

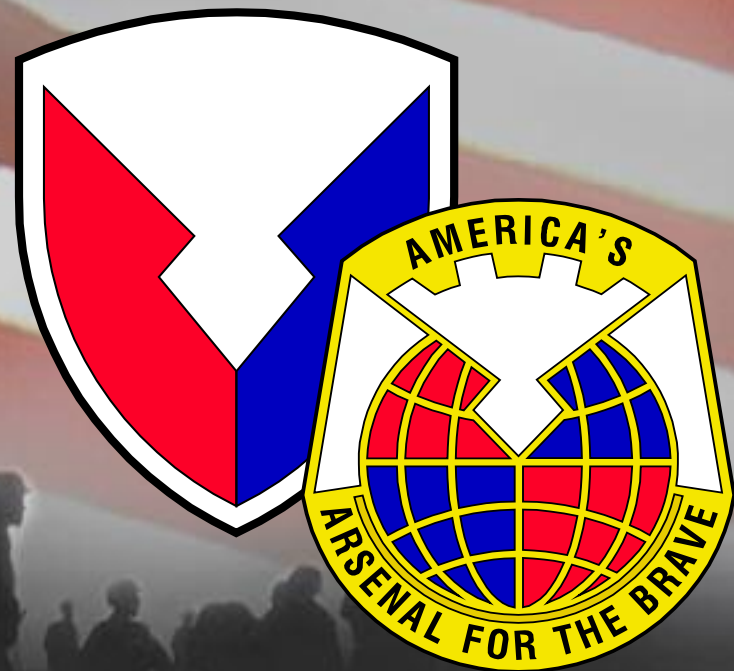
Public-Private Partnerships With Industry

**Tank-automotive & Armaments Command
Advance Planning Briefing to Industry
(APBI)
15 October 2004**

***“Government and Industry
Unite to Support our
Forces”***

LUIS E. GARCIA-BACO
Chief, Industrial Base Capabilities Division
HQ U.S. Army Materiel Command

U.S. Army Materiel Command



State of the World

- Market & Defense Globalization
- Increased Joint Operations
- Financial & Budgetary Instability
- Global War on Terrorism

Critical Global Industrial Base for the 21st Century



Organic Industrial Base Evolution



Challenge ...Rapid Reaction to Warfighter Requirements!

Transforming the Army Organic Base

- Army Strategy -

*Commercialize
When Economically
Feasible at Minimum
Cost & Risk*

Reconfigurable and responsive
manufacturing ... Rapid
acquisition

Integrated matrixed
capabilities... Maximum
flexible workforce

- *Why transform . . .*
 - ❖ To meet National Security Missions
 - ❖ To integrate Lean/6 Sigma/Agile Manufacturing Concepts
 - ❖ To satisfy Defense Future Systems Requirements
 - ❖ To migrate to Public-Private Partnerships

- *Our Strategy . . .*

Ammunition Plants

- ❖ Program Budget Decision 407, Ordnance Base rightsizing
- ❖ SecArmy approved way ahead
 - ✓ Integrate
 - ✓ Consolidate
 - ✓ Divest
 - ✓ Lease
- ❖ Armament Retooling & Manufacturing Support

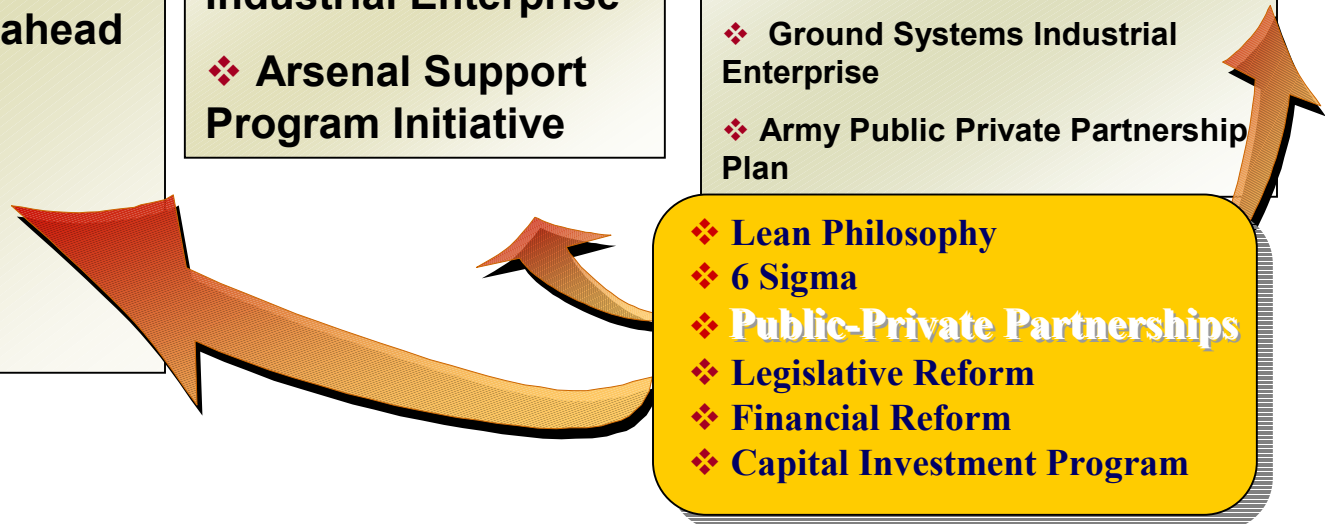
Arsenals

- ❖ Ground Systems Industrial Enterprise
- ❖ Arsenal Support Program Initiative

Maintenance Depots

- ❖ Centers of Industrial and Technical Excellence
- ❖ Ground Systems Industrial Enterprise
- ❖ Army Public Private Partnership Plan

- ❖ Lean Philosophy
- ❖ 6 Sigma
- ❖ **Public-Private Partnerships**
- ❖ Legislative Reform
- ❖ Financial Reform
- ❖ Capital Investment Program



What is Public-Private Partnership?

