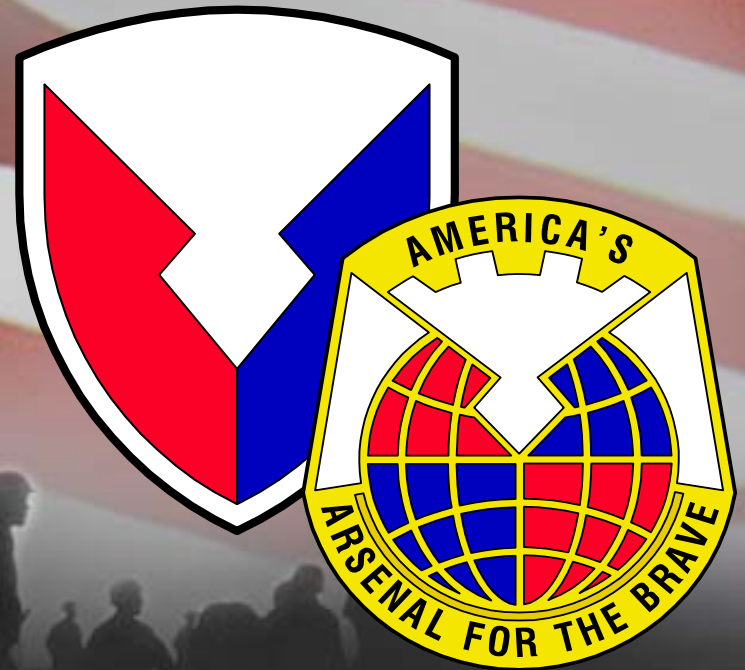


U.S. Army Materiel Command

Public-Private Partnerships With Industry

Advance Planning Briefing to Industry
(APBI)
8 Feb 2006

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“Need to be faster, more agile, less bureaucratic – Need to fight this every day”

What is a Public-Private Partnership?

-P3-

Army-owned and operated facilities...

- Maintenance depots
- Manufacturing arsenals
- Ammunition plants
- R&D facilities/labs
- Engineering Centers

❖ Contractual agreement between an Army-owned and operated facility and one or more private industry or other entities to perform work or utilize the Army's facilities and equipment.

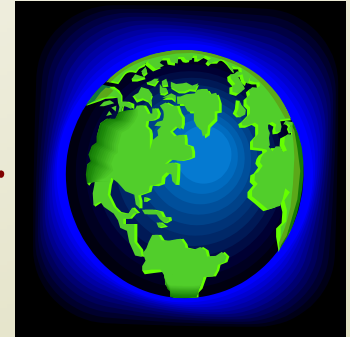
❖ Includes one or more of the following:

- ✓ Articles or services to industry.
- ✓ Industry leasing equipment or facilities to perform work for public or private sector.
- ✓ Work sharing arrangements.
- ✓ Teaming arrangements where Army facility and industry contract jointly .

State of the World

- Transformation
- Global War on Terrorism
- Market & Defense Globalization
- Increased Joint Operations

Critical Global Industrial Base for the 21st Century



Organic Industrial Base Evolution



“Need to be faster, more agile, less bureaucratic – Need to fight this every day”

Benefits to Industry

Benefits:

- ✓ Access to advanced technology industrial production machinery.
- ✓ Access to new chemical processes for metal finishing.
- ✓ Use of hard to receive hazardous waste permits.
- ✓ Minimize process flow.
- ✓ Long term use agreements.
- ✓ Avoid duplicate investment cost on short/long term contracts.
- ✓ Decrease in capital investment cost.

