Shared Services Agreements
Forming Military-Community Partnerships

National Conference of State Legislatures Webinar
July 31, 2013
Today's Moderator

Honorable Mark Takai
Hawaii House of Representatives
Member of the NCSL Task Force on Military and Veterans Affairs
Today's Panelists

David Snodgrass
Deputy Director of the Office of the Assistant Secretary of the Army (Installations, Energy & Environment), Central Region

Tim Ford
Chief Executive Officer (CEO) of the Association of Defense Communities (ADC)

John Armbrust
Executive Director of the Kansas Governors Military Council
Shared Services
Background Vignette

David B. Snodgrass

Deputy Director, Office of the Assistant Secretary of the Army (Installations, Energy and Environment), Central Region

Colonel, US Army (Retired)
Former Deputy Chief of Staff, Engineer and Director of Public Works, US Army Alaska

31 July 2013
Introduction

- **Partnership** between a *government body* or *public authority* and another such body or *non-profit organization* to provide services and/or facilities while generating shared cost savings.

- **NCSL / State Relevance**
  - Be Aware of Shared Services
  - Understand Concept is “New Ground” for Community and State – Military Interface
  - Sensitive to any State Impediments to Implementing Shared Services
Situation

- Arrived July 2001
- 18 m sf; 3 m over authorized
- Maintenance Backlog
- New Stryker, Airborne & Aviation Units
- BRAC, then transfer Ft Greeley
- Maintenance funded 60-80% of authorization
One Option - Partner

- Increase Purchasing Power
- Reduce Overhead
- Reduce Unit Costs

- Fire and Emergency Services
Issues

- Pride & History
- Communication
- Familiarity
- Top Cover
- Legal
- Financial Mgt
- Contracting
  - Small Business and Unions
  - Procedures
  - Codes / Regulations

- Standards
- Staff Authority
Partial Solutions

- Combined Fire and Emergency Services
- Shared Paving Task Order Contract
Forming Military-Community Partnerships Around Shared Services

Tim Ford, CEO, Association of Defense Communities

July 31, 2013
Who We Are

THE ASSOCIATION OF DEFENSE COMMUNITIES (ADC) is the nation’s premier membership organization serving America’s defense communities. ADC represents more than 200 communities, states and regions with a significant military presence, and partner organizations.
Our Mission

ADC is a unique, dynamic organization with a 36-year history of linking communities, states, the military and the private sector on four major issues:

• **Community-Military Collaboration** – Advancing partnerships that promote the value of military installations and strengthen communities and states through effective military-community relationships and sustainable regional planning.

• **Installation Change** – Supporting communities and states to address changes in military infrastructure and their impacts on the local and regional economies.

• **Public/Private Partnerships** – Cultivating private-sector resources to support military infrastructure, energy security, environmental remediation and conservation.

• **Military Families/Veterans** - Helping communities and states understand current and future challenges facing military families and veterans and advancing effective solutions.
Presentation Summary

I. Major Issues Facing Defense States and Communities

II. Overview of Partnerships/Shared Services
Note: Topline in out-years includes the Congressional Budget Office (CBO) estimate of overseas contingency operations (OCO) based on a phased drawdown to 30,000 troops in 2017 and remaining flat thereafter.

What Are the Biggest Issues Facing Defense Communities/States?

- Enacted Cuts (Budget Control Act)
- Sequestration – Current and Future
- End of Wars/ Downsizing
- Ongoing Federal Budget Battles
What Is the Impact?

- Operations & Maintenance Cuts
  - Diminished investment in our defense infrastructure
  - Need to evaluate infrastructure and downsize (BRAC)
- Defense Drawdown
  - Defense worker adjustment (service members, contractors, civilians)
- Local Economic Challenges
  - Furloughs
  - Losses to businesses/contractors
  - Defense industry decline
What Are the Future Impacts?

- **BRAC**
  - Proposed for 2013/14 budget
  - No congressional support

- **Non-BRAC “BRAC”**
  - Hollowing out of installations
How Are Communities and States Responding?

- Reactive
  - Responding to changes & supporting their local installation
- Proactive
  - Identifying partnerships that promote efficiency and mission effectiveness
II. Overview of Partnerships/Shared Services
Defining Installation Partnerships

**Definition:** Installation and other organizations agree to work together for mutual benefit; long-term relationship

**Types of Partnerships:**
- *Public-to-public partnership* is an agreement between an installation and a local, state or federal agency *(a.k.a. Shared Services)*
- *Public-private partnership*
- *Regional partnership* with three or more entities
- *Privatization* of installation services and infrastructure - DoD sells infrastructure asset to private or public entity to maintain and operate it for the installation
What Is Not an Installation Partnership

- Transferring risk from one partner to the other
- Using the partner’s capital to supplement your own budget
How Partnerships Could Support Installation Activities?

