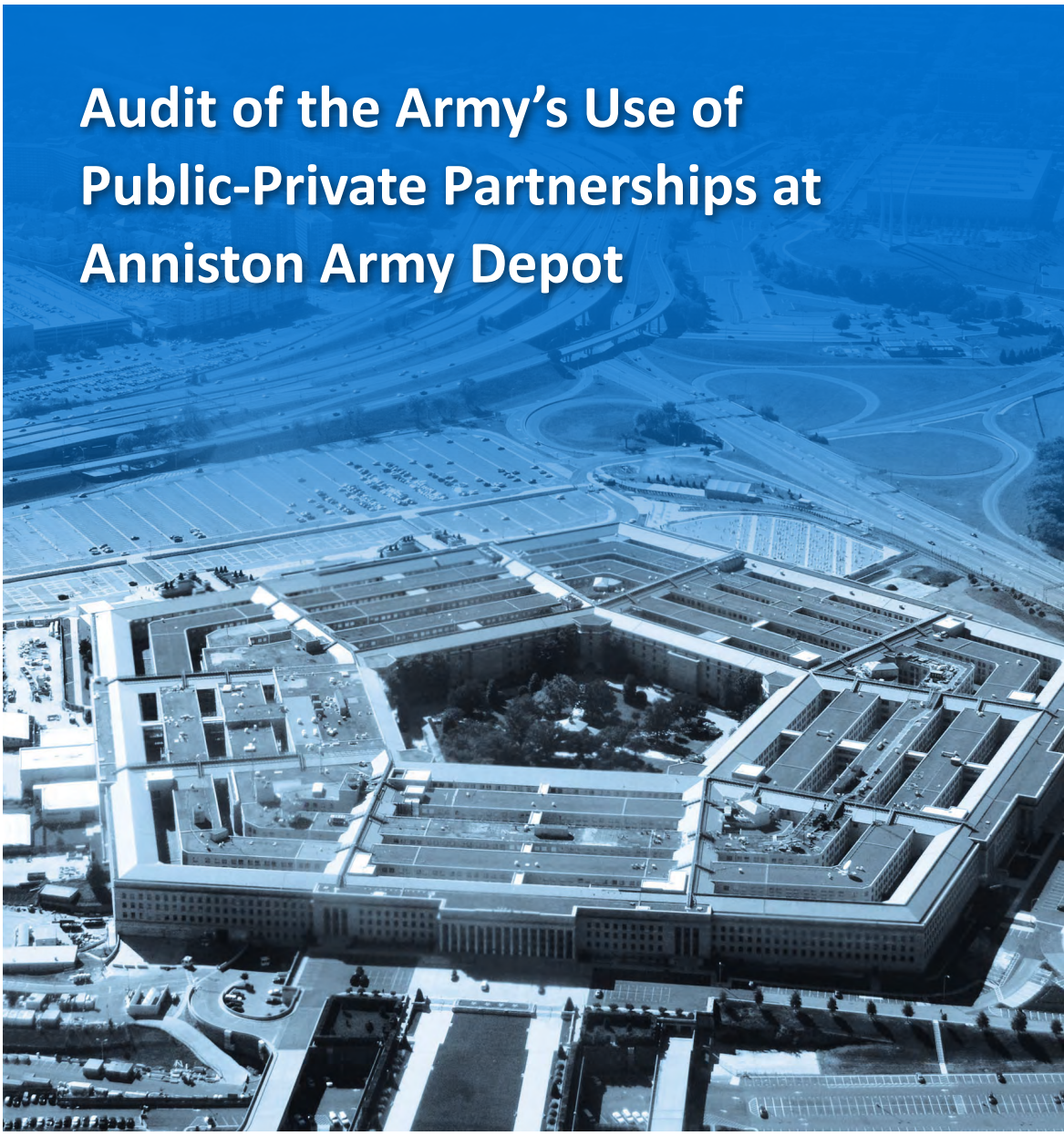
Report No. DODIG-2023-097

INSPECTOR GENERAL

U.S. Department of Defense

JULY 26, 2023

Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot



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Results in Brief

Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot

July 26, 2023

Objective

The objective of this audit was to determine whether Army officials established metrics to measure benefits from public-private partnerships (P3) for product support at Anniston Army Depot, Alabama, in accordance with DoD policies, and whether the Army received the benefits. We scoped our audit to P3s at Anniston Army Depot because of the large dollar value of the P3s at Anniston Army Depot.

Background

Product support P3s are cooperative arrangements between organic (government-owned and government-operated) product support providers and one or more commercial entities to perform defense-related work, use DoD facilities and equipment, or both. DoD policy requires that DoD officials establish benefits, use metrics to monitor benefits, and review the P3 at least every 5 years.

Finding

Army officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received benefits from the P3s. In addition, Army officials did not review the P3s every 5 years. This occurred because:

- the DoD lacks a structure for P3 oversight;
- officials were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training; and
- Army P3 policies did not align with DoD P3 policy.

Finding (cont'd)

Army officials did not have readily available data to support that the Army received the benefits from the P3s. While we were able to validate that the Army received some benefits from the P3s, in some instances officials could not support that the Army received the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the Army's ability to maximize the value of its P3s.

Recommendations

We made 12 recommendations to address the findings in this report. Among other recommendations, we recommend that the:

- Secretary of the Army designate an office that is responsible for ensuring project management office and depot officials execute P3s in accordance with policy and issue a policy memorandum reiterating the importance of reviewing and applying the information in the "Public-Private Partnering for Product Support Guidebook,";
- Assistant Secretary of Defense (Sustainment) establish a P3 oversight structure to ensure Military Departments are implementing their responsibilities and update guidance requiring that the officials developing and implementing P3s complete the updated P3 training course;
- Commanding General of the U.S. Army Materiel Command; the Commanding General of the U.S. Army Tank-automotive and Armaments Command, and the Commander of Anniston Army Depot update their respective policies to align with DoD P3 requirements;
- Program management office and Anniston Army Depot officials review their P3s at Anniston Army Depot to identify and document the benefits of the P3s, establish metrics to measure the benefits, and implement a process to monitor those benefits; and
- President of the Defense Acquisition University update the P3 training course.

Results in Brief

Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot

Management Comments and Our Response

Officials from the Office of the Assistant Secretary of Defense (Sustainment), Defense Acquisition University, and Army agreed with the recommendations and described actions planned and taken to resolve or close 11 of the 12 recommendations. One recommendation remains unresolved because the Secretary of the Army's comments were not detailed enough to determine if the Secretary of the Army plans to designate an office responsible for ensuring the appropriate analysis is conducted to determine that P3s are structured to maximize benefits to the Army. Therefore, we request that the Secretary of the Army provide additional comments within 30 days in response to the final report. Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Secretary of the Army	6	9	None
Assistant Secretary of Defense (Sustainment)	None	5, 8	None
Commanding General, U.S. Army Materiel Command	None	11	None
Commanding General, U.S. Army Tank-automotive and Armaments Command	None	12	None
Program Executive Officer, Ground Combat Systems	None	1, 2	None
Program Executive Officer, Combat Support and Combat Service Support	None	3	None
Commander, Anniston Army Depot	None	4, 10	None
Director, U.S. Tank-automotive and Armaments Command Integrated Logistics Support Center	None	2	None
President, Defense Acquisition University	None	None	7

Please provide Management Comments by August 25, 2023.

Note: The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – DoD OIG verified that the agreed upon corrective actions were implemented.