Statutory Authorities

General Statutory Authority

10 USC 2474: Designated Centers of Industrial and Technical Excellence (CITEs).

Participate in Public Competitions

10 USC 2208j

10 USC 2470

Section 8032 PL 108-37

Lease or Use Army Property

10 USC 2667

10 USC 2474

Sale of Articles and Services to Persons

Outside DOD

10 USC 2208(h)

10 USC 2539b

10 USC 4543

22 USC 2770

15 USC 3710a, Cooperative research and development agreements

Other

❖ **Armament Retooling and Manufacturing Support (ARMS) Initiative**

10 USC 4551-4555

❖ **Arsenal Support Program Initiative (ASPI)**

PL 106-398

❖ **Providing Government Property to Contractors**

FAR Subpart 45.3

Statutory Restrictions/Constraints

- ❖ **10 USC 2474...** Establishes Centers of Industrial and Technical Excellence (CITE) and partnering authorities
- ❖ **10 USC 2208(j)...** Working Capital Fund (WCF) authority for sales of articles and services
- ❖ **10 USC 2470...** authority to compete for maintenance and repair workloads of other Federal agencies
- ❖ **10 USC 2667...** Leasing of non-excess equipment and facilities, Enhanced Use Leasing
- ❖ **10 USC 2208h..** Supplies from a working capital funded inventory may be sold to contractors to for use in performing DOD contracts.
- ❖ **10 USC 4543...** Sale of articles and services by facilities that manufacture cannons, gun mounts, etc.
- ❖ **22 USC 2770...** may manufacture, procure, or sell defense articles to any United States company for incorporation into end items
- ❖ **10 USC 2469a ...**Competitive procedures for contracting at BRACed depots
- ❖ **10 USC 2563...** Sales of articles and services by industrial facilities (other than 10 USC 4543)

- ❖ **P.L. 103-337...** Initial depot maintenance partnering law Sec 337
- ❖ **10 USC 4553...** Armament Retooling and Manufacturing Support Initiative
- ❖ **P.L. 106-398...** maintain the viability of the Army manufacturing arsenals and the unique capabilities of these arsenals to support the national security interests of the United States
- ❖ **FAR, Subpart 45.3...** Conditions and limitation for providing equipment material and facilities to a contractor or subcontractor

- ❖ **15 USC 3710a & 10 USC 2539b ...** R&D, Laboratories, engineering centers...
- ❖ **10 USC 7300...** Naval shipyard sale of articles and services for fulfillment of contracts for nuclear ships
- ❖ **22 USC 2754...** Sale of articles and services to be sold or leased for Foreign Military Sales (FMS)

AMC's Public-Private Partnership Goal and Objectives

Intent:

Create a partnership fostering atmosphere between government facilities and private entities that benefits all parties.

Goal:

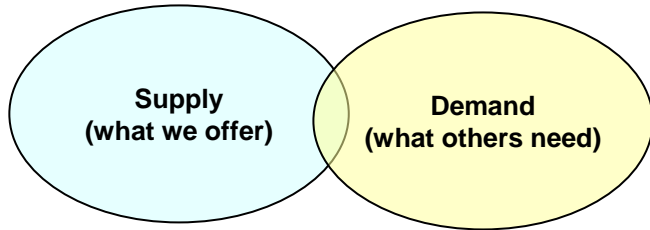
Improve the output and performance of AMC organic facilities through increased participation with the private sector via industrial partnerships or cooperative activities.

Objectives:

- ✓ Enhance support to the warfighter via stronger cooperative partnership relations with industry
- ✓ Leverage industry's best practices
- ✓ Improve organic operations efficiencies
- ✓ Reduce and offset cost of ownership of organic facilities
- ✓ Leverage private investment in Army facilities

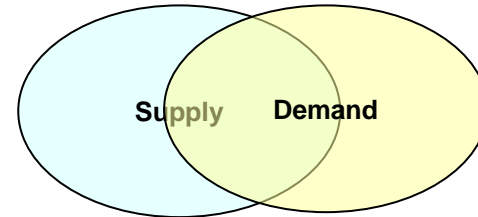
Partnership Strategies

As-is



Partnerships exist in the overlap

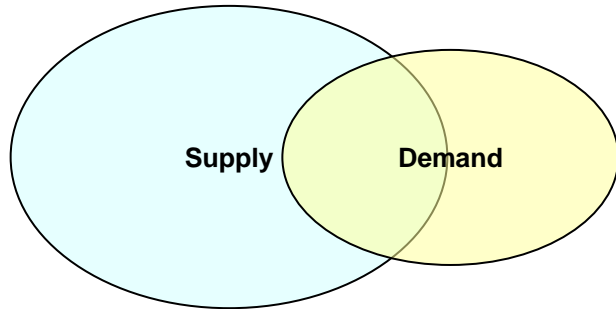
Strategy #1: Make Partnerships Easier



How? Remove barriers

- Shape enabling legislation
- Create supportive regulations and policies
- Drive decisions down based on common business rules

