

Report to Congress  
DISTRIBUTION OF DoD  
DEPOT MAINTENANCE WORKLOADS

FISCAL YEARS 2011 THROUGH 2013



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MAY 2012

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Under Secretary of Defense  
for Acquisition, Technology and Logistics

Preparation of this study/report cost the Department of Defense  
a total of approximately \$877,000 for FY 2012.  
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## INTRODUCTION

Section 2466(d)(1) of title 10, U.S.C., requires that the Secretary of Defense submit, not later than 90 days after the date on which the budget of the President for a fiscal year is submitted to Congress, a report identifying, for each of the armed forces (other than the Coast Guard) and each Defense Agency, the percentage of funds referred to in section 2466(a) of title 10, USC, that was expended during the preceding fiscal year and are projected to be expended during the current fiscal year and the ensuing fiscal year for performance of depot-level maintenance and repair workloads by the public and private sectors.

The following conventions were used in the preparation of this report:

- Limited to military materiel;
- Applies to all depot maintenance support requirements, regardless of the source or sponsor of the program;
- Applies to all funding sources and all customers budgeted or managed by the Military Department or Defense Agency;
- Funds made available are for depot maintenance and repair obligations for FY 2011 and projected obligations for FYs 2012 and 2013;
- Reporting is made from the Principal's perspective (i.e., the component that manages the funding or owns the equipment that is being repaired or maintained);
- Includes all locations performing depot-level maintenance and repair (i.e., all maintenance and repair tasks designated or coded as depot-level that are performed in field or other non-depot locations);
- Includes interim contractor support and contractor logistics support (or any similar contractor support) to the extent that such support is for performance of depot-level maintenance and repair;
- Depot-level maintenance and repair work performed by employees of the Department of Defense is reported regardless of the location where the work is performed;
- Depot-level maintenance and repair work contracted for performance by non-Federal Government personnel is reported regardless of the location where the work is performed; and
- *Acquisition* of modifications and upgrades is excluded; however, *installation* of these modifications and upgrades is included when the installation is considered a depot-level service.

Additionally, section 2474(f) of title 10, U.S.C., excludes certain expenditures from the percentage limitations in section 2466(a). The exclusion applies to the performance of depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence pursuant to a public-private partnership. Section 2466(d)(2) requires that the report required under section 2466(d)(1) include as a separate item any

expenditure covered by section 2474(f) that was made during the fiscal year covered by the report and shall specify the amount and nature of each expenditure.

The following applies to determination of the exclusion:

- The depot maintenance activity on which the workload is performed must have been designated a Center of Industrial and Technical Excellence.
- The workload must be pursuant to a public-private partnership for depot maintenance.
- The workload must be performed by personnel provided by private industry or other entities outside the Department of Defense at a Center of Industrial and Technical Excellence.

The National Defense Authorization Act for Fiscal Year 2012 revised the definition of depot-level maintenance. The FY 2011 actual obligations are based upon the definitions in place during that period. The FY 2012/13 projections are based upon the revised definitions and account for anticipated waivers.

## REPORT

The information on distribution of depot-level maintenance and repair workloads by the public and private sectors for the Military Departments and Defense Agencies is provided at the attached table.

The first portrayal entitled “Military Department/Defense Agency” is the portrayal applicable to compliance with the section 2466(a) 50-percent limitation on the funds made available to a Military Department or Defense Agency that can be used to contract for performance by non-Federal Government personnel.

The second portrayal entitled “Armed Forces” is applicable to the section 2466(d)(1) requirement for reporting for each of the Armed Forces (other than the Coast Guard) in that it provides the required breakout for the Department of the Navy (to include the Marine Corps).

The third portrayal entitled “Other Defense Organizations” provides information for organizations not meeting the sections 101(a)(4), (8), and (11) of title 10, U.S.C., definitions of armed forces, military department, or defense agency and therefore not subject to the 50-percent limitation.

Non-Federal work that is not excluded by section 2474(f) from the 50-percent limitation on the funds made available to a military department or defense agency that can be used to contract for performance by non-Federal Government personnel is identified on the attached Table as “non-exempt.” Non-Federal work that is excluded by section 2474(f) from the 50-percent limitation is identified on the attached Table as “exempt.” Since U.S. Special Operations Command is neither a military department nor a defense agency, the section 2474(f) exclusion does not apply.

All Military Departments and Defense Agencies report compliance with the 50-percent limitation for FY 2011 and project compliance for FY 2012-2013. The workload projections for FY 2012-2013 reflect Office of the Secretary of Defense data call guidance: “Submitters shall identify as a separate entry, all workloads waived, or anticipated to be waived, to be consistent with past practices, under the provisions of Title 10 USC, Section 2466, *Limitations on the Performance of Depot-level Maintenance of Materiel*, as amended by the FY2012 NDAA.”