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July 26, 2023

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (SUSTAINMENT)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
PRESIDENT, DEFENSE ACQUISITION UNIVERSITY

SUBJECT: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (Report No. DODIG-2023-097)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

This report contains 10 recommendations that are considered resolved and one recommendation that is considered closed. Therefore, as discussed in the Recommendations, Management Comments, and Our Response section of this report, the 10 resolved recommendations will remain open until documentation is submitted showing that the agreed-upon actions are complete. Once we verify that the actions are complete, the recommendations will be closed.

No further action is required for the closed recommendation. For the 10 resolved recommendations, within 90 days please provide us your response concerning specific actions in process or completed on the open recommendations. Send your response to followup@dodig.mil.

This report also contains one recommendation that is considered unresolved because management officials did not fully address the recommendation presented in the report. DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, we request that the Secretary of the Army provide clarification concerning specific actions in process or alternative corrective actions proposed on the recommendation within 30 days.

Please send your response to AUDACS@dodig.mil. We will track the unresolved recommendation until an agreement is reached on the actions that need to be taken to address the recommendation, and management submits adequate documentation showing that all agreed-upon actions are completed.

If you have any questions, please contact me at [redacted]
We appreciate the cooperation and assistance received during the audit.

FOR THE INSPECTOR GENERAL:

Carol N. Gorman
Assistant Inspector General for Audit
Cyberspace Operations & Acquisition,
Contracting, and Sustainment

Contents

Introduction

Objective

The objective of this audit was to determine whether Army officials established metrics to measure benefits from public-private partnerships (P3s) for product support at Anniston Army Depot, Alabama, in accordance with DoD policies, and whether the Army received the benefits. See Appendix A for a discussion of the scope and methodology.

Background

DoD Instruction (DoDI) 4151.21 defines product support as the functions required to field and maintain the readiness and operational capability of major weapon systems, subsystems, and components.[1] Product support P3s are cooperative arrangements between organic (government-owned and government-operated) product support providers and one or more commercial entities to perform defense-related work, use DoD facilities and equipment, or both.

The DoD uses product support P3s at its depots, which are responsible for the maintenance, repair, and rebuild of major weapon systems, subsystems, and components. The DoD considers P3s an important tool that allows the DoD to maintain critical skills and reduce the cost of parts and services, while enhancing readiness, efficiency, and effectiveness of the depots. By leveraging P3s, the DoD can ensure that critical weapon systems are maintained in a ready state. The DoD uses three types of product support P3s.

- **Workshare.** An arrangement in which a project management office (PMO), working with a commercial entity and a depot, determines the best mix of work to capitalize on each partner's capabilities. The commercial entity and the depot share the workload. The PMO funds the commercial entity through a contract and the depot through a project or work order.
- **Direct Sale.** An arrangement in which a depot and commercial entity enter into a business relationship to sell depot maintenance articles, services, or both to an outside (non-Government) entity. A direct sale is usually executed through a subcontract between the commercial entity and the depot.
- **Lease.** An arrangement that provides a commercial entity with access to, and use of, DoD facilities and equipment.

[1] DoDI 4151.21, "Public-Private Partnerships for Product Support," November 21, 2016 (Incorporating Change 4, July 31, 2019).

Anniston Army Depot P3s

Anniston Army Depot, located in Anniston, Alabama, is the DoD Center for Industrial and Technical Excellence for combat vehicles, assault bridging, artillery, small-caliber weapons, locomotives, rail equipment, and non-tactical generators.[2] The U.S. Army Tank-automotive and Armaments Command (TACOM) oversees Anniston Army Depot. TACOM is a major subordinate command of the U.S. Army Materiel Command (AMC), the Army's primary logistics and sustainment command.

We nonstatistically sampled 7 of Anniston Army Depot's 28 P3s to review. The P3s selected support the M1 Abrams Main Battle Tank (M1 Abrams), Total Integrated Engine Revitalization (TIGER) Program, Stryker Family of Vehicles (FOV), and the Joint Assault Bridge (JAB). Table 1 identifies the program, type of P3, partner, and the year implemented for each of the P3s in our sample.

Table 1. P3 Program, Type, Partner and Year Implemented

Program	Type of P3	Partner	Year Implemented
M1 Abrams	Workshare	GDLS[1]	Between 1987 and 1992[2]
TIGER[3]	Workshare	Honeywell	Mid-1990s[3]
Stryker FOV	Workshare	GDLS	2006
Stryker FOV	Direct Sale	GDLS	2001
Stryker FOV	Direct Sale	GDLS	2022
JAB	Workshare	Leonardo DRS	2016
JAB	Direct Sale	Leonardo DRS	2016

[1] General Dynamics Land Systems.

[2] PMO officials did not provide documentation showing the date the Army implemented the M1 Abrams P3. According to PMO officials, the P3 has been active for 30 to 35 years. The earliest documentation provided by PMO officials referencing the existence of the P3 was from 2006.

[3] This report refers to the P3 between Honeywell and Anniston Army Depot as the TIGER P3. Before 2005, the P3 between Honeywell and Anniston Army Depot was referred to as the Partnership for Reduced Operations and Support Costs, Engine. Based on the history of the facility at Anniston Army Depot, the P3 was implemented in the mid-1990s. The earliest reference to the TIGER P3 start date identified in contract documents was 2005.

Source: The DoD OIG.

[2] As a Center of Industrial and Technical Excellence, the Depot serves as the recognized leader in its core competencies throughout the DoD and in the national technology and industrial base. The Secretary of the Military Department designates the Centers for Industrial and Technical Excellence.

M1 Abrams

The M1 Abrams, shown in Figure 1, is a fully tracked, low profile, land-combat assault weapon managed by Project Manager Main Battle Tank Systems (PM Main Battle Tank). PM Main Battle Tank falls within Program Executive Office (PEO) Ground Combat Systems. The M1 Abrams fleet consists of two variants — the M1A1 and the M1A2. The Army has a workshare P3 with General Dynamics Land Systems (GDLS) to upgrade the M1 Abrams and a workshare P3 with Honeywell International, Inc. (Honeywell) to provide support for the M1 Abrams tank engine, through the TIGER program.

Figure 1. M1 Abrams Tank
Source: The U.S. Army Acquisition Support Center.

M1 ABRAMS WORKSHARE P3

The scope of work for the Army's M1 Abrams workshare P3 with GDLS includes overhauling and upgrading the M1A1 variant to the M1A2 System Enhancement Package Version 3 variant and supporting lower-tier M1 variant overhauls and upgrades for Foreign Military Sales.[3] Anniston Army Depot personnel disassemble the tank, repair the hull and turret, and refurbish certain components removed from the disassembled tanks. The hull, turret, and refurbished components are shipped to the Joint Systems Manufacturing Center in Lima, Ohio, where GDLS personnel reassemble the tank (incorporating both reclaimed and new components).

[3] The M1A2 System Enhancement Package Version 3 variant is a modernized configuration of the M1A2 Abrams tank.

TIGER WORKSHARE P3

The scope of work for the Army's TIGER workshare P3 with Honeywell includes overhauling and resetting the automotive gas turbine (AGT) 1500 Engine for the M1 Abrams.[4] Anniston Army Depot personnel perform the overhaul and reset of the engines with hardware supplied by Honeywell. Honeywell provides program management, including planning and direction, to accomplish the overall TIGER program and technical advice, training, troubleshooting, problem resolution, and fault analysis. Honeywell and Anniston Army Depot personnel also perform repair services on AGT 1500 Engines in the field as part of the P3.