State and Local Governments

Private Sector

NGOs

Installation

Gym/Recreation Facilities
Golf Course

Library
Fire & Emergency

Swimming Pool

Chapel

Housing
Commissary
## Functional Areas for Installation Partnership

<table>
<thead>
<tr>
<th>Installation infrastructure and management</th>
<th>Services for the military, their families, and DoD civilians</th>
<th>Mission and other types of functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water infrastructure</td>
<td>Ball fields</td>
<td>R&amp;D facility</td>
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<tr>
<td>Wastewater treatment</td>
<td>Child development center</td>
<td>Testing facility</td>
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<tr>
<td>Energy technologies</td>
<td>Food services</td>
<td>Preventing encroachment</td>
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<tr>
<td>Electrical systems operation</td>
<td>Golf course</td>
<td>Science, technology, engineering and math education (STEM)</td>
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<tr>
<td>Environmental services</td>
<td>Gym/Recreation center</td>
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<tr>
<td>Ecosystem restoration</td>
<td>Library</td>
<td></td>
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<tr>
<td>Fire and EMS</td>
<td>Mental health services</td>
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<tr>
<td>Search and rescue</td>
<td>Preventing domestic violence</td>
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<tr>
<td>Security</td>
<td>Hotels</td>
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<tr>
<td>Administration Services</td>
<td>Military family housing</td>
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</tbody>
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ASSOCIATION OF DEFENSE COMMUNITIES
Partnerships with State/Local Governments: A Commonality of Interests

State/Local Govt. Objectives

• Serve Citizens (Including Military)
• Be Cost-Effective
• Keep Base Open and Retain Local Jobs

Installation Objectives

• Serve Soldiers
• Be Cost-Effective
• Accomplish Mission
“Monterey Model”

- City of Monterey, Calif. provides base operations services since 1998 under special legislation
- Contract volume is around $7 million per year
- Managed through collaboration between two cities (Monterey and Seaside) through Joint Powers Authority
- Driven by Mission from City Council: *Reduce costs to operate the military base*
Defense Legal Authorities for Partnerships

- **Energy** (10 USC 2913)
- **Housing** (10 USC 2872)
- **Utilities** (10 USC 2688)
- **Encroachment Prevention/Conservation** (10 USC 2684/94)
- **Commercial Leasing** (10 USC 2667)
- **Science Education/Technology** (10 USC 2194)
- **Testing and Evaluation** (10 USC 2681)
- **Property Exchange Authorities** (10 USC 18233)
- **Municipal Services/CA only** (FY ‘04 NDAA)
New Legal Authority for Partnership: NDAA FY13 – Section 331

- Enacted January 10, 2013
- Intergovernmental support agreements with state and local governments: 10 USC 2336
- “In General: (1) The Secretary concerned may enter into an intergovernmental support agreement with a State or local government to provide, receive, or share installation-support services if the Secretary determines that the agreement will serve the best interests of the department by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs.”
  - May be entered into on a sole-source basis
  - May be for a term not to exceed five years
- Installation support services are those services typically provided by local government for its own needs
- These agreements shall not be used to circumvent A-76 requirements for competition
Section 331 Details

- Not a contract: Can be entered into on a sole-source basis
- Congressional intent:
  - FAR does not apply to support agreements
  - Uses local wage rates to manage services
- Roadblocks: Resistance to change
Air Force Community Partnership Program

- AF creates a “Brokering Team” to help collaborate with community leaders committed to using the AF process
- AF and communities schedule a series of 6 meetings that identify potential partnership initiatives and addresses mutual need and capacities
- Once the details of initiatives are agreed upon, the partners bring in experts to define the way forward
- Plan a Table Top Exercise – identify exactly the resources required, when they will be needed, and who will be responsible for what parts of the partnership
Army Public-Private Partnership Program

Multi-phased Public-Public Partnership Strategy

- Phase I: ASA IE&E issues partnership endorsement
- Phase II: ACSIM issues an EXORD to ACOMs/DRUs
  - Three categories of partnership proposals: Complex; Moderately Complex; Quick Win
- Phase III: ACSIM evaluates universe of P3s and drafts policy
- Phase IV: ACSIM issues Army Policy concerning partnerships
“I encourage installations to continue to seek out public-public partnerships to maximize cost savings and cost avoidance through shared services. Section 331 enhances the many successful examples of shared services” – Katherine Hammack, Assistant Secretary of the Army

Barriers to Partnerships

- Some federal policies, legislation and regulations
- Installation-level implementation barriers
  - Resistance to change
  - No capacity to identify and access opportunities
  - Lack of experienced staff to develop partnerships
  - Inability to monitor performance/contract oversight
- A partnership is more than a contractual relationship
- Individual and group attitudes can cause road blocks
The 4 “I”s of Partnerships

INDIVIDUAL EXCELLENCE
• Both partners are strong and have value to contribute
• Motivation to pursue future opportunities, not to mask weaknesses or escape a difficult situation