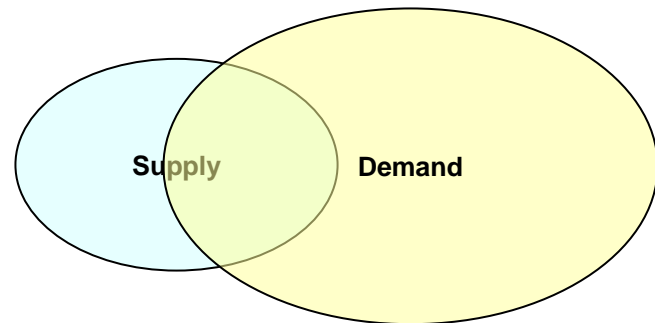
Strategy #2: Improve Market Position



How? Be a more attractive partner

- Enhance capabilities
- Decrease costs
- Increase agility
- Improve innovation

Strategy #3: Stimulate Demand



How? Promote partnership opportunities

- National campaign
- Enterprise-wide partnership matching
- Speed of delivery

HQ AMC's

Actions to Support Partnerships

Main thing to remember from briefing

❖ Private Industry Awareness

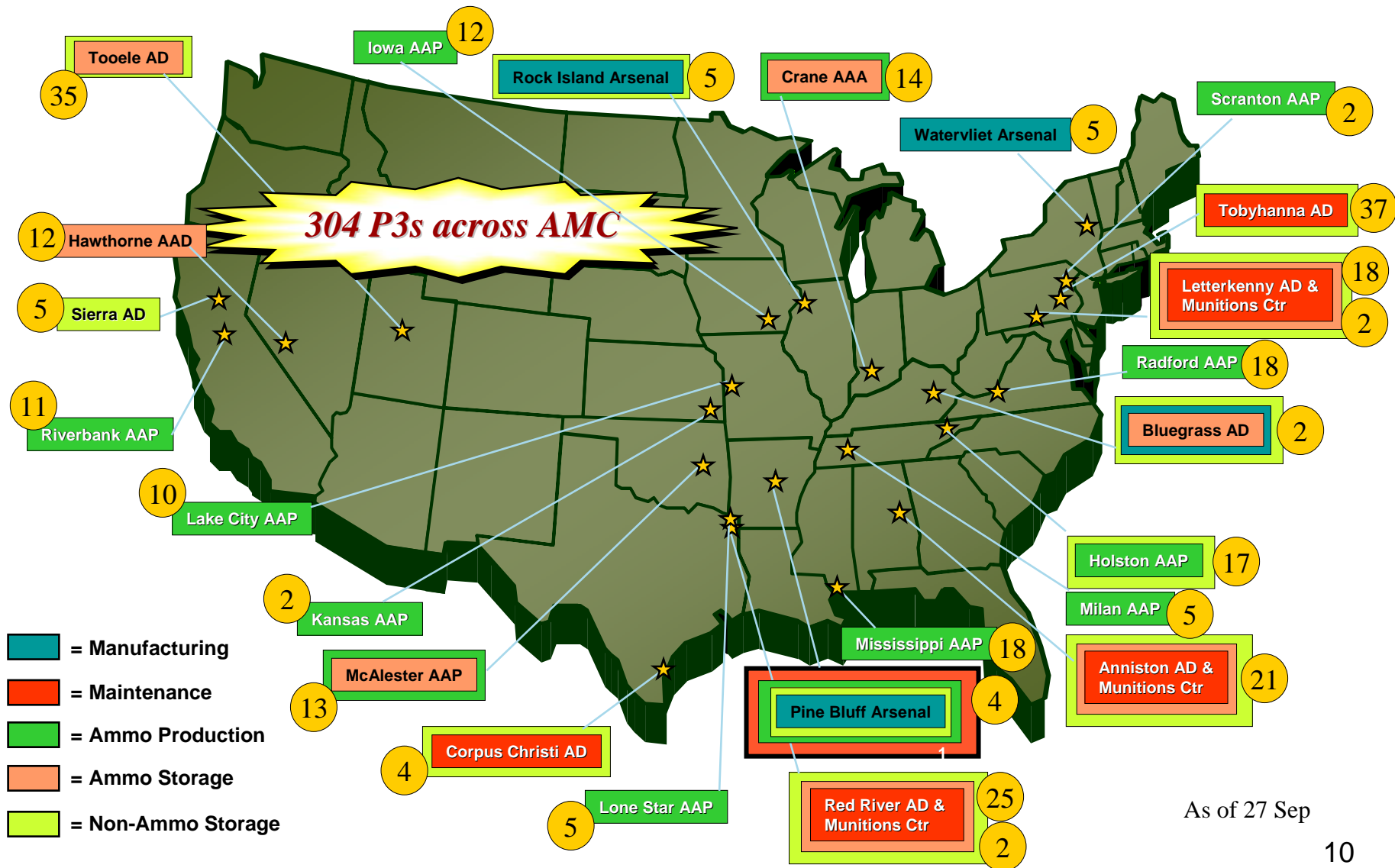
- ✓ Established a publicly viewed webpage (<http://www.amc.army.mil/partnering/>) to create awareness of partnership opportunities, to include: POCs, facility links, legislation.
- ✓ Participate in Advance Planning Briefings to Industry.
- ✓ Champion Partnering through Industry Forums.
- ✓ Developing capabilities distribution list. Want to be on list? Email POC from above webpage.