Stryker Family of Vehicles

The Stryker FOV, a variant of which is shown in Figure 2, is designed to provide Soldiers with quick maneuvering, enhanced survivability and lethality, and tactical agility. Project Manager Stryker Brigade Combat Team (PM Stryker) manages the Stryker FOV. PM Stryker falls within PEO Ground Combat Systems. The 18 Stryker variants are built on a common chassis; variants include the Infantry Carrier Vehicle, Mobile Gun System, Reconnaissance Vehicle, and Mortar Carrier. The Army has both workshare and direct sale P3s with GDLS to support the Stryker FOV.

Figure 2. A Variant from the Stryker FOV
Source: The U.S. Army Acquisition Support Center.

[4] An overhaul returns a TIGER engine to service; a reset includes the hardware necessary to convert a legacy engine to a TIGER engine. Both legacy and TIGER engines are AGT 1500 engines; the term "TIGER engine" refers to a legacy AGT 1500 engine that has been reset. The TIGER P3 supports both PM Main Battle Tank and the TACOM Integrated Logistics Support Center.

STRYKER WORKSHARE P3

There are multiple efforts within the workshare P3 between Anniston Army Depot and GDLS.

- Exchange: Anniston Army Depot personnel recover, refurbish, and repair components from older flat-bottom hull Stryker vehicles, conduct technical inspections, and provide the components to GDLS to produce upgraded double-V hull vehicles to reduce the cost of purchasing new components.[5] GDLS provides technical assistance during the vehicle disassembly and technical inspections.
- New Build: Anniston Army Depot personnel purchase, receive, and deliver all government-furnished material parts to GDLS to support the Stryker double-V hull Exchange Program production line. GDLS provides technical support to assist the Depot to ensure the parts meet acceptance criteria standards.
- Reset/Refurbishment: Anniston Army Depot and GDLS personnel work together to return Stryker vehicles to a fully mission-capable status. Depot and GDLS personnel share some tasks in a 50/50 labor split such as disassembling the vehicle, installing new components, and performing technical inspections. Depot personnel perform other tasks such as steam cleaning, welding, washing, and painting and GDLS personnel perform all structural assessments.
- Overhaul: Anniston Army Depot personnel perform all labor and provide all parts. Depot personnel disassemble, clean, repair, and reassemble the vehicles and conduct a final inspection. GDLS provides engineering and technical support related to repair procedures, failure diagnosis, and parts and materiel compatibility.

STRYKER DIRECT SALE P3s

GDLS has two direct sale agreements with Anniston Army Depot for the Stryker FOV. GDLS is the prime contractor and the Depot is the subcontractor. Anniston Army Depot personnel are responsible for the final paint operation supporting production of the Stryker program and the Stryker Short-Range Air Defense system.

[5] The double-V hull is a change to the underbody of the Stryker vehicle to improve survivability against improvised explosive devices and blast threats.

Joint Assault Bridge

The JAB, shown in Figure 3, is an M1 Abrams tank integrated with heavy suspension and a hydraulic bridge launching system, which provides the Army with the capability to cross wet or dry gaps and allows maneuverability on the battlefield. Project Manager Force Projection (PM Force Projection) manages the JAB. PM Force Projection falls under PEO Combat Support and Combat Service Support. The Army has both a workshare and direct sale P3 with Leonardo DRS.

Figure 3. The Joint Assault Bridge
Source: The U.S. Army Acquisition Support Center.

JAB WORKSHARE P3

Within the workshare P3, Anniston Army Depot personnel disassemble, overhaul, and reassemble the M1 Abrams chassis. The Depot ships the chassis to the Leonardo DRS facility in West Plains, Missouri, where Leonardo DRS personnel integrate the bridge launching mechanism.

JAB DIRECT SALE P3

The JAB direct sale P3 requires that Depot personnel weld JAB-specific mounting brackets onto the M1 Abrams chassis before the chassis is shipped to Leonardo DRS. Leonardo DRS is the prime contractor and the Depot is the subcontractor.

Public-Private Partnership Requirements

DoDI 4151.21 assigns responsibilities and provides procedures to the Secretaries of the Military Departments for the implementation of P3s. The Instruction requires that before entering into a P3, officials must complete an analysis (the P3 analysis) that considers costs, benefits, opportunities, risks, investments, resource needs, constraints, and best use of public- and private-sector capabilities. The Instruction also requires the Secretaries of the Military Departments to ensure execution of the appropriate analysis to determine that P3s are structured to maximize benefits to the DoD, establish Department-level policies governing the execution of P3s, and ensure P3s are executed in accordance with the Instruction. It also requires the Assistant Secretary of Defense (Sustainment) (ASD[S]) to monitor and review performance of P3s both in accordance with and consistent with applicable statutes.

In 2016, the DoD revised DoDI 4151.21 to include additional requirements for implementing and monitoring P3s. The new requirements include the requirement that DoD officials use outcome-oriented metrics in the administration of P3s and review the P3s at least every 5 years.

To assist officials in developing the P3 analysis and establishing metrics, the Office of the Assistant Secretary of Defense (Logistics and Materiel Readiness) issued the "Public-Private Partnering for Product Support Guidebook" (the P3 Guidebook).[6] The P3 Guidebook states that there must be a set of established metrics for each P3 to determine whether and how well the partners are achieving the benefits of the P3 and provides a methodology for developing the metrics.

The AMC, TACOM, and Anniston Army Depot each have a policy specific to P3s.[7] Collectively, the policies provide detail on the P3 approval process and requirements for developing metrics to determine the success of, and benefits received from, the P3.[8] The Anniston Army Depot guidance includes a checklist for developing P3 approval documents and provides a template for the P3 analysis.

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[6] "Public-Private Partnering for Product Support Guidebook," May 4, 2018. The Office of the Assistant Secretary of Defense (Logistics and Materiel Readiness) no longer exists. The office overseeing the Guidebook is the Office of the ASD(S).

[7] "Command Policy Memorandum – U.S. Army Materiel Command (AMC) Business Development (BD) and Partnership Program Execution Policies and Procedures," November 14, 2015.
"TACOM Life Cycle Management Command Public-Private Partnerships (P3) Policy," March 4, 2015.
Anniston Army Depot Regulation 210-10, "Direct Sales Program," October 1, 2018.

[8] The requirements in the TACOM and Anniston Army Depot policies apply only to direct sale P3s. The Anniston Army Depot policy contains no requirement for metrics to determine the success of, and benefits received from, the P3.

Finding

The Army Did Not Always Establish Benefits and Did Not Establish Metrics for the Anniston Army Depot P3s

PMO and Anniston Army Depot officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received benefits from the P3s. In addition, PMO and Anniston Army Depot officials did not review the P3s every 5 years. This occurred because:

- the DoD lacks a structure for P3 oversight;
- PMO and Anniston Army Depot officials responsible for developing and implementing P3s were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training; and
- Army P3 policies did not align with DoD P3 policy.

PMO and Anniston Army Depot officials did not have readily available data to support that the Army received benefits from the P3s. While we were able to validate that the Army received some benefits, in some instances PMO and Anniston Army Depot officials could not support the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the Army's ability to maximize the value of its P3s.

Army Officials Did Not Always Identify and Document Benefits and Did Not Establish Metrics

PMO and Anniston Army Depot officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received the benefits of the P3s. Table 2 identifies the seven P3s we reviewed and summarizes whether PMO or Anniston Army Depot officials established benefits and metrics for each P3.

