STANDARD WORK PACKAGE
PUBLIC-PRIVATE PARTNERSHIPS

Owner:
Jeff Heron
Business Operations Department (AIR-6.1)
Naval Air Systems Command

Date

TD:
Yvette Bose
Technical Director AIR-6.0D
Naval Air Systems Command

Date
# REVISION HISTORY

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ENCLOSURE (1) INTENT TO PARTNER DATASHEET

ENCLOSURE (2) NAVAIR’S TEAMING & PARTNERING INTENT PROPOSED CANDIDATE CHECK SHEET

ENCLOSURE (3) BCA CHECKLIST FOR PPP/CSA APPROVAL LETTER
1 PURPOSE

This Standard Work Package (SWP) provides guidance and defines the overall process for the industrial Fleet Readiness Centers (FRCs) within Commander, Fleet Readiness Centers (COMFRC) to develop a Public-Private Partnership (PPP). This document standardizes the Business Rules for developing an approved PPP. It defines the steps required to ensure that decisions are properly researched and documented within the appropriate COMFRC and Logistics and Industrial Operations (AIR-6.0) competency departments. This guidance will be used by COMFRC, all FRCs designated as Navy Centers of Industrial and Technical Excellence (CITE) that enter into PPPs, and the Naval Air Systems Command (NAVAIR) competencies that are directly involved in the approval process for PPPs.

Department of Defense (DoD) maintenance and repair capabilities are essential to responding to the needs of warfighters, and PPPs are an essential tool used to sustain modern weapons systems throughout their life cycle. The goal of PPP is to provide synergies between contractor and government that neither partner could generate separately, and to ultimately improve the operating efficiency and effectiveness of DoD depots to facilitate operational readiness and material availability. Partnerships ensure sustainment of government maintenance and logistics experience within the depots. Partnerships also enhance and preserve the industrial base and ability to surge to meet future contingencies.

The organic and industry partners must work together to provide tangible and well organized sustainment support for the operating forces, including establishing a mature, fully cohesive defense sustainment industrial base that leverages the competencies, infrastructure, and the resources of both the public and private sectors. To facilitate this collaborative effort, a series of legal statutes specifically authorize depot maintenance and other product support activities to enter into PPP arrangements including Title 10 United States Code (U.S.C.), section 2464 (Core), 2466 (50/50), 2474 (CITEs), and 2563 (sales outside DoD). It is essential for the national defense that the DOD maintain a core logistics capability that is Government-owned and Government-operated (including Government personnel and Government-owned and Government-operated equipment and facilities) to ensure a ready and controlled source of technical competence and resources necessary to ensure effective and timely response to a mobilization, national defense contingency situations, and other emergency requirements. Core requirements can be satisfied by industry partners who assume responsibility to manage workload and repair decisions through PPPs with the FRC(s) possessing organic capability.

Cross-training between industry and depot artisans on shared workloads to enhance efficiency at both sites, with easy reach-back to industry engineering resources for needed drawings/tech data. A PPP serves as a bridge, combining the strengths of the public and private sectors in support of increasingly complex, and advanced technologies.
Note: There are two controlling SWPs that divide this effort. The NAVAIR Industrial Business Operations Division (AIR-6.7.7) PPP Intent to Partner Notification/PPP Request for Approval SWP, and the Business Operations Department (AIR-6.1), PPP SWP which encompasses the PPP process in its entirety. Refer to both to complete all process steps.

2 OWNER

AIR-6.1 owns the PPP Process SWP. Any additional comments or suggested changes to this SWP should be directed to the AIR-6.1 Department Head.

3 INITIATION REQUIREMENTS

Initiation of a PPP commences when there is an interest by two parties, the depot and interested industry partners, to enter into a business relationship. That relationship supports the DoD, or Defense-related workload, where the industry partner is requesting work to be performed by a United States Government (USG) Depot. The approval process begins once an FRC is relatively confident that a PPP is the strategy to be used in order to support the workload and is compliant with the weapon system sustainment strategy. To initiate the PPP approval process, an email from the requesting FRC Business Office, along with the completed Intent to Partner Data Sheet (Enclosure 1), from the AIR-6.7.7 PPP SWP is submitted to AIR-6.7.7 via COMFRC’s Requirements and Capabilities (N8). The “Teaming and Partnering Intent Proposed Candidate Check Sheet”, (Enclosure 2) signed by AIR-6.7.7, verifies that all initial data requirements have been submitted.

