplished spot inventories that are equal to a store room validity of 98% or greater. Inventory adjustments reported on line B14 are not greater than 5% of ship's total cost inventory.

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g. Customer Satisfaction Survey. The joint TYCOM/NEXCOM survey team will provide crew members with customer surveys. The cumulative customer satisfaction score must be 3.5 or higher with no grade less than 3.0 on a 5.0 scale.

h. Laundry Operations. Personnel are knowledgeable of safety procedures and operate equipment in a safe manner. Management has identified and taken action to correct any item of equipment designated as "unsafe to operate" or that is "out of service", and they have documentation that shows: a Job Sequence Number (JSN), a list of National Stock Numbers (NSNs) of parts required, supply parts status, a Casualty Report (CASREP) message with date time group, if required, and estimated completion date for all repairs.

i. No unauthorized purchases made during last three accounting periods.

j. The ship's store must have been in operation for 12 months.

k. The TYCOM will review the Excellence Award worksheet provided by the SMA/SMC/SMI evaluator and forward nominations to NEXCOM Ship Stores Program (Code A).

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EVALUATION CRITERIA  
FOR BEST OF CLASS DESIGNATION

1. The Best of Class award recognizes the best ship in a ship's class who achieves the highest cumulative score based on their SMA/SMC/SMI and customer satisfaction scores. The total score will be determined by multiplying the SMA/SMC/SMI points by .60, and by multiplying the customer satisfaction survey points by .40. Both scores are based on a 100 point scale. Ships with the highest cumulative score will be certified as a Best of Class winner by a Fleet/Award Committee.

2. Evaluation Notes

a. All ships who have earned a Ship's Store Retail and Service Excellence Award will be considered eligible for the Best of Class award. The award will be based on comparisons of the ships by hull type within each TYCOM per Table 1 using their Ships Store Retail Sales and Service Award score. A ship may request a new evaluation by its TYCOM if it believes that it could improve its score and opportunity to achieve the designation of Best of Class.

Table 1

CG
CVN
DDG
FFG
LPD / LSD
LHA
LHD

b. Single ships in a class. If there is only one ship in a particular class of ships, which would preclude a comparison, the following procedures will be used to determine if that ship will be awarded a Best of Class designation.

(1) All winning ships scores will be listed.

(2) The single ship must have a cumulative score equal to or greater than any of the other Best of Class designees to qualify.

c. The Fleet/Award Committee may consider other factors presented to them by the evaluation teams to determine the winner if total scores are within 5 points of each other.

d. To achieve the Best of Class status, a ship must maintain the same high level of quality each year after earning their Ships Store Sales and Service Excellence Award. The Fleet/Award Committee will evaluate continued performance for all ships eligible for the Best of Class award.