❖ AMC Facility Support

- ✓ Update Army Knowledge On-Line Partnership Knowledge Center (<https://www.us.army.mil/suite/kc/881063>).
- ✓ Support Partnership Legislation.
- ✓ Conduct on-site Partnership Tutorials at Army Materiel Command installations.

Leverage Industry's Strengths

Number of Public-Private Partnerships Across AMC's Industrial Facilities



As of 27 Sep

AMC Partnership Examples

❖ Maintenance Army Depots (ADs)

- ✓ Anniston AD
 - General Dynamics, BAE, Honeywell
- ✓ Corpus Christi AD
 - Sikorsky Aircraft Corp, GE Aircraft Engines, The Boeing Company
- ✓ Letterkenny AD
 - Lockheed Martin JAVELIN Joint Venture, Lechmotoren US, Edgewood Chemical Biological Center (ECBC)
- ✓ Red River AD
 - BAE, Marvin Land Systems, GS Engineering
- ✓ Tobyhanna AD
 - Northrop Grumman, Engineering & Professional Services, BAE

❖ Ammunition Storage

- ✓ Anniston Munitions Center
 - AMTEC
- ✓ Blue Grass AD
 - Lockheed, Air Force
- ✓ Hawthorne AAD
 - Space & Missile, Marines Dockery
- ✓ Letterkenny Munitions Center
 - ADK, BAE Deep Digger
- ✓ Red River Munitions Center
 - RRAD, DDRT, TRMD
- ✓ Tooele AD
 - General Atomics, Technical Ordnance, Dyno Nobel

❖ Manufacturing Arsenals

- ✓ Pine Bluff Arsenal
 - Lindsay & Osborne, Battelle,
- ✓ Rock Island Arsenal Joint Manufacturing and Technology Center
 - Alliant Tech Systems, Grainger Tools, PB-NAMMO Demil LLC
- ✓ Watervliet Arsenal
 - Egyptian Co-Production, Hartchrom Inc, GD Land Systems

❖ Mobility Facility

- ✓ Sierra AD
 - FEMA, Tyonek, Highland Engineering

❖ Army Ammunition Plants (AAPs)

- ✓ Crane Army Ammunition Activity
 - SNC Canada, Gradient Technologies
- ✓ Holston AAP
 - Railcar Solutions, Transit Mix, Kingsport Railcar Services
- ✓ Iowa AAP
 - General Dynamics, L3, U.S. Army Corps of Engineers
- ✓ Kansas AAP
 - Dyno Nobel, Lindsey & Osborn Partnership
- ✓ Lake City AAP
 - Stealth Garments, Valentec, Fort Osage School
- ✓ Lone Star AAP
 - American Dehydrated Foods, TEC Liners, Area Z Recreation