Table 2. P3s with Benefits and Metrics

Program	P3 Type	Year Implemented	Benefits Documented	Metrics Documented
M1 Abrams	Workshare	Between 1987 and 1992	Partially	No
TIGER	Workshare	Mid-1990s	Partially	No
Stryker FOV	Workshare	2006	No*	No
Stryker FOV	Direct Sale	2001	No	No
Stryker FOV	Direct Sale	2022	Partially	No
JAB	Workshare	2016	No	No
JAB	Direct Sale	2016	Partially	No

Note: 'Partially' means benefits were not clearly defined or not all benefits were documented.

*PM Stryker officials provided documentation from 2008 with both benefits and metrics. However, they informed us that the documentation was not relevant to the current efforts under the workshare P3.

Source: The DoD OIG.

PMO and Anniston Army Depot officials did not always identify and document or clearly define benefits for the P3s. DoDI 4151.21 states that P3s should maximize benefits to the DoD. In addition, the P3 Guidebook states that there must be a set of established metrics for each P3 to determine whether and how well the partners are achieving the benefits of the P3. We reviewed documentation such as the P3 analysis, acquisition plans, and memorandums of understanding to identify benefits from the P3s. We also interviewed PMO and Anniston Army Depot officials to identify additional benefits of the P3s that were not documented. For all seven P3s we reviewed, we found PMO and Anniston Army officials either did not document benefits or only partially documented benefits.

For example, we reviewed the acquisition plan for the TIGER P3 and identified benefits from the program such as cost savings and improvements to operational readiness that a PM Main Battle Tank official confirmed were also benefits of the TIGER P3. In addition, an Anniston Army Depot official stated that facility improvements at the Depot were a benefit of the TIGER P3. However, this benefit was not identified in documentation.

PMO and Anniston Army Depot officials did not establish metrics to measure the benefits, both documented and undocumented, for the seven P3s we reviewed. Specifically, PMO and Anniston Army Depot officials did not identify and document metrics needed to determine whether the Army received the benefits of the P3s. The P3 Guidebook states that there must be a set of established and defined metrics to determine whether and how well the partners are achieving the benefits

of the P3. AMC and TACOM P3 policy also require that metrics be established to help indicate that the benefits are being received. Establishing metrics for each benefit gives the Army a means to measure and monitor those benefits over time.

In addition, PMO and Anniston Army Depot officials did not conduct 5-year reviews for six of the seven P3s we reviewed. DoDI 4151.21 requires that program managers review P3s every 5 years. As noted in Table 2, six of the P3s we reviewed have been in place for longer than 5 years; however, neither PMO nor Anniston Army Depot officials reviewed the P3s. One of the Stryker FOV direct sale P3s has only been in place since 2022; therefore, it has not existed long enough to require a 5-year review. The P3 Guidebook states that independent review and oversight provides an objective assessment of whether the partners are receiving the benefits. Such a review provides an opportunity for Army officials to determine whether the Army received the benefits from the P3 and to correct or redirect the P3 efforts if necessary.

Therefore, we recommend that the PEOs, in collaboration with Anniston Army Depot officials, conduct a review of their workshare P3s as required by DoDI 4151.21. During the review, the PEOs should identify and document benefits of the partnerships, establish metrics to measure the benefits, and implement a process to monitor the benefits. PEO officials should also consider potential changes to the P3s during the review and implement those that maximize benefits for the Army. In addition, we recommend that the Commander of Anniston Army Depot conduct a review of the direct sale P3s for the JAB and Stryker FOV as required by DoDI 4151.21. During the review, the Commander should ensure Depot officials identify and document benefits of the partnerships, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Commander should also consider potential changes to the P3s during the review and implement those that maximize benefits for the Army.

Gaps Exist in Oversight, Knowledge, and Policy for P3s

The DoD lacks a structure for P3 oversight. Specifically, the ASD(S) and the Secretary of the Army did not establish an oversight structure to ensure that Army officials implemented DoD P3 requirements. In addition, PMO and Anniston Army Depot officials responsible for developing and implementing P3s were not aware of all DoD and Army requirements applicable to P3s, were not required to attend P3 training, and relied on Army policies that did not align with DoD P3 policy.

DoD Lacks a Structure for P3 Oversight

The ASD(S) and the Secretary of the Army did not establish an oversight structure to ensure that Army officials implemented DoD P3 requirements. DoDI 4151.21 assigns responsibility to the ASD(S) to monitor and review the performance of product support P3s throughout the DoD and to provide policy guidance to the Secretaries of the Military Departments. The ASD(S) provided policy guidance by issuing DoDI 4151.21 and the P3 Guidebook.

An official from the Deputy Assistant Secretary of Defense (Materiel Readiness), the office within the ASD(S) responsible for DoDI 4151.21, stated that the Office of the ASD(S) does not get directly involved in the implementation of P3s, but rather writes policy, educates, and communicates with the partnering community as part of their oversight responsibilities. However, the DoD still needs to have an oversight structure in place that includes high level monitoring and reviewing of P3s, to ensure that the Military Departments are implementing DoDI 4151.21 as intended by the ASD(S).

The official further stated that the responsibility for monitoring and reviewing the performance of product support P3s was delegated to Military Departments in 2016 when the ASD(S) issued the most recent version of DoDI 4151.21. Specifically, DoDI 4151.21 assigns responsibility to the Secretaries of the Military Departments to determine whether the P3s are structured to maximize benefits to the DoD, to ensure execution of a P3 analysis before entering into a P3, and to ensure that the program manager reviews the P3s every 5 years.

It is critical that the DoD has an oversight structure to ensure that Military Departments, including the Army, are implementing DoD requirements and maximizing the benefits of P3s. Therefore, we recommend that the ASD(S) update DoDI 4151.21 to establish an oversight structure to ensure that the Secretaries of the Military Departments are implementing their responsibilities as assigned in DoDI 4151.21.

In addition, PMO and depot officials structuring P3s to maximize benefits to the Army and reviewing P3s every 5 years to assess the effectiveness of the P3s increases the likelihood of the Army receiving the benefits of the P3s. Therefore, we recommend that the Secretary of the Army designate an office within the Army that is responsible for ensuring PMO and depot officials execute the appropriate analysis to determine that P3s are structured to maximize benefits to the Army. Specifically, this office should be responsible for the review of all active Army P3s and ensure that PMO and depot officials establish benefits, metrics to monitor those benefits, and conduct 5-year reviews.

Army Officials Were Not Fully Aware of P3 Requirements

PMO and Anniston Army Depot officials responsible for developing and implementing P3s were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training. For example, an official from PM Stryker stated that his team was not aware of the need for metrics to monitor benefits before we met with them and stated that no other office had ever brought the need for metrics to his team's attention. Additionally, an official from PM Main Battle Tank, working on the TIGER P3, stated that he was not aware of the requirement to review a P3 every 5 years. Anniston Army Depot officials stated they were also unaware of the requirement. In addition, officials from all the PMOs stated they were unaware of the P3 Guidebook.

We also identified a workshare P3 for the JAB program that PM Force Projection did not consider a P3 but Anniston Army Depot officials did consider a workshare P3.[9] After reviewing the acquisition plan, we determined that a portion of the work under the JAB program was a workshare P3. In addition, Anniston Army Depot officials reported that work into an AMC database that the AMC used to track P3s. However, a PM Force Projection official stated that his office only considers an effort a P3 if a contractor funds the depot's work. There are three types of P3s—direct sale and lease P3s are funded by the contractor, while workshare P3s are funded by the PMO. In this instance, the PMO funded both the contractor and Anniston Army Depot, and the work was shared between the partners, making it a workshare P3. The official also stated that his organization mainly did commercial off-the-shelf acquisition; therefore, he had little knowledge of P3s.