AIR-6.7.7 performs the necessary Business Case Analysis (BCA) administrative actions. A BCA checklist (Enclosure 3) must be completed by the CITE before entering into any partnership. The BCA will identify and capture the benefits to the USG and validate that the PPP is in the best interests of the USG. NAVAIR approval at the Senior Executive Service/Flag Level is required before entering into any PPP proposed by the CITE activity, under the Title – 10, U.S. Code 2474 authority. A Commercial Services Agreement (CSA) request form must also be submitted in conjunction with the BCA to AIR-6.7 via COMFRC N8 for approval.

4 INPUTS/SUPPLIERS

Organizations involved in the process inputs include COMFRC N8, the Industrial FRC Business Offices, AIR-6.1, AIR-6.6, AIR-6.7.7, NAVAIR Comptroller (AIR-10.0), NAVAIR Counsel (AIR-11.0), and the Naval Supply Systems Command, Weapons Systems Support (NAVSUP WSS).
5 ROLES AND RESPONSIBILITIES/SKILLS REQUIRED

AIR-6.1 is the lead for FRC depot repair capability and PPP establishment, and also responsible for processes and policy for new workload.

The AIR-6.6 Product Support Manager/Assistant Program Manager for Logistics develops the sustainment strategy and has overall responsibility for the life cycle management of the weapon system.

AIR-6.7.7 receives and reviews the CSA request form sent by COMFRC N8. AIR-6.7.7 also identifies and captures the core requirements, performs all the required administrative functions, reviews the FRC request for approval and intent to partner documents and obtains signature approvals. AIR-6.7.7 additionally drafts and processes the Depot Source of Repair decision information and documentation, and reviews and forwards the CSA BCA checklist for AIR-6.7 signature.

AIR-10.0 validates the accuracy of financial data included in all documents as part of the command review process.

AIR-11.0 performs a legal review of all associated documentation for compliance with the U.S Code – Title 10 requirements and any other legal provisions, or relevant rules or guidelines.

COMFRC N8 is the lead for determining future capability and capacity requirements for the FRCs. They will determine the impact of the PPP on both current and future workloads and provide concurrence to AIR-6.7.7 prior to the PPP's approval.

NAVSUP WSS is the lead for supply support, and handles the schedules, management of component repair, and the implementation of repair contracts.

The individuals that perform the process must possess the following skills:

1. Corporate knowledge of stakeholders, including both customers and users, and how they intersect the process;
2. Knowledge of Title 10 Laws pertinent to PPP and Core, and the types of partnering agreements permissible;
3. Knowledge of supporting processes and documentation needed to gain approval, including BCAs and Workload Acceptance processes;
4. Negotiation skills;
5. Building customer relations and teaming;
6. Project Management; and,
7. Effective communication skills.
6 SOURCE/REFERENCE DOCUMENTS

The DoD PPPs for Sustainment Guidebook defines a PPP as a cooperative arrangement between an organic Product Support Provider and one or more private sector entities to perform Defense-related work utilizing DoD facilities and equipment, or both.


Other PPP related documents include:

1. U.S.C. Title 10, Sections 2474, 2460, 2464, 2474, and 2563;
2. Department of Defense Issuance 4151.21 for Public Private Partnerships;
3. SECNAV CITE memorandum dated 5 May 2014;
4. OSD-JCS Joint Memo, PPPs Supporting The DoD Mission, April 25, 2013;
5. ASN (RD&A) policy memo for use of 2563 partnerships under $1M dollars, dtd DAY August 1997;
6. NAVAIR Policy Memorandum for Commercial Service Agreement, August 2000;
7. NAVAIR AIR-6.7.7 memorandum (#5707) on Business Case Analysis; requirements/checklist for 2474 partnerships, dated 07 July 2011; and,
8. Templates and other electronic aids to administratively process requests including intent to partner datasheet, checklist for intent to partner, BCA checklist, previous letters and route sheets.