- ✓ McAlester AAP
 - Boeing, General Dynamics, National Forge
- ✓ Milan AAP
 - Ordnance Systems Inc, SNC TEC, American Ordnance
- ✓ Mississippi AAP
 - Boeing, Power Dynamics, Dept. of Energy
- ✓ Radford AAP
 - New River Energetics, Alliant Painting, U.S. Cellular
- ✓ Riverbank AAP
 - Cingular, Sierra Railroad, Medical Relief Foundation
- ✓ Scranton AAP
 - DCAA, Pennsylvania Environmental Partnership

Conclusion

- ❖ The U.S. Army Materiel Command is committed to strong and mutually beneficial working relationships with our Industry Partners.
- ❖ The Public-Private Partnership process has proven to be a dynamic and effective tool in forging such relationships.

Should be utilized wherever and whenever beneficial as a sound management practice for business in the present and future.

Win – Win
For Industry
& U.S. Army

Life-Cycle
Sustainment Support!

BOTTOM LINE...
Ensure Warfighting Readiness!

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BACK UP INFORMATION

Watervliet Arsenal

This reduces Army's cost of ownership, preserves critical mission skills, Permits modernization of facilities and infrastructure

- ❖ **Arsenal Support Program Initiative (ASPI):**
 - ✓ Site Manager Partnership Contract with Arsenal Business and Technology Partnership for two years at no cost. ABTP markets unused and underutilized space and assets to commercial/Government customers, negotiates agreements and acts as facility manager.
 - ✓ Partnering Contract with Hartchrom Albany, Inc
 - ✓ Cooperative Research and Development Agreement partnership to provide WVA space to two research and development companies
 - ✓ Oak-Mitsui Inc facility utilization and purchase of service by WVA workforce
 - ✓ Elmhurst Research Inc rental of office space.
 - ✓ CRADA arrangements with Benet Labs supports partnering for space and services on-site with two Research and Development Companies - Oak Mitsui and Elmhurst Research
 - ✓ Extreme Molding is leasing space for a start-up injection molding business with future expansion plans

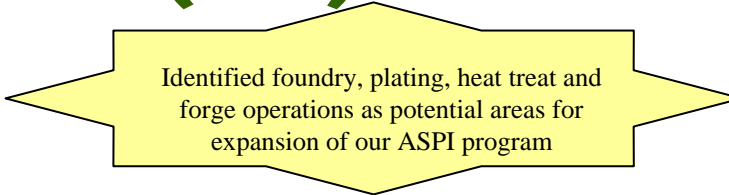
- ❖ **Direct Sales**
 - ✓ General Dynamics - M256 cannon for the Korea K-1 Tank upgrade program,
 - ✓ General Dynamics - M68A1 Cannon for the Army Stryker vehicle Mobile Gun System
 - ✓ Wilburt & Company - Thin foil booms

- ❑ **Hartchrom Albany, Inc. – Chrome plating barrels/components, as of 19 Aug 05**



Rock Island Arsenal (RIA)

Using ASPI



Identified foundry, plating, heat treat and forge operations as potential areas for expansion of our ASPI program

- ❖ TDF Corporation provides computer support to various tenants at Rock Island Arsenal.
- ❖ Quad City Area Labor Management provides in-kind training for Rock Island Arsenal employees.
- ❖ General Dynamics Ordnance and Tactical Systems provides a wide variety of services to the Joint Munitions Command.
- ❖ Modular Furniture, Inc tears down and sets up office systems on Rock Island Arsenal.
- ❖ 5 T Office Services provides computer repair services to Rock Island Arsenal and its tenants.
- ❖ FR Countermeasures provides a wide variety of services to the Joint Munitions Command.
- ❖ Work with the Quad City Development Group on an agreement that allows them to market the facility. This will reduce processing time, cost of multiple leases, and enhance marketing efforts.
- ❖ Success with the ASPI program ... 7 facility use contracts in place, 5 are for administrative space, 1 for storage space, and 1 for production space.