PMO and Anniston Army Depot officials, responsible for the P3s in our sample, were not required to attend P3 training. However, Anniston Army Depot officials took a P3 training class from Defense Acquisition University (DAU) between 2010 and 2017.[10] We reviewed the DAU P3 training course, (LOG 0060, "Public-Private Partnerships") and determined that the training is introductory and does not cover topics for which personnel developing and implementing P3s should have a comprehensive understanding. Specifically, the P3 training did not cover the requirement to establish benefits or metrics for the P3 or the requirement to review the P3 every 5 years. We also reviewed the DAU course catalog and did not identify any additional DAU training courses that addressed the shortfalls identified in our report.

Had PMO and Anniston Army Depot officials received training on P3 requirements associated with benefits, metrics, and 5-year reviews, Army officials might have avoided the shortfalls outlined in our report. Therefore, we recommend that the DAU

[9] This P3 is one of the seven P3s included in our sample.

[10] DAU is a learning platform delivering learning and support tailored to the needs of the Defense Acquisition Workforce.

President update DAU training course LOG 0060, "Public-Private Partnerships," or its equivalent to address knowledge gaps we identified in our report, including identifying and establishing benefits and metrics and performing a 5-year review. In addition, we recommend that the ASD(S) update DoDI 4151.21 and assign the Secretaries of the Military Departments the responsibility to ensure that officials developing and implementing P3s receive P3 training, including the updated LOG 0060, "Public-Private Partnerships," or its equivalent offered by the DAU. We also recommend that the Secretary of the Army issue a policy memorandum reiterating the importance of reviewing and applying the information in the P3 Guidebook.

Army Policy Did Not Align with DoD Policy

Army P3 policies did not align with DoD P3 policy. Specifically, AMC, TACOM, and Anniston Army Depot policies were not updated to reflect current DoD P3 requirements and guidance. Table 3 summarizes the DoD requirements and guidance missing from the Army's P3 policies.

Table 3. Missing P3 Requirements and Guidance in Army P3 Policies

DoD P3 Requirements and Guidance[1]	AMC P3 Policy[2]	TACOM P3 Policy[3]	Anniston P3 Policy[4]
Document Benefits	Included	Included	Included
Establish Metrics	Included	Included	Missing
Conduct 5-Year Review	Missing	Missing	Missing

[1] DoDI 4151.21, "Public-Private Partnerships for Product Support," November 21, 2016 (Incorporating Change 4, July 31, 2019) and "Public-Private Partnering for Product Support Guidebook," May 4, 2018.

[2] "Command Policy Memorandum – U.S. Army Materiel Command (AMC) Business Development (BD) and Partnership Program Execution Policies and Procedures," November 14, 2015.

[3] "TACOM Life Cycle Management Command Public-Private Partnerships (P3) Policy," March 4, 2015.

[4] Anniston Army Depot Regulation 210-10, "Direct Sales Program," October 1, 2018.

Source: The DoD OIG.

Army officials need access to accurate P3 policy to fully understand their responsibilities for the P3s they implement. Therefore, the Commander of Anniston Army Depot should update Anniston Army Depot Regulation 210-10, "Direct Sales Program," to ensure it aligns with DoD requirements and guidance for P3s, including establishing metrics to measure the benefits, implementing procedures to monitor benefits, and conducting 5-year reviews. In addition, the Commanding General of the AMC should update "Command Policy Memorandum – U.S. Army Materiel Command (AMC) Business Development (BD) and Partnership Program Execution Policies and Procedures" to ensure it aligns with DoD requirements for P3s, including conducting

a 5-year review. Further, the Commanding General of TACOM should update "TACOM Life Cycle Management Command Public-Private Partnerships (P3) Policy" to ensure it aligns with DoD requirements for P3s, including conducting a 5-year review.

Establishing Benefits and Metrics Is Critical to Maximize P3 Benefits

PMO and Anniston Army Depot officials did not have readily available data to support that the Army received the benefits identified. While we were able to validate that the Army received some benefits from the P3s, in some instances PMO and Anniston Army Depot officials could not support that the Army received the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the Army's ability to maximize the value of its P3s.

The Army Received Some Benefits

PMO and Anniston Army Depot officials did not have readily available data to support that the Army received the benefits identified. Therefore, we worked extensively with PMO and Anniston Army Depot officials to determine whether we could validate claimed benefits, both documented and undocumented. We identified claimed benefits such as contributing direct labor hours to maintain core logistics capabilities, improvements to Depot facilities, access to the contractor's technical data, goodwill between partners, and use of Depot resources.[11] See Appendix B for the full list of benefits summarized by P3. We were able to reasonably conclude that the Army received benefits in the following areas for the P3s we reviewed.[12]

Core Logistics Capabilities. Anniston Army Depot officials stated that one of the main benefits of P3s is that P3s bring work to Anniston Army Depot that contributes to the Army maintaining its core logistics capabilities. Section 2464, title 10, United States Code requires that the DoD perform maintenance on weapon systems in government-owned and government-operated facilities to have a ready and controlled source of repair capabilities. Having these organic core logistics capabilities ensures an effective and timely response to contingency situations and other emergency requirements. For example, according to an Anniston Army Depot official, Depot personnel working on the M1 Abrams P3 contributed 674,710 direct labor hours to the Army's core logistics capability requirements for combat vehicles in FY 2021.

[11] Core logistics capabilities are capabilities necessary to maintain and repair the weapon systems and other military equipment.

[12] Appendix B also includes the determination of whether we were able to reasonably conclude that the Army received the benefit.

Improvements to Depot Facilities. Anniston Army Depot officials stated that the TIGER and Stryker FOV workshare P3s resulted in improvements to facilities at Anniston Army Depot. For example, from 2018 to 2021, GDLS invested over $370,000 to replace floors; upgrade lighting; and replace heating, ventilation, and cooling components in the Depot's facilities supporting the M1 Abrams and Stryker FOV.

Access to Contractor Technical Data. Anniston Army Depot officials stated that a benefit of the Stryker FOV P3 was that the Depot had access to GDLS's technical data package.[13] The Depot has a non-disclosure agreement with GDLS governing the Depot's access to the data. The data allows the Depot to do work it would not be able to do otherwise and increases the Depot's available skillsets. An Anniston Army Depot official stated that the Depot will request technical data when there is a bona fide need and provide a justification to GDLS, which will then provide the requested data.

Goodwill Between Partners. PMO and Anniston Army Depot officials stated that P3s foster goodwill between the Depot and contractors. For example, Depot officials stated that Depot employees provided support to a Leonardo DRS manufacturing facility on several occasions due to the Depot employees' skillsets and willingness to share information. Additionally, Depot officials stated that because of the P3s, the contractors know the Depot employees' skillsets and look to the Depot for future partnering efforts. For example, according to a Depot official, GDLS has Depot personnel paint GDLS vehicles at Anniston Army Depot even if GDLS produced the vehicles elsewhere.