The AIR-6.1 Knowledge Management System (KMS) site contains various PPP templates to include CSAs and Task Description Documents (TDD) and forms for processing requests. In addition, the share drive has electronic copies of all the resources listed in Section 6. Permission to access this drive may be obtained through the KMS/SharePoint administrator for AIR-6.0.
When the PMA, NAVAIR competencies, NAVSUP, COMFRC, the FRCs and industry partner(s) are in agreement that a PPP is the best support strategy, the following steps must be completed:

1. The FRC identifies the appropriate statute for the partnership;
2. The FRC completes the Partnership Request and Data Sheet and submits it to COMFRC N8;
3. COMFRC N8 reviews the request and data sheet and electronically sends it to AIR-6.7.7;
4. AIR-6.7.7 reviews and forwards the Teaming and Partnering Intent Candidate Check Sheet for AIR-6.7’s signature;
5. AIR-6.7 returns the signed Check Sheet to the FRC Business Office;
6. The FRC begins discussions with the contractor about the details of the Partnership;
7. The FRC Business Office develops the CSA agreement for the PPP;
8. The Industry Partner negotiates the Task Description Document with the FRC;
9. The FRC Business Office creates the Commanding Officer’s (CO’s) CSA Request for Approval Letter and CSA Legal Letter from the applicable templates;
10. The FRC Business Office creates the BCA, documents in the BCA checklist, and submits it to AIR-6.7.7 via COMFRC N8, along with the CO’s Request for Approval and Legal Review;
11. The Director, Industrial and Logistics Maintenance Planning/Sustainment (AIR-6.7) reviews and approves the CSA and Legal endorsement.
12. Note: The supporting BCA must be approved at the Flag/Senior Executive Service Level
13. The FRC Business Office routes the documents for internal review;
14. The FRC CO signs the CSA; and,
15. The Partnership is implemented and executed

8 COMPLETION REQUIREMENTS

All required documents and letters are completed and signed by the proper authority. A copy of the signed PPP documents are retained by the FRC.

9 PRODUCT FORMAT AND CONFIGURATION

Refer to the CSA – 10 U.S.C. 2474.

10 METRICS

COMFRC generates an annual data call to collect information related to the number of PPPs in place at each depot, the nature of the PPP, and the volume of the workload. This information is used for input to the OSD annual data call.

The average PPP is completed 180 days from the date of conception. The following apply to the FRC’s internal and external provisions and requirements used to develop and implement a PPP/PBL under and in accordance with the U.S.C. Title 10, 2474 (CITE), the Naval Air Systems Command Policy Memo on CSAs of 17 Jul 2000, the U.S.C. Title 10, 2464 (Core Compliance) and Department of Defense Issuance 4151.21 of 25 April 2007 (PPPs for Depot-Level Maintenance).

Process step estimated review/completion times:

1. FRC Workload Decision Chart (Internal Requirement) – 3 Days: This chart calculates a rating used to determine whether to pursue or not;
3. 6.0 Teaming/Partnering Candidate Approval Request (FRC Submittal to AIR-6.7) – 21 Days: Provides PPP details and compliance references to AIR-6.7 for review and approval of contractor candidacy;
4. BCA Checklist (FRC Submittal) – 6 Days: Checklist supporting DOD 4151.25 compliance; Attachment to Item 2 (CO’s Request for Approval memo);
5. Office of Council Request for Approval Memo- (FRC Legal Submittal to AIR6.7) 14 Days: FRC Legal Counsel Recommendation to AIR-6.7 for approval with Item 2k draft approval, attached;
6. CO Request for Approval Memo - (FRC CO Submittal to AIR-6.7) – 14 Days: CO’s memo to AIR-6.7 requesting entry into CSA under 10 U.S.C., 2474;

7. AIR-6.7 Approval Memo (draft) – (AIR-6.7 Response) 14 Days: An FRC drafted memo, from AIR-6.7 to the FRC, citing approval to enter into CSA;


9. TDD – 30-180 Days: Negotiable Statement of Work outlining responsibilities and details of the PPP. #1 attachment to the CSA; and,

10. Facilities Memorandum of Agreement (MOA) – 30 Days: Facility MOA (if onsite Partner representation) can be added as an attachment to a CSA or as a stand-alone document.

Enclosures (from SWP 6773-002)

Enclosure (1) Intent to Partner Datasheet
Enclosure (2) NAVAIR’s Teaming & Partnering Intent Proposed Candidate Check Sheet
Enclosure (3) BCA Checklist for PPP/CSA Approval Letter
Teaming & Partnering Intent
Proposed Candidate Check Sheet

NAVAIR Tracking # Assigned:

Proposed Depot: Fleet Readiness Center

Date:

Proposal Private Entity:

Applicable Law: 10USC 2474 and 10USC 2563

Fact and Criteria Sheet Met Criteria:
☒ Yes ☐ No

Business Office Heads Review/Concur:
☒ Yes ☐ No

Synopsis of Proposal:

Length of Contract Proposal:

Qty of Optional Years:

Estimated ($) Revenue:

Estimated Man-Hour:

NAVAIR 6.7 Approval/Disapproval:

__________________________
(Signature)

Date: ______________________

Please return to NAVAIR 6.7.7.3: Steve Behrens (x51983)
# Partnership Request and Datasheet

## Depot Point of Contact

Please provide the following information in case we need to contact your organization to clarify any of the provided information.