Rock Island Arsenal (RIA)

Numerous Success Stories with Public-Private Partnering Agreements

- ❖ **United Defense Limited Partners...** Production of turrets and crew production baskets on the BMP-2 Opposing Forces Surrogate and for the upgrade of gun mounts for the M109 Howitzer
- ❖ **CMRED...** Center for Manufacturing Regional Economic Development for the sale of various supplies and services not commercially available in support of area businesses.
- ❖ **Depot Systems...** For the sale of various supplies and services for both DOD and commercial application.
- ❖ **Alliant Techsystems...** For the sale of gun mounts and spare parts for the M1A1.
- ❖ **Focus Hope...** Mobile Parts Hospital development and production.
- ❖ **Log Value...** Government security qualification
- ❖ **Pendulum Management...** Government security qualification

–90 BPAs in place with local vendors to provide additional capacity, as of 19 Aug 05

Ground Systems Industrial Enterprise



TACOM/GSIE has significant successes with partnering. This is a Basic Ordering Agreement for ArmorWorks to send work to five Army facilities.

- **Partner: ArmorWorks, Tempe, AZ uses state-of-the-art ceramic and composite materials to construct high tech armor systems.**

- **Subcontract for metal manufacturing to:**

- **Anniston Army Depot**
- **Red River Army Depot**
- **Sierra Army Depot**
- **Joint Mfg & Technology Ctr-Rock Island Arsenal**
- **Joint Mfg & Technology Ctr-Watervliet Arsenal**



Corpus Christi Army Depot (CCAD)

CCAD is leveraging their CITE designation to create depot workload and provide for private sector use of their facility.

**Apache
Chinook
Blackhawk
T700
T55**

❖ Use Memorandums of Agreement to develop a number of Original Equipment Manufacturing Partnering efforts.

❖ Partners include:

- ✓ Sikorsky Aircraft Corporation
- ✓ General Electric Aircraft Engines
- ✓ Honeywell International Corporation
- ✓ Boeing Company Aerospace Support



❖ These agreements represent three major weapon systems and two major engines that CCAD overhauls.

Letterkenny Army Depot

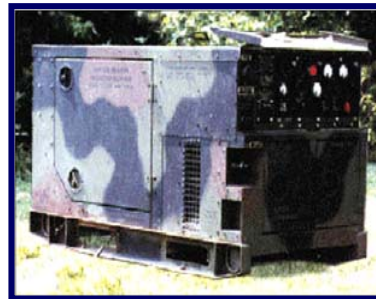
AM General

- Provides powertrains and unique parts for HMMWV



Melton Industries

- Provides engines for power generation systems



Penn Metal Fabricators

- Metal components and trailers for mobile kitchens



Military Systems Group

- Gun mounts and engineering for special operations vehicles



Edgewood Chemical Biological Center

- Biological shelters and filters



AAI

Shadow 200 UAV



McAlester Army Ammunition Plant



- Harpoon Warhead
- High Speed Anti Radiation Missile (HARM)
- Joint Standoff Weapon (JSOW)
- Extended Range Guided Munition (ERGM)
- Commercial Explosive Charges
- 500 lb. Bombs
- 1000 lb. Bombs
- 2000 lb. Bombs
- Demilitarization
- Pallets

Centers of Industrial and Technical Excellence (CITES)

❖ **10USC2474...** Depots can enter Public-Private Partnerships to perform work related to maintenance core competencies.

❖ **Secretary of Army Designations...**

- ✓ **Anniston Army Depot...** Combat Vehicles (Except Bradley), Artillery, & Small Caliber Weapons
- ✓ **Corpus Christi Army Depot...** Rotary Wing Aircrafts (Less Avionics)
- ✓ **Letterkenny Army Depot...** Air Defense & Tactical Missile Ground Equipment (Less Missile Guidance & Control), and **Mobile Electric Power (MEP) Generation Equipment**
- ✓ **Pine Bluff Arsenal...** Chemical & Biological Defense Equipment
- ✓ **Red River Army Depot...** Tactical Wheeled Vehicles, Small Emplacement Excavator, Bradley Fighting Vehicle Series, Multiple Launch Rocket System chassis, Patriot Missile recertifications, & Rubber products for Sustainment & support to U.S. & Allies & Agencies.
- ✓ **Tobyhanna Army Depot...** Communications & Electronics, Avionics, & Missile Guidance & Control

SecArmy Designated...
21 Aug 01,
24 Oct 02, & 27 Sep 05