Partnering through Direct Sales
An Introduction to Public-Private Partnering and the Direct Sales Process at JMC.

December 2015
What is Public-Private Partnering (P3)?

- Contractual agreement between a Government-Owned Government-Operated (GOGO) facility and one or more private industry to perform work or utilize the Army’s facilities and/or equipment

- Includes one or more of the following:
  - Articles or services to industry
  - Industry leasing equipment or facilities to perform work for public or private sector
For Contractor or other Private Sector Work

– Direct Sales Contract
– Contract package staffed for JMC CG approval if over $5,000,000
– Payment by check at contract signing before work can begin
– MIPR of funds onto LMP projects (PRONS) at start of work
Direct Sales Contracts

- Simplified – not a Federal Acquisition Regulation (FAR) based contract
- Flexible – changes in quantity, cost, and/or application are handled through contract modifications
- Allows for scheduled payments
- Long Term – generally no expiration date
- Approved by JMC Commander – new contracts over $5,000,000 only
Direct Sales Package
Standard Requirements

- **Checklist**
  - Who, What, When, Why, How Much,…

- **Buyer’s Request**

- **Statement of Commercial Non-Availability**
  - Cannot be done commercially in required time, quantity, or quality.

- **Statement of Work***

- **Government Cost Estimate**

- **Contractor’s Acceptance of Cost Estimate**
  - Not a purchase order.

- **Installation Commander’s Authorization***

- **Record of Environmental Consideration (REC)***

- **Depot and Customer Signatures**
  - Shows coordination has been completed at local level.
  - Provides customer contact information.

* Not required for sales of stock.

Ready – Reliable – Lethal!
Direct Sales Package
Unique Requirements

- **Buyer’s Alcohol, Tobacco & Firearms (ATF) License**
  - Only required for sales of items containing energetic materials.

- **Buyer’s Export License**
  - Only required for work in support of a direct foreign sale.

- **End Use Certificate**
  - Only required for work in support of a direct foreign sale.
Armament Retooling and Manufacturing Support (ARMS) Program

Presented at:
Demilitarization Symposium

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Armament Retooling and Manufacturing Support Act (the ARMS Act of 1992) authorized the program, and in 2000, 10 USC § 4553 codified ARMS Program with following tenets:

- Reduce or eliminate cost of Government ownership of eligible facilities*
- Encourage commercial firms to use eligible facilities for commercial purposes
- Maintain a workforce having skills in manufacturing processes
- Reduce DoD costs of products produced at eligible facilities

~$3M/yr PAA funding available to recapitalize facilities for tenant use

*Legislation includes 6 Army Ammunition Plants and 1 Army Depot (Hawthorne)
10 USC Chapter 434 Sec. 4551 - 4554 – Armaments Industrial Base: Leverage private investment at eligible facilities through long-term facility use contracts that support and advance:

- Recapitalization of plant and equipment
- Environmental remediation
- Promotion of commercial business ventures
- Other activities approved by the Secretary of Army

Contact property managers for more information on current opportunities.
ARMS Points of Contact

PDJS (973)-724-2450
JMC (309)-782-0221
JMC (309)-782-4934
Questions?