IMPORTANCE
• Relationship fits the major strategic objectives of the partners
• Plays a key role in long-term goals of the partners

INTERDEPENDENCE
• Partners need each other and neither can accomplish alone what both can do together
• Have complementary assets and skills

INVESTMENT
• Partners invest in each other
• Make long-term commitment by devoting financial resources
Section 331/Shared Services
Implementation Training Workshop
Monterey Conference Center, Monterey, CA
August 5-6, 2013

Presented by the Association of Defense Communities in collaboration with the City of Monterey

Learn more at:
http://www.defensecommunities.org
Congress, GSA Look to P3 to Tame Federal Real Estate Costs

JULY 24, 2013 | COMMENTS

House lawmakers and federal officials believe public-private partnerships (P3s) are key to helping the federal government dispose of excess properties as well as reduce its real estate costs.

"The question is, can we provide that space in a more cost effective manner? P3s effectively used have the potential to help leverage private expertise in meeting those needs and developing and restoring agency properties," Lou Barletta (R-Pa.), chair of
INSTALLATION INNOVATION

2014

A PROFESSIONAL DEVELOPMENT FORUM

FEBRUARY 10-12, 2014
SAN ANTONIO, TEXAS
defensecommunities.org/innovation
Questions/Comments?

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www.defensecommunities.org
Governor’s Military Council

Military Shared Services Webinar

John Armbrust
Executive Director
July 31, 2013
Bottoms-Up Process

• Initial Meeting
  – Concept Discussion
  – Begin to Identify Existing Intergovernmental Agreements

• Second Meeting
  – Identify Additional Exiting Intergovernmental Agreements
  – Agree on Governance Structure
ISP Core Advisory Body

• The Core Body is currently represented by Junction City, Manhattan, Geary County, Riley County, and Fort Riley.

• Role: Serves in an advisory capacity to guide and facilitate the ISP
  - Selects WG membership from Organization
  - Serves as Guides and Mentors for WG’s
  - Serves as a sounding board for issues raised by the WG’s
  - Votes whether to pursue concepts developed by the WG’s
  - Identifies potential topics for input into the WGs

Voting Members

Organization
City Manager (J.C.)
City Manager (Manhattan)
Fort Riley Garrison Cdr
Geary County Commissioner
Riley County Commissioner

Senior Advisory Member
Governor’s Military Council Executive Director
Working Group Overview

- Core Body
- Public Works WG
- Human Capital WG
- Transit WG
- Emergency Svcs WG
- Recreation WG
- Business Ops/Finance/Procurement WG
**Process Overview**

**Inputs**
- Ideas for specific partnership opportunities based on:
  - Strengths, Capabilities, Gaps/Weaknesses
- Monthly WG Meetings
  - in person initially…virtual meetings once WG matured

**Outputs**
- Minutes/Notes to all members of the Core Body
- Recommendations to the Core Body regarding:
  - Mutual Aid Agreements (Service & Equip)
  - Bulk Purchasing Opportunities
  - Financial Transaction Processes & Agreements
  - Challenges requiring higher level emphasis
- Cost Benefit Analysis of the Recommendations

**Consolidated Key Recommendations from the WG Meetings**
**Final Legal Review of Recommendations**
**Final Cost Benefit Analysis of Recommendations**

**Highlights of Approved/Recommended partnership opportunities to include:**
- Anticipated impacts to the stakeholders
- Cost Benefit results of the partnership

**Advice & feedback to the WG members regarding planned agreements/partnerships**
**New ideas for WG consideration**
**Minutes/Notes to all members of the Core Body & WG Member Leads**

**Stakeholder Awareness of Partnerships**
**Strengthening Bonds within the CFHR**
**Strategic Communications to internal and external Stakeholders regarding benefits of the Partnerships**
Current Status

• Working Groups Formed and Meeting
• List of Potential Agreement Areas Identified
• Two MOAs Ready for Signature
  – Equipment Sharing
  – Training Sharing
What Can States Do?

• Be Knowledgeable of Section 331 Concept
• Be Aware Section 331 is “New Ground” for Community/State Interface with Military Installations
• Ensure There are No State Impediments to Implementing Section 331, to Include Unintended Consequences
QUESTIONS
Q & A

Panelists:

- **David Snodgrass**  
  Deputy Director of the Office of the Assistant Secretary of the Army (Installations, Energy & Environment), Central Region

- **Tim Ford**  
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- **John Armbrust**  
  Executive Director of the Kansas Governors Military Council
Archived Presentation

Jim Reed and Brooke Oleen  
Task Force on Military and Veterans Affairs  
National Conference of State Legislatures  
Jim.Reed@ncsl.org or Brooke.Oleen@ncsl.org  
303-364-7700  


For details about 2013 bills, see NCSL's online, searchable Military and Veterans Affairs Legislation Database:  

NCSL is always seeking public and private funding partners for collaborative research and outreach initiatives that serve the needs of state legislatures.

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Please contact us if you're interested.