



Public Private Partnerships for Depot Maintenance

**Hollis Hunter
Office of the Assistant Deputy Under Secretary of Defense
(Logistics & Materiel Readiness)
Maintenance Policy, Programs & Resources**



PRODUCT SUPPORT GOAL

Warfighter Combat Capability

- **Ensure a Ready and Controlled Source Capable of Providing Combat Ready Weapon Systems Anytime and Anywhere Efficiently and Effectively.**





WHAT IS “PARTNERING”

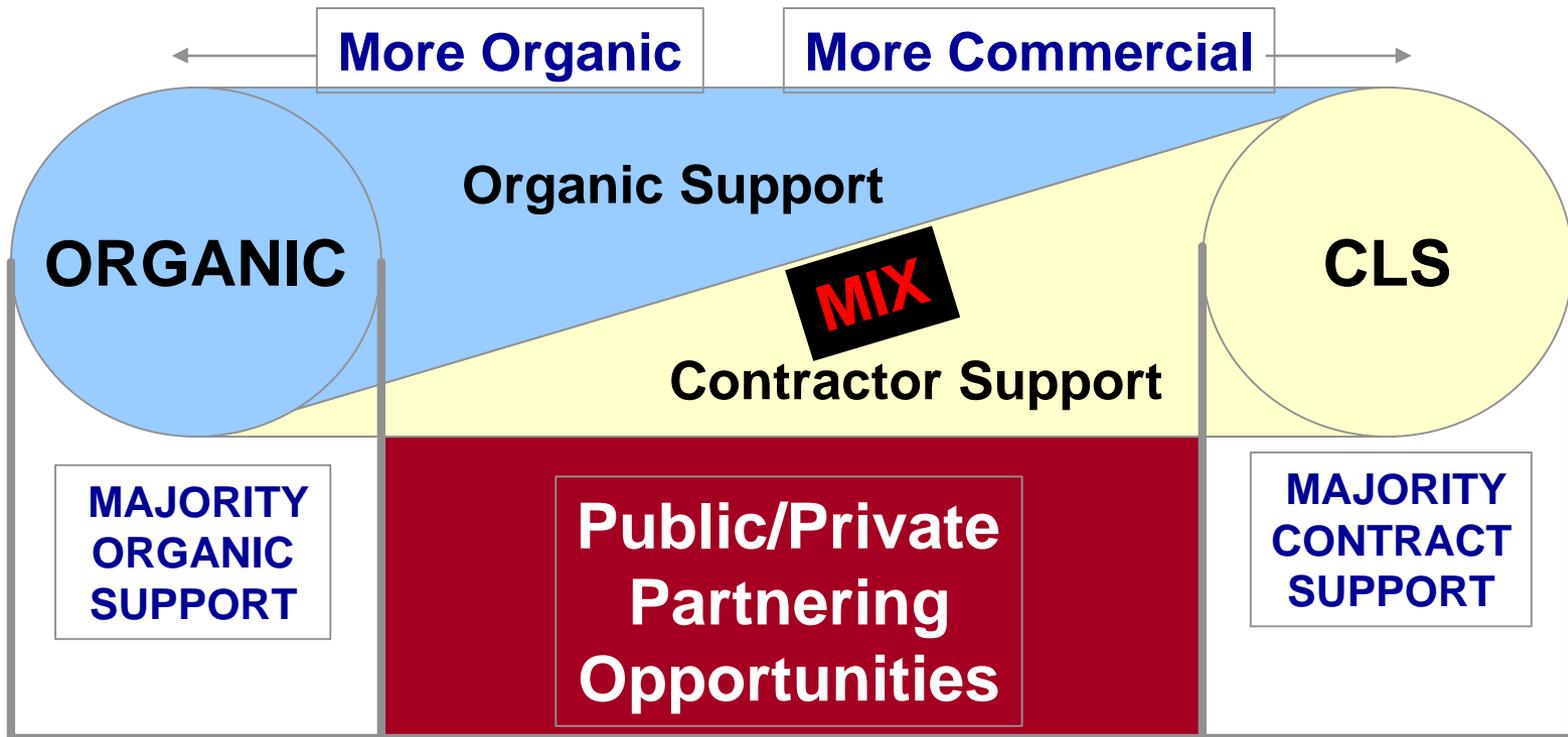
Partnering is—

- A Logistics Sustainment Philosophy that
 - Focuses on a Cooperative Agreement Between the
 - Program Manager,
 - System Support Manager,
 - Depot Maintenance Manager, and
 - Private Sector Supplier of Sustainment and Modernization

Partnering is a Cooperative Effort Not a Competitive Engagement



WHEN SHOULD WE PARTNER?