Use of Depot Resources. An Anniston Army Depot official stated that one of the benefits of a P3 is use of depot resources. Specifically, section 2474, title 10, United States Code encourages Centers of Industrial and Technical Excellence to enter into P3s to maximize the use of capacity. P3s provide depot employees with work. According to an Anniston Army Depot official, the P3s we reviewed used over 1 million direct labor hours provided by Anniston Army Depot employees in FY 2021. In addition, each of the P3s we reviewed had associated leases or inter-service support agreements enabling the contractors to occupy and use the Depot's facilities.

[13] The technical data package defines the physical and functional characteristics of a design of an item and its assemblies, subassemblies, and parts.

The Army Could Not Support All Benefits It Claimed It Received

While we were able to validate that the Army received some benefits from the P3s, in some instances PMO and Anniston Army Depot officials could not always provide supporting evidence that the Army received the benefits they stated the Army received from the P3s. Some of the benefits that PMO and Anniston Army Depot officials claimed they received, but could not support, included improved quality, improved operational readiness, and best value.

Improved Quality. According to an official from PM Main Battle Tank, the TIGER P3 increased the quality of Anniston Army Depot's work. We requested data from Anniston Army Depot to support this assertion. Anniston Army Depot personnel provided first pass yield data, which represents the percentage of AGT 1500 engines that pass the required tests without needing any corrections.[14] The first pass yield rate fluctuated between 69 percent and 93 percent over the course of a year. In addition, the TIGER contracting officer's representative stated that there was no industry standard with which to compare the first pass yield data. Further, a PM Main Battle Tank official stated that first pass yield was a poor metric to measure quality due to factors such as changing testing criteria. Because there was variation in the rate over 12 months, no industry standard or other documented first pass yield goal, and the PM official considered it a poor metric to measure quality, we were not able to determine whether the Army was receiving the benefit of increased quality from the TIGER P3.

Improved Operational Readiness. We reviewed the TIGER Acquisition Plan and Strategy and found that one of the goals of the TIGER program is to increase durability and readiness of the weapon system. In addition, a PM Main Battle Tank official stated that the TIGER P3 increased the durability and readiness of the system. However, when we requested data to verify that the P3 resulted in improved durability and readiness of the AGT 1500 engine, PMO officials were not able to provide the requested data. Therefore, without data to support increases in the durability and readiness of the AGT 1500 engine, we were not able to determine whether the TIGER P3 resulted in improved operational readiness of the engine.

Best Value. We reviewed a memorandum of understanding related to the M1 Abrams P3 and found that one of the objectives of the P3 is to provide the best value to the customer. A PM Main Battle Tank official clarified the benefit and stated that the Army could not afford new M1 Abrams tanks and that an M1 Abrams overhaul is less expensive than buying a new tank. We requested documentation from PM Main Battle Tank officials supporting that the Army received the benefit of best value; however, the PM Main Battle Tank official

[14] The percentage is based on the last 100 engines tested.

stated that there was no documentation available to show that overhaul was less expensive than procuring new vehicles. Therefore, without data to support that overhauls were less expensive than buying new tanks, we were not able to determine whether the M1 Abrams P3 resulted in the best value.[15]

Identifying the benefits of a P3 helps Army officials decide whether they should enter into a P3 and whether the P3 will benefit the Army. Establishing metrics for the benefits gives the Army a means to measure and monitor those benefits over time. Performing a 5-year review provides an opportunity to evaluate whether the Army is receiving the benefits and provides a basis for correcting or redirecting the P3 efforts as necessary.

Had PMO and Depot officials: (1) established or more clearly defined these benefits, (2) established and defined metrics to determine whether and how well the partners were achieving the benefits, and (3) conducted a 5-year review of the P3s, the PMO and Depot officials would have been able to objectively assess whether the Army received these benefits and whether PMO and Depot officials needed to redirect the P3s to receive the benefits.

Lack of Established Benefits and Metrics Limits the Army's Ability to Maximize the Value of Its P3s

Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the Army's ability to maximize the value of its P3s. Identifying benefits and establishing metrics to measure those benefits provides an objective means to evaluate the success of a P3. Reassessing the P3s provides a basis for Army officials to maximize the value of P3s by correcting or redirecting P3 efforts if necessary and allowing PMO and Anniston Army Depot officials an opportunity to advocate or negotiate additional benefits for the P3.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Program Executive Officer, Ground Combat Systems, in collaboration with Anniston Army Depot officials, conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the M1 Abrams and Stryker Family of Vehicles workshare public-private partnerships with General Dynamics Land Systems. During

[15] According to a PM Main Battle Tank official, it is common knowledge in the combat vehicle community that the overhaul and upgrade of existing tanks is less expensive than acquiring brand-new tanks. However, we are unable to validate this assumption due to the lack of data.

the review, the Program Executive Officer, Ground Combat Systems should identify and document benefits of the partnerships, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer, Ground Combat Systems should also consider potential changes to the public-private partnership during the review and implement those that maximize benefits for the Army.

Program Executive Office, Ground Combat Systems Comments

The Deputy Program Executive Officer, Ground Combat Systems, responding for the Program Executive Officer, Ground Combat Systems, agreed stating that the Program Executive Officer, in collaboration with Anniston Army Depot officials, will conduct a review of the M1 Abrams and Stryker FOV workshare P3s with GDLS as required by DoDI 4151.21. The Deputy Program Executive Officer stated that during the reviews, the Program Executive Officer will consider potential changes to the P3s, identify and document benefits of the partnerships, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer plans to complete these actions by October 31, 2024.

Anniston Army Depot Comments

The Commander, Anniston Army Depot, agreed to collaborate with PEO Ground Combat Systems officials, to conduct the review of the M1 Abrams and Stryker FOV workshare P3s.

Our Response

Comments from the Deputy Program Executive Officer and the Commander, Anniston Army Depot, addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once the Program Executive Officer provides a copy of the reviews of the M1 Abrams and Stryker FOV workshare P3s and we verify that the reviews considered potential changes to the P3s, identified and documented benefits of the partnerships, established metrics to measure the benefits, and implemented a process to monitor the benefits.

Recommendation 2

We recommend that the Program Executive Officer, Ground Combat Systems, working with the Director of the U.S. Army Tank-automotive and Armaments Command Integrated Logistics Support Center and in collaboration with Anniston Army Depot officials, conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the Total Integrated Engine Revitalization workshare public-private partnership with Honeywell. During the review, the Program Executive Officer, Ground Combat Systems, working with the Director of the U.S. Army Tank-automotive and Armaments Command

Integrated Logistics Support Center, should identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer, Ground Combat Systems, and the Director of the U.S. Army Tank-automotive and Armaments Command Integrated Logistics Support Center should also consider potential changes to the public-private partnership during the review and implement those that maximize benefits for the Army.

Program Executive Office, Ground Combat Systems Comments

The Deputy Program Executive Officer, Ground Combat Systems, responding for the Program Executive Officer, Ground Combat Systems, agreed, stating that the Program Executive Officer would collaborate with the Director of TACOM Integrated Logistics Support Center and Anniston Army Depot officials, to conduct a review of the TIGER workshare P3 with Honeywell as required by DoDI 4151.21. The Deputy Program Executive Officer stated that during the review, the Program Executive Officer will consider potential changes to the P3, identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer plans to complete these actions by October 31, 2024.

U.S. Army Tank-automotive and Armaments Command Comments

The TACOM Commanding General agreed to collaborate with PEO Ground Combat Systems officials to conduct the review of the TIGER workshare P3.