- **Point of contact:** ______________________________________
- **Depot organization:** ___________________________________
- **Telephone:** ___________________________________________
- **Email address:** _______________________________________

## Description of Planned Partnership

### 1. Type of Partnership:

- **a.** Is Partnership a NAVSUP WSS PBL?
- **b.** OTHER.

Describe the partnership? *Specify below. (Please be specific.) If enough space is NOT provided here, please use #13 to describe the Partnership in detail. Include available NIINs in #13.*

________________________________________________________________________________

________________________________________________________________________________

________________________________________________________________________________

### 2. What type of agreement do you plan to use in establishing your partnership? *Fill in all that apply.*

- **a.** Work share as defined in OSD PPP Sustainment Guide using 10 USC Section 2474
- **b.** Direct sale of services, including any depot-level maintenance and repair work using 10 USC Section 2474
  - Using 10 USC section 2563
- **c.** Direct sale of articles
  - Using 10 USC section 2474
  - Using 10 USC section 2563
- **d.** Lease
  - Using 10 USC 2667
Using Federal Acquisition regulation (FAR) parts 45.3 and 45.4

e. Other (specify authority and application): ______________________________

3. Do you anticipate participating with other depots in this planned partnership?
   ○ Yes (specify below):
     FRC(s): ______________________________
     POC(s): ______________________________
     PHONE NUMBER(s): ______________________________
     DATE CONTACTED: ______________________________
   ○ No

4. What company will be your prime partner? Specify below.
   __________________________________________________________________________________

5. Do you anticipate that contractor personnel will be working on this partnership at the depot?
   ○ Yes (specify how many): ______________________________
   ○ No

6. What is the anticipated depot workload for this partnership? Specify each of the 3 requested workload measures
   a. Total Projected Dollar value >$1M__________________or <$1M__________________
   b. Direct (ANNUAL) labor hours ______________________________
   c. (ANNUAL) Dollar value ______________________________

7. What month and year do you anticipate this partnership will be implemented? Specify MM/YYYY.
   __ __ / __ __ __ __

8. What is the expected duration of this partnership? Specify the number of years. (Write NA in the blank if no end date has been identified.)
   a. Base years (qty) ____________ years. (Example: 5 base years)
   b. Option(s) (qty) ________ @ ________ yrs. per option. (Example: 1 Option @ 5 years per option)
   c. Total years (base years + option years) = (qty) ____________ years. (Example: 10 total years)
   d. For the duration of the Prime Contract. ____________

9. What weapons systems or subsystems will be supported by the partnership? Specify below.
   __________________________________________________________________________________
10. Which of the following categories best describes the maintenance workload to be performed at the depot under this partnership? *Fill in one circle.*
   - a. New workload not previously performed at the depot.
   - b. Workload previously performed at the depot, but reengineered under the partnering arrangement
   - c. Ongoing work previously performed by the depot, but not reengineered

11. Which of the following event(s) are driving the creation of this partnership? *Fill in all that apply.*
   - a. Contractor made business decision to close facility where work was previously done
   - b. BRAC closed a government owned facility where contractor was performing work
   - c. Legacy system performance-based logistics contract required using military depot in order to comply with Title 10 core maintenance requirements
   - d. New weapons system life cycle support decision required that contractor use military depot in order to comply with Title 10 core maintenance requirements
   - e. Contractor sought out depot for its unique capabilities
   - f. Contractor sought out depot for its advantageous labor rates
   - g. Lack of Material Availability
   - h. Other *(specify):* ___________________________

12. Please use subsequent space in this document if needed to provide additional comments about the proposed partnering request. If the comments pertain to a particular item or set of items, please indicate the item number(s) before the comment. (List available NIINs)
Fleet Readiness Center (FRC) BUSINESS CASE ANALYSIS (BCA)¹ FOR <ENTER COMMERCIAL SERVICE AGREEMENT (CSA) TITLE HERE> UNDER 10 U.S.C. § 2474

FACILITY: ______________________________

The items identified in this checklist serve to meet the statutory requirements of executing a Public-Private Partnership under United States Code, Title 10, section 2474 as well as under the provisions of the 1 May 2014 SECNAV Designation of Centers of Industrial Technical Excellence (CITE) memo and DODI 4151.21 of 25 April 2007. Each facility proposing a CSA under a CITE partnership under these authorities are required to submit this checklist along with the CITE Commanding Officer's letter requesting authorization to partner. Any data supporting the information on this checklist at the requesting facility must be made available for approval or audit purposes.