-P3-

Army-owned and operated facilities...

-Maintenance depots

-Manufacturing arsenals

-Ammunition plants

❖ 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:

- ✓ Provide articles or services to industry.
- ✓ Industry leases equipment or facilities ...Performs work for public or private sector.
- ✓ Work sharing arrangements.
- ✓ Team arrangements where depot and industry jointly contract.

Department of Defense

P3's Goals and Strategy

- ❖ **Improve output and performance through increased private sector participation.**
 - ✓ Accomplish Army depot workloads efficiently.
 - ✓ Sustain robust organic capabilities...Army-owned.
 - ✓ Increase use of commercial capabilities for functions for which private sector excels:
 - Program management
 - Supply chain management
 - Technology upgrades
 - Sustaining engineering knowledge
- ❖ **Enhance support to warfighter by enabling and empowering facilities to develop appropriate P3.**
- ❖ **Provide focused support to the warfighter through seamless, integrated use of public and private capabilities**
 - ✓ Leverage capabilities of public and private industrial and technology sectors.
 - ✓ Shape support strategies for both existing and new weapon systems and equipment.
 - ✓ Partner with private sector to ensure access to complimentary or dual capabilities.
- ❖ **Recognize legitimate National Security need for Army to retain critical organic capability.**



Statutory Authorities

Depots only

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

Other

❖ Armament Retooling and Manufacturing Support (ARMS) Initiative

10 USC 4551-4555

❖ Arsenal Support Program Initiative (ASPI)

Pub Law 106-398

Def App Bill FY2003
(Expires 1 OCT 2005)

❖ Providing Government Property to Contractors

FAR Subpart 45.3

Types of P3

- ❖ **Direct Sales – 10 USC 2208(h); 10 USC 2474;10 USC 4543**
- ❖ **Facility Use Agreements – 10 USC 2667**
- ❖ **Work Share Agreements**
- ❖ **Subcontracting – 10 USC 2208(j)**
- ❖ **Center of Industrial and Technical Excellence (CITE) Partnering – 10 USC 2474**
- ❖ **Armament Retooling and Manufacturing Support Programs (ARMS) - 10 USC 4551-4555**
- ❖ **Arsenal Support Program Initiative (ASPI) - Public Law 106-398**



Integration of Organic and Commercial Base -Stryker Program-

- ❖ Lima Army Tank Plant
 - ✓ Lower Hull Fabrication
 - ✓ Final Assembly and Test Overflow
- ❖ Anniston Army Depot
 - ✓ Partnership Arrangement with GDLS
 - ✓ Facility Support & final paint operations
- ❖ Watervliet Arsenal
 - ✓ Serving as Sub-contractor for Stryker MGS Program producing cannons and breech assemblies



Red River Army Depot (RRAD)

PROJECT	MECHANISM	PARTNER
M915A4 Glider Vehicle	Title 10 USC 2208(j) Subcontract	Lear Siegler Inc (LSI)
MLRS	Workshare	PM MLRS
HEMTT	Workshare	Oshkosh Truck Corp
Bradley Fire Spt Tm Vehicle	Work Share	PM Bradley
MLRS Hoist Assembly	Title 10 USC 2208(j) Subcontract	Lockheed Martin Missile & Fore Control (LMMFC)
Bradley Fighting Vehicle Transmissions	CITE Work Share	GDLS
HEMTT Recap Program	Workshare	UDLP
T1571 Track Shoes	Title 10 USC 4543	UDLP
Bradley Transmissions	Workshare	GDLS
First Article Testing for M1 and MLRS Roadwheels	Title 10 USC 2539(b)	Concurrent Technologies
M113 Roadwheels	Title 10 USC 2539(b)	Norcatec
MLRS Chassis and Component Overhaul Build Patriot Conduit Cover Shields	Title 10 USC 4544	LMMFC
Bradley Ramp Pump Inspect, Test & Paint	Title 10 USC 2474	UDLP
Collaboration- TACOM Market Survey for HMMWV	Title 10 USC 2208(j)	Stewart and Stevenson



RRAD has significant successes with partnering dating back to the 1980's when they teamed with Emerson Electric on the M901 Improved Tow Vehicle

Arsenal Support Program Initiative (ASPI)

-Watervliet Arsenal-

- ❖ **Partnering Contract with Hartchrom Albany Inc for chrome plating & phosphate services.**
- ❖ **Elmhurst Research Inc. rental of office space for engineering support services & R&D of high vessel technology.**
- ❖ **Cooperative Research and Development Agreement CRADA arrangements with Benet Labs supports partnering for office space and facility services.**
- ❖ **Extreme Molding is leasing space for a start-up injection molding business with future expansion plans.**
- ❖ **Step Tools leasing space for development of new software associated with manufacturing processes.**
- ❖ **M&W Zander leasing space for clean room technology development and training.**

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



Arsenal Support Program Initiative (ASPI)

-Rock Island Arsenal-

- ❖ **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**



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.



QUESTIONS?