Anniston Army Depot Comments

The Commander, Anniston Army Depot, agreed to collaborate with PEO Ground Combat Systems officials and the Director of the TACOM Integrated Logistics Support Center to conduct the review of the TIGER workshare P3.

Our Response

Comments from the Deputy Program Executive Officer, TACOM Commanding General, and the Commander, Anniston Army Depot, addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once the Program Executive Officer provides a copy of the review of the TIGER workshare P3 and we verify that the review considered potential changes to the P3, identified and documented benefits of the partnership, established metrics to measure the benefits, and implemented a process to monitor the benefits.

Recommendation 3

We recommend that the Program Executive Officer, Combat Support and Combat Service Support, in collaboration with Anniston Army Depot officials, conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the Joint Assault Bridge workshare public-private partnership with Leonardo DRS. During the review, the Program Executive Officer, Combat Support and Combat Service Support should identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer, Combat Support and Combat Service Support should also consider potential changes to the public-private partnership during the review and implement those that maximize benefits for the Army.

Program Executive Office, Combat Support and Combat Service Support Comments

The Deputy Program Executive Officer, Combat Support and Combat Service Support, responding for the Program Executive Officer, Combat Support and Combat Service Support, agreed, stating that the Program Executive Officer, in collaboration with Anniston Army Depot officials, will conduct a review of the JAB workshare P3 with Leonardo DRS as required by DoDI 4151.21. The Deputy Program Executive Officer also stated that during the review, the Program Executive Officer will consider potential changes to the P3, identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer plans to complete these actions by October 31, 2024.

Anniston Army Depot Comments

The Commander, Anniston Army Depot, agreed to collaborate with PEO Combat Support and Combat Service Support officials to conduct the review of the JAB workshare P3.

Our Response

Comments from the Deputy Program Executive Officer and the Commander, Anniston Army Depot, addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once the Program Executive Officer provides a copy of the review of the JAB workshare P3 and we verify that the review considered potential changes to the P3, identified and documented benefits of the partnership, established metrics to measure the benefits, and implemented a process to monitor the benefits.

Recommendation 4

We recommend that the Commander of Anniston Army Depot conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the direct sales public-private partnerships for the Joint Assault Bridge and the Stryker Family of Vehicles. During the review, the Commander should ensure Depot officials identify and document benefits of the partnerships, establish metrics to monitor the benefits, and implement a process to monitor the benefits. The Commander of Anniston Army Depot should also consider potential changes to the public-private partnerships during the review and implement those that maximize benefits for the Army.

Anniston Army Depot Comments

The Commander, Anniston Army Depot, agreed, stating that Anniston Army Depot officials will conduct a review of the direct sales P3s for the JAB and Stryker FOV, as required by DoDI 4151.21. The Commander also stated that, during the review, Anniston Army Depot will identify and document benefits, establish metrics and implement a process to monitor the benefits of the direct sales P3s for the JAB and the Stryker FOV. In addition, the Commander stated that Anniston Army Depot officials will consider potential changes to the P3s and implement those that maximize benefits for the Army. The Commander plans to complete these actions by October 31, 2024.

Our Response

Comments from the Commander, Anniston Army Depot, addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close this recommendation once Anniston Army Depot officials provide a copy of the reviews of the JAB and Stryker FOV direct sale P3s and we verify the reviews considered potential changes to the P3s, identified and documented benefits of the partnerships, established metrics to measure the benefits, and implemented a process to monitor the benefits.

Recommendation 5

We recommend that the Assistant Secretary of Defense (Sustainment) update DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," to establish an oversight structure to ensure that the Secretaries of the Military Departments are implementing their responsibilities as assigned in DoD Instruction 4151.21, "Public-Private Partnerships for Product Support."

Assistant Secretary of Defense (Sustainment) Comments

The ASD(S) agreed, stating that they will update DoDI 4151.21 to establish a P3 oversight structure to ensure that the Secretaries of the Military Departments are implementing their responsibilities as assigned by DoDI 4151.21. The ASD(S) plans to complete this action by September 30, 2024.

Our Response

Comments from the ASD(S) addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once the ASD(S) provides a copy of the updated DoDI 4151.21 and we verify that the updated DoDI 4151.21 establishes an oversight structure to ensure that the Secretaries of the Military Departments are implementing their responsibilities as assigned in DoDI 4151.21.

Recommendation 6

We recommend that the Secretary of the Army designate an office within the Army that is responsible for ensuring project management office and depot officials execute the appropriate analysis to determine that public-private partnerships are structured to maximize benefits to the Army. Specifically, this office should be responsible for the review of all active Army public-private partnerships and ensure that program management office and depot officials establish benefits and metrics to monitor those benefits and conduct 5-year reviews.

Secretary of the Army Comments

The Secretary of the Army agreed, stating that the recommendation will be implemented by the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) distributing a memo to the PEOs to ensure optimum oversight of the P3 execution. In addition, the Secretary of the Army stated that this recommendation will be codified in the next revision of Army Regulation (AR) 700-90, "Army Industrial Base Process." The Secretary of the Army plans to complete these actions by July 1, 2025.

Our Response

Comments from the Secretary of the Army partially addressed the recommendation; therefore, the recommendation is unresolved. The Secretary of the Army's response does not provide enough detail to determine whether the Secretary of the Army plans to designate an office responsible for ensuring project management office and depot officials execute the appropriate analysis

to determine that P3s are structured to maximize benefits to the Army. Therefore, we request that within 30 days the Secretary of the Army describe the specific actions they will take to designate the recommended office within the Army.

Recommendation 7

We recommend that the Defense Acquisition University President update Defense Acquisition University training course LOG 0060, "Public-Private Partnerships" or its equivalent. The updated course should address knowledge gaps we identified in our report, including identifying and establishing benefits and metrics and performing a 5-year review.

Defense Acquisition University Comments

The DAU Chief of Staff, responding for the DAU President, agreed, stating that DAU officials updated training course LOG 0060, "Public-Private Partnerships," to address knowledge gaps identified in the report, including identifying and establishing benefits and metrics and performing the 5-year review. The Chief of Staff stated that the updated course includes new training content, knowledge reviews, and final assessment questions. The Chief of Staff stated that DAU officials deployed the updated course on April 14, 2023.

Our Response

Comments from the DAU Chief of Staff addressed the specifics of the recommendation. We verified that the updated training course LOG 0060, "Public-Private Partnerships," addresses the knowledge gaps we identified in this report, including identifying and establishing benefits and metrics and performing a 5-year review; therefore, the recommendation is closed.

Recommendation 8

We recommend that the Assistant Secretary of Defense (Sustainment) update DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," and assign the Secretaries of the Military Departments the responsibility to verify that officials developing and implementing public-private partnerships receive public-private partnership training, including LOG 0060, "Public-Private Partnerships" or its equivalent offered by the Defense Acquisition University.

Assistant Secretary of Defense (Sustainment) Comments

The ASD(S) agreed, stating that they will update DoDI 4151.21 and assign the Secretaries of the Military Departments the responsibility to verify that officials developing and implementing P3s receive P3 training offered by the DAU. The ASD(S) plans to complete these actions by September 30, 2024.

Our Response

Comments from the ASD(S) addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once the ASD(S) provides the updated DoDI 4151.21 and we verify that the updated DoDI 4151.21 assigns the Secretaries of the Military Departments the responsibility to verify that officials developing and implementing P3s receive the P3 training offered by the DAU.

Recommendation 9

We recommend that the Secretary of the Army issue a policy memorandum reiterating the importance of reviewing and applying the information in the "Public-Private Partnering for Product Support Guidebook."