GOAL: Leverage Innovative Concepts of the Private and Public Sectors to Support the Warfighter at the Best Value for the Department of Defense and the Taxpayer



Current Partnership Environment

- **Depot Maintenance Public-Private Partnerships are a relatively new idea**
- **Congressional enthusiasm has resulted in ample statutory authority**
- **One of six elements of DoD's Future Logistics Enterprise (FLE) initiative**
- **Interim DM-PPP Guidance recently issued**

**Consistent with QDR mandate
'Revitalizing the DoD Establishment'**



General Themes of Partnering Authorities

- **Partnerships can exist without legislative authority**
- **Legislative authorities have restrictions, conditions**
- **Depot involvement generally supports**
 - Existing DoD contracts or
 - Goods/services not available in private sector
- **Generally, government will not compete with private sector**
- **In some cases proceeds reimburse DoD account incurring partnership-related costs**



Public-Private Partnerships for Depot Maintenance

- **Range of Possibilities Includes:**
 - Depot provides articles and/or services to industry
 - Industry leases depot equipment and/or facilities
 - Performs work for either the public or private sector
 - Worksharing arrangements
 - Teaming arrangements where depot and industry jointly contract with a Program Manager



Expected Benefits from Depot Maintenance Partnering

Organic depots

- New investment
- Preserve skilled workforce
- Enhanced operating efficiency
- Access to technical support

Commercial firms

- Access to process permits, capabilities
- Minimize process flows
- Long-term agreements
- Avoid investment in duplicative capabilities

Warfighter

- Improved logistical support
- Improved responsiveness
- Technology infusion
- Increased reliability



Advantages of Depot Maintenance Partnering for the Program Manager

- **Avoids investment in duplicative capabilities**
- **Permits single-point accountability for product support**
- **Enables compliance with statutory constraints**
 - **Core logistics capability**
 - **50/50 depot maintenance workload distribution**
- **Improves day-to-day support responsiveness**
- **Provides built-in Surge capability**



Army Examples

- **M1/M1A2 Upgrade at Anniston with General Dynamics**
 - Disassemble, hull upgrade, turret demil, overhaul of subassemblies & components - Ship to Lima OH
- **Firefinder Block II Program at Tobyhanna with Raytheon**
 - Design, fabricate, & integrate prime power group & vehicle communications
- **Multiple Launch Rocket System M270A1 at Red River with Lockheed Martin**
 - Overhaul vehicle and ship to L-M for integration of upgrades
- **M1 Recuperator Facility Use at Anniston by Honeywell**
 - Provide 30K sqft of former warehouse space to Honeywell for use as a manufacturing facility



Navy Examples

- **F/A-18E/F Components at All Naval Air Depots with Boeing**
 - Performance based logistics with organic depots providing repair services
- **Auxiliary Power Unit - Direct Vendor Deliver at Cherry Point with Honeywell**
 - Repair of items and field team support
- **Amphibious Assault Vehicle - RAM & Rebuild to Standard at Albany with United Defense LP**
 - Disassemble vehicles, ship bare hulls to UDLP for modification, upon return finish rebuild
- **AV-8B Remanufacture Program at Cherry Point with Boeing**
 - Disassemble aircraft & reuse/refurbish components for stock



Air Force Examples

- **C-17 Analytical Condition Inspection at Warner-Robins with Boeing**
 - Identify hidden defects, deteriorating conditions, corrosion, fatigue, overstress, & other structure conditions
- **JSTARS Total System Support Responsibility at Warner-Robins with Northrop Grumman**
 - Provide repair of prime mission equipment, software support, and backshop functions
- **B-2 Composite Manufacture & Repair at Ogden with Northrop Grumman**
 - Manufacture and repair of composite & low observable components
- **LANTIRN Phase I at Warner-Robins by Lockheed Martin**
 - Facility use for contractor at WR-ALC for component repair



CONCLUSION

Partnering Can be a Winning Strategy for All

- **Win for Warfighter**
 - **A Weapon System—Ready When Needed**
- **Win for Acquisition Offices**
 - **Single-Point Accountability to Maximum Extent Practicable**
 - **Optimum Solutions for Weapon System Balanced with Overall Service Objectives**
- **Win for Industry**
 - **Utilization of Existing & New Organic Investments**
 - **Profits / Reputation Associated With Partnerships**
- **Win for Organic Maintenance Depots**
 - **Workload to Maintain Core Capabilities**



Authorities

- | | |
|--------------------------------|---|
| 10 USC 2208(j) | Working Capital Fund authority for sales of articles and services |
| 10 USC 2469a | Competitive procedures for contracting at BRACed depots |
| 10 USC 2474 | Establishes Centers of Industrial & Technical Excellence (CITEs) and partnering authorities |
| 10 USC 2563
(formerly 2553) | Sale of articles & services by industrial facilities (other than 10 USC 4543) |
| 10 USC 2667 | Leasing of non-excess equipment and facilities |



Authorities (continued)

10 USC 4543	Sale of articles & services by facilities that manufacture cannons, gun mounts, etc.
10 USC 7300	Naval shipyard sale of articles and services for fulfillment of contracts for nuclear ships
22 USC 2754	Sale or lease of articles and services to friendly countries
22 USC 2770	Sale of articles and services to U.S. companies for incorporation into end items sold to friendly countries
FAR, Subpart 45.3	Conditions & limitations for providing equipment, material & facilities to a contractor or subcontractor