1 PROJECT NAME AND DESCRIPTION (Include language that outlines the ability and capability to perform the work, as well as technical description of the work.)

2 STATUTORY REVIEW

A. Statutory Authorities. Please select the statutory authority in sections 1 and/or 2 that is invoked to enable this CSA:

☐ 1. Work related to Core competencies of the CITE (Under 10 U.S.C. § 2474(b)(1)(A)). All elements below must be included to properly utilize this authority.

  ☐ a. The work to be performed is related to the core competency of the Center, including any depot-level maintenance and repair work that involves one or more core competencies of the Center.

  ☐ b. Amounts received by the Center for work performed under the public-private partnership will be credited to the working-capital fund that incurs the cost of performing the work.

☐ 2. Use of Equipment or Facilities. Any facilities or equipment of a CITE made available may be used to perform maintenance or to produce goods in order to make more efficient and economical use of Government-owned industrial plants and encourage the creation and preservation of jobs to ensure the availability of a workforce with the necessary manufacturing and maintenance skills to meet the needs of the armed forces. Under 10 U.S.C. § 2474(b)(1)(B) and 2474(e), all elements below must be included to properly utilize this authority.

  ☐ a. Equipment and/or facilities being used by Private Industry are under-utilized for the military department's own production or maintenance requirements.

¹ This document will be provided as an attachment to the Commanding Officer's letter requesting authorization to partner.
b. The private sector use of equipment and/or facilities of the CITE will not have a significant adverse effect on the readiness of the armed forces as determined by the Secretary of Defense.

c. The private sector entity agrees to reimburse the CITE for the direct and indirect costs (including any rental costs) that are attributable to the entity’s use of equipment and/or facilities.

d. Private Industry agrees to hold harmless and indemnify the United States from: (i) any claim for damages or injury to any person or property arising out of the use of equipment and/or facilities, except under the circumstances described in 10 U.S.C. §2563(c)(3); and (ii) any liability or claim for damages or injury or person or property arising out of a decision by the Secretary concerned or the Secretary of Defense to suspend or terminate that use of equipment of facilities during a war or national emergency.

B. Objectives. Pursuant to 10 U.S.C. § 2474(b)(2), one or more of the following objectives must be achieved in the execution of the proposed CSA. (Check all of the blocks that apply.):

1. The partnering arrangement maximizes the utilization of the CITE’s capacity.

2. The partnering arrangement reduces or eliminates the cost of ownership of a CITE in such areas of responsibility of operations and maintenance and environmental remediation.

3. The partnering arrangement reduces the cost of products to DoD produced or maintained at the CITE.

4. The partnering arrangement leverages private sector investment in plant and equipment recapitalization for a Center.

5. The partnering arrangement leverages private sector investment in the promotion of the undertaking of commercial business ventures at a Center.

6. The partnering arrangement fosters cooperation between the armed forces and private industry.

3 ECONOMIC COST BENEFIT ANALYSIS W/ RISK ASSESSMENT. An economic cost benefit analysis supporting this Private Partnering request is required by Statute and pertinent implementing instruction. Absent specific guidance on the format of requisite Business Case Analysis, all economic and legal requirements as set forth above have been complied with. The information relied upon to meet these requirements will be made available at the requesting facility if required to support approval and audit requirements. (Both elements need to be checked to indicate that costs concerns were considered.)

A. All cost objectives identified in paragraph B above are reflected in the proposed CSA.

B. The proposed CSA has been determined to be efficient, effective, low risk, and verifiable.

4 CSA CONTRACT TYPE. Select the contract type that is proposed to be used for this CSA
A. This is a cost reimbursable project using appropriate rates under a properly certified accounting system. This project covers FY[s] ____.

1. All direct and indirect costs will be recovered.
2. This Agreement will not impact the ability of the Depot to accomplish its mission requirements.

B. This is a firm fixed price project using appropriate rates under a properly certified accounting system.

1. This project covers FY[s] _____
2. Adequate historical data exists that permits the Depot to establish cost and to set appropriate pricing to recover all anticipated direct and indirect costs.
3. This Agreement will not impact the ability of the Depot to accomplish its mission requirements.
C. Other Contract Type.

☐ Describe the contract type, justification, and benefits for this type of contract.

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