**Distribution of DoD Depot Maintenance Workloads  
For Fiscal Years 2011 Through 2013**

<b>Military Department/ Defense Agency</b>	<b>Workload Distribution</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Dept of Navy</b>	Total Funds	14,072.5	11,585.1	13,109.3
	Federal Work	7,105.8	6,477.6	6,803.4
	Non-Federal Work Non-exempt	6,962.3	5,097.9	6,245.6
	Non-Federal Work Exempt	4.4	9.6	60.3
	Public Portion	50.5%	55.9%	51.9%
	Private Portion Non-exempt	49.5%	44.0%	47.6%
	Private Portion Exempt	0.0%	0.1%	0.5%
<b><u>Expenditures Excluded as CITE Partnering under 10 U.S.C. 2474(f)</u></b>		<b><u>Amount Exempted in FY 2011</u></b>		
None		0.0		
<b>Dept of Army</b>	Total Funds	8,028.2	8,887.2	8,082.4
	Federal Work	4,894.5	5,508.2	4,878.0
	Non-Federal Work Non-exempt	3,133.7	3,379.0	3,204.4
	Non-Federal Work Exempt	0.0	0.0	0.0
	Public Portion	61.0%	62.0%	60.4%
	Private Portion Non-exempt	39.0%	38.0%	39.6%
	Private Portion Exempt	0.0%	0.0%	0.0%
<b><u>Expenditures Excluded as CITE Partnering under 10 U.S.C. 2474(f)</u></b>		<b><u>Amount Exempted in FY 2011</u></b>		
None		0.0		
<b>Dept of Air Force</b>	Total Funds	12,296.5	12,519.0	13,180.2
	Federal Work	6,347.2	6,404.3	6,898.8
	Non-Federal Work Non-exempt	5,768.6	5,972.4	6,137.0
	Non-Federal Work Exempt	180.7	142.3	144.4
	Public Portion	51.6%	51.2%	52.3%
	Private Portion Non-exempt	46.9%	47.7%	46.6%
	Private Portion Exempt	1.5%	1.1%	1.1%
<b><u>Expenditures Excluded as CITE Partnering under 10 U.S.C. 2474(f)</u></b>		<b><u>Amount Exempted in FY 2011</u></b>		
OC-ALC FII9 Engine - Special technologies engine component repair		6.5		
WR-ALC LANTIRN - Phase I - Component Repair		9.6		
B-1 Software - Software Maintenance		90.8		
B-2 Software - Software Maintenance		73.8		
Total		180.7		

<b>Military Department/ Defense Agency</b>	<b>Workload Distribution</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Missile Defense Agency</b>	Federal Work	0.0	0.0	0.0
	Non-Federal Work Non-exempt	0.0	0.0	0.0
	Non-Federal Work Exempt	7.2	6.9	7.8
	Public Portion	0.0%	0.0%	0.0%
	Private Portion Non-exempt	0.0%	0.0%	0.0%
	Private Portion Exempt	100.0%	100.0%	100.0%
<b><u>Expenditures Excluded as CITE Partnering under 10 U.S.C. 2474(f)</u></b>		<b><u>Amount Exempted in FY</u></b>		
			<b><u>2011</u></b>	
X-Band Radars			7.2	
	Total		7.2	
<b>Armed Forces</b>				
<b>Navy</b>	Total Funds	13,451.6	11,157.4	12,672.7
	Federal Work	6,584.1	6,106.4	6,404.4
	Non-Federal Work Non-exempt	6,863.1	5,041.4	6,208.0
	Non-Federal Work Exempt	4.4	9.6	60.3
	Public Portion	48.9%	54.7%	50.5%
	Private Portion Non-exempt	51.0%	45.2%	49.0%
	Private Portion Exempt	0.0%	0.1%	0.5%
<b>USMC</b>	Total Funds	620.9	427.7	436.6
	Federal Work	521.7	371.2	399.0
	Non-Federal Work Non-exempt	99.2	56.5	37.6
	Non-Federal Work Exempt	0.0	0.0	0.0
	Public Portion	84.0%	86.8%	91.4%
	Private Portion Non-exempt	16.0%	13.2%	8.6%
	Private Portion Exempt	0.0%	0.0%	0.0%
<b>Other Defense Organizations</b>				
<b>USSOCOM</b>	Total Funds	565.1	491.1	544.6
	Federal Work	54.6	45.7	46.7
	Non-Federal Work	510.5	445.5	497.8
	Public Portion	9.7%	9.3%	8.6%
	Private Portion	90.3%	90.7%	91.4%

Note: Dollars in millions; numbers may not add due to rounding

USMC = U.S. Marine Corps

USSOCOM = U.S. Special Operations Command; USSOCOM does not meet the 10 U.S.C. 101(a)(4), (8) and (11) definitions of armed forces, military department, or defense agency and is not subject to the 50 percent limitation; however, this data is included for consistency with past reports.