

UNCLASSIFIED

AMCCC-B-BI

POINT PAPER

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SUBJECT: Public-private partnerships with GOGO facilities

PURPOSE: Provide Information on policy and legislation facilitating use of Government depot and arsenal resources by the private sector

- Public-private partnerships are agreements between organic Government-owned, Government operated depots or arsenals and one or more private industry or other entities to perform work or utilize facilities and equipment.
- Partnerships include, but are not restricted to, the following forms:
 - Use of public sector facilities, equipment and employees to perform work or produce goods for the private sector (basically, sales to the private sector);
 - Private sector use of depot or arsenal equipment and facilities to perform work for the private sector; and
 - Work-sharing agreements, using both public and private sector facilities and or employees, where each sector is workloaded directly and efforts are coordinated by the Government.
- Legislation is necessary for the Government arsenal or depot to sell supplies or services to the private sector. Existing legislative authorities:
 - 10 USC 4543: allows manufacture and sale of items to private sector by working capital funded activities, including depots, arsenals and plants that manufacture munitions, provided there is no private sector source.
 - 10 USC 2208(j): allows manufacture and remanufacture of items and sale of items and services by working capital funded activities to the private sector for use on DOD contracts, provided the contract or subcontract was open to competition by public activities.
 - 10 USC 2208(h): allows sale of working capital funded inventory items to contractors for

use in performing DOD contracts.

- 10 USC 2539(b): allows sale of equipment or materials for use in IR & D or demonstration to friendly foreign governments, and sale of test services by test facilities.
- 10 USC 2474: allows performance of work by depot-level activities that have been designated as Centers of Industrial and Technical Excellence (CITES) in their core competencies and allows use of CITE facilities by contractors.
- 10 USC 4551 note: Arsenal Support Program Initiative (ASPI): allows arsenal workforce, consistent with 10 USC 4543, to manufacture weapons, components and related products for commercial contractors who are given use of the facility. Contractor may subcontract for commercial use of the facility.
- In enacting CITE legislation for depots and ASPI for arsenals, Congress has endorsed public-private partnerships to increase facility utilization and readiness and lower costs.
- Public-private partnerships can be accomplished without legislation.
 - Contractors can be given use of facilities for DOD work under FAR part 45.
 - Work can be assigned to a depot or arsenal and coordinated with a contractor who is given use of facilities. This is the “workshare” arrangement.
- DOD issued specific policy on public-private partnerships for depot maintenance activities (CITES) specifying that when a depot maintenance workforce is used to support a partnership, the organic workforce must be engaged in work that is defense related.
- Implementation: All five AMC maintenance depots have been designated as CITEs in their core competencies. ASPI is being implemented at Rock Island, Watervliet and Pine Bluff Arsenals. Public-private arrangements are in effect or are being pursued at all locations.

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