Challenges at the Ground Level

- High fixed cost of operations with an unpredictable future workload and a requirement to maintain readiness capability.
- Maintaining critical skills and equipment modernization to support current and future requirements.
- Pricing: Fully burden rates are an impediment to cost competitiveness and facilitating public private partnerships.
- Lack of agility and flexibility to respond to rapidly changing requirements.
Public Private Partnership Solution

• Reduced requirements for large caliber cannon created excess capacity for rotary forge located at Watervliet Arsenal, NY. The forge is a high-capital investment complex which is expensive to operate and maintain.

• In 2013, a partnership was formed between the Watervliet Arsenal and Electralloy “World class custom melter of specialty steel”.

• Provided WVA with commercial investment in new equipment, increased workload volume supporting skill retention/growth, and new revenue stream.

• Provided Electralloy with improved process, scheduling and cost control, streamlined supply chain management, and flexibility to expand business base.
Keys to Building Success

• Identify underutilized capacity, critical skills, capabilities.

• Market those skills to perspective P3 partners:
  – How you can help commercial partner grow.
  – Government already made the capital investment in equipment and skills.
  – Leverage partnership to increase efficiencies.

• Win-Win – Critical Skills and Capability are maintained. Private industry increases their bottom line.