



Public-Private Partnering



Statutory Partnering



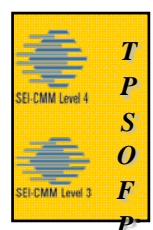
- Governed by Title 10 USC 2474 - also known as “Statutory Partnering”
- Arrangement in which government acts as seller and private party contractor acts as buyer
 - Depot level touch labor
 - Facility lease space
- Can be “Direct Sales” or “Workshare” Partnering Agreement or “Facilities Use Agreement”
- Focus on win-win cooperative relationship between private industry and government

Partnering Benefits

- Leverages best of public and private sectors
 - Highly-skilled, diversified workforce
 - Establishes long-term working relationship
 - Promotes innovations in technology
 - Maximizes capacity of Center of Industrial & Technical Excellence (CITE)
- Reduces cost of ownership
 - Leverages private sector investment
- Fosters cooperation between the armed forces and private industry



OC-ALC Capabilities



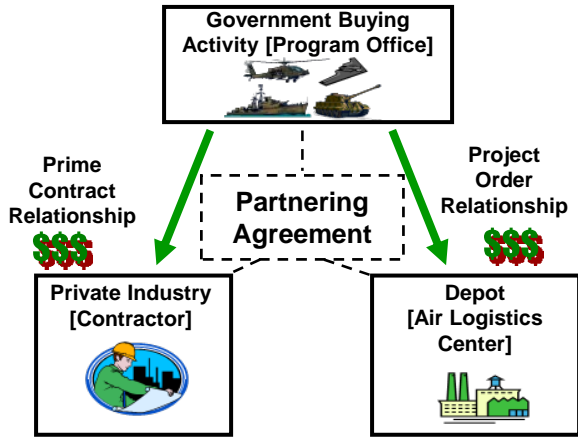
- Repair
 - Diagnostics, refurbishment, overhaul, modification, and rebuild
- Manufacturing
 - Fabrication, component, assembly, final assembly, and painting
- Technical Services
 - Testing and analysis, repair process design, and in-service engineering
- Software Support



10 USC 2474 Partnering Types



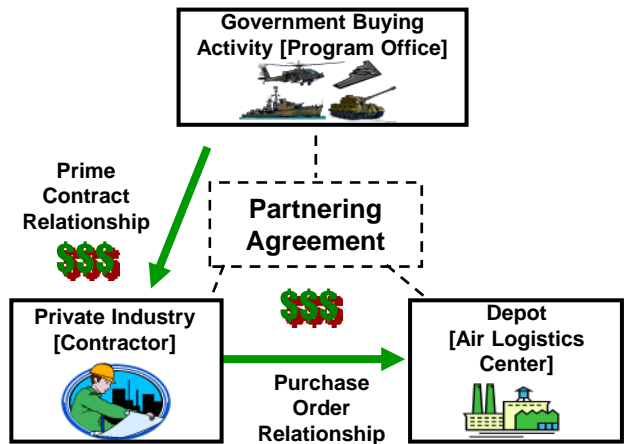
Workshare Partnering Agreement



- Funding streams from the System Program Manager
 - To contractor through contract vehicle; and
 - Direct to the depot through a project order
- **Benefits to contractor**
 - DoD manpower and facilities usage
- **Benefits to Depart of Defense (DoD)**
 - Not relying on contractor accounting system for funds tracking on depot workload
 - Potential decrease in over all weapon system cost
- **Risks to DoD**
 - Losing single point integrator
 - Process of two funding documents, a written contract for contractor and funded project order for depot

Direct Sales Partnering Agreement

- Funding streams from SPM through contractors accounting system to Depot
- **Benefits to contractor**
 - Clearly defined customer /Single point of contact
 - Handling fees
- **Benefits to DoD**
 - Less manpower required since contractor has sole responsibility for program integration
 - Greater contractor incentive to improve all aspects of the program and partnered workload
- **Risks to DoD and Contractor**
 - Potential increase in over all weapon system cost
 - DoD and Contractor process incompatibilities (accounting, quality, safety, etc.)



Facilities Use Agreement



- Private sector leases facilities at maintenance depots through **payment in cash** or **payment in kind**
 - Can install own equipment or lease depot owned equipment
 - Used to produce goods/services for DoD users
- Can be stand alone agreement or component of a partnering agreement
- **Benefits to DoD and contractor**
 - Potential overhead cost reduction
 - Synergy created from co-location
- **Benefits to DoD**
 - Maximizes capacity and increases infrastructure utilization
 - New technology insertion