Secretary of the Army Comments

The Secretary of the Army agreed, stating that a policy memorandum reiterating the importance of reviewing the "Public-Private Partnering for Product Support Guidebook," will be implemented in parallel with the corrective action for Recommendation 6. The Secretary of the Army plans to complete these actions by January 2, 2024.

Our Response

Comments from the Secretary of the Army addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once the Secretary of the Army provides the issued memorandum and we verify the memorandum reiterates the importance of reviewing and applying the information in the "Public-Private Partnering for Product Support Guidebook."

Recommendation 10

We recommend that the Commander of Anniston Army Depot update Anniston Army Depot Regulation 210-10, "Direct Sales Program," to ensure it aligns with DoD requirements and guidance for public-private partnerships, including establishing metrics to measure the benefits, implementing procedures to monitor benefits, and conducting 5-year reviews.

Anniston Army Depot Comments

The Commander, Anniston Army Depot, agreed, stating that Anniston Army Depot officials will update Anniston Army Depot Regulation 210-10 to ensure it aligns with DoD requirements and guidance for P3s, including establishing metrics

and implementing procedures to monitor the benefits, and conducting 5-year reviews. The Commander of Anniston Army Depot plans to complete these actions by January 31, 2025.

Our Response

Comments from the Commander, Anniston Army Depot, addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once Anniston Army Depot officials provide the updated Regulation 210-10 and we verify the updated Regulation 210-10 aligns with DoD requirements and guidance for P3s, including establishing metrics and implementing procedures to monitor the benefits, and conducting 5-year reviews.

Recommendation 11

We recommend that the Commanding General of the U.S. Army Materiel Command update "Command Policy Memorandum – U.S. Army Materiel Command (AMC) Business Development (BD) and Partnership Program Execution Policies and Procedures," to ensure it aligns with DoD requirements for public-private partnerships, including conducting 5-year reviews.

U.S. Army Materiel Command Comments

The AMC Ombudsman, responding for the AMC Commanding General, agreed stating that the Commanding General will add the DoD requirements for P3s, including the 5-year review of each P3, to the AMC policy. The AMC Commanding General plans to complete these actions by January 31, 2024.

Our Response

Comments from the AMC Ombudsman addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once the AMC Commanding General provides the updated AMC policy and we verify the updated AMC policy aligns with DoD requirements for P3s, including the 5-year review of each P3.

Recommendation 12

We recommend that the Commanding General of the U.S. Army Tank-automotive and Armaments Command update "TACOM Life Cycle Management Command Public-Private Partnerships (P3) Policy" to ensure it aligns with DoD requirements for public-private partnerships, including conducting 5-year reviews.

U.S. Army Tank-automotive and Armaments Command Comments

The TACOM Commanding General agreed, stating that TACOM officials will update the TACOM P3 policy to ensure it aligns with DoD requirements, including the 5-year reviews. The Commanding General plans to complete these actions by July 31, 2024.

Our Response

Comments from the TACOM Commanding General addressed the specifics of the recommendation; therefore, the recommendation is resolved but open. We will close the recommendation once TACOM officials update TACOM's P3 policy and we verify that the updated P3 policy aligns with DoD requirements, including 5-year reviews.

Appendix A

Scope and Methodology

We conducted this performance audit from January 2022 through April 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We issued a data call to the Army to identify all active P3s. Based on the results of the data call, we scoped our audit to P3s at Anniston Army Depot and adjusted the audit's objective to reflect the scope of the audit. We selected a nonstatistical sample of 7 of the 28 P3s at the Depot based on the dollar value of work performed by the Depot for each weapon system.[16]

We met with officials from the AMC, TACOM, PMOs, and Anniston Army Depot to determine their roles and responsibilities when implementing and monitoring P3s and to discuss the benefits and challenges of P3s. We also met with representatives from the Office of the Deputy Assistant Secretary of Defense (Materiel Readiness) and the Office of the Deputy Assistant Secretary of Defense (Product Support) to determine their roles and responsibilities in the oversight and management of P3s and to discuss the benefits and challenges of P3s. We also had discussions and correspondence with officials from the Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) and Headquarters, Department of the Army, Logistics in an attempt to determine which organization in the Army was responsible for ensuring compliance with DoDI 4151.21.

We also determined whether PMO and Anniston Army Depot officials performed a P3 analysis and whether the P3 analysis included the benefits of the P3. In addition, we reviewed the following documentation related to P3 implementation to identify benefits of the P3s and to determine whether PMO and Anniston Army Depot officials established metrics to measure whether the Army received the benefits.

- memorandums of understanding
- integrated partnering plans
- business case analyses

[16] The results from the discussions for the sampled P3s cannot be projected to the universe of P3s.

- contract documentation
- scopes of work
- acquisition plans and strategies
- life cycle sustainment plans

We also conducted interviews with PMO and Anniston Army Depot officials to identify additional benefits and determine the metrics officials used to monitor the benefits for the P3s in our sample. We worked with PMO and Anniston Army Depot personnel to validate that the Army was receiving the benefits. We also reviewed the following documentation to validate whether the Army received the benefits.

- purchase orders
- quality metrics
- contract documentation
- part supply metrics
- cost deferment calculator

We also discussed examples of goodwill between the stakeholders for each P3 (contractor, PMO, and Anniston Army Depot officials) and examples of access to technical data with PMO and Depot officials.

We discussed P3 training requirements with PMO and Anniston Army Depot officials to identify any required P3 training. We also requested P3 training certificates from PMO and Anniston Army Depot officials. We reviewed the DAU P3 training class indicated on the training certificates to determine whether the training included requirements for documenting benefits, establishing metrics, and performing the 5-year review. We also reviewed the DAU catalog to determine whether there were additional classes that covered P3s. Finally, we reviewed AMC, TACOM, and Anniston Army Depot P3 policies to determine whether the policies aligned with current DoD P3 requirements.

We provided the three contractors, discussed in our report, the opportunity to review and comment on relevant portions of the draft report. We considered the responses provided by the contractors in preparing the final report.

Internal Control Assessment and Compliance

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the control activities component of internal control and the related principles of management designing and implementing control activities. Our internal control assessment

was limited to assessing control activities related to P3 oversight, preparing analyses, identifying benefits and metrics to measure those benefits before entering into a P3, and the 5-year review of the P3. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Use of Computer-Processed Data

We did not use computer-processed data to perform this audit.

Prior Coverage

No prior coverage has been conducted on P3s during the last 5 years.

Appendix B

Benefits

This table presents a full list of the documented and undocumented benefits that PMO and Anniston Army Depot officials identified. We summarized the benefits by P3, including the determination of whether we were able to reasonably conclude that the Army received the benefit.

P3	Benefit	Benefit Established	Metrics Established	Benefit Received
M1 Abrams	Contributes to maintaining Depot's core logistics capability	Yes	No	Yes
M1 Abrams	Best value	Yes	No	Undetermined*
M1 Abrams	High quality	Yes	No	Undetermined*
M1 Abrams	Improvements to Depot's facilities	No	No	Yes
M1 Abrams	Goodwill between partners	No	No	Yes
M1 Abrams	Improved supply chain	No	No	Undetermined*
M1 Abrams	Utilization of Depot resources	No	No	Yes
TIGER	Improvements to Depot's facilities	No	No	Undetermined*
TIGER	Improved supply chain management	Yes	No	Yes
TIGER	Improved quality of Depot's work	No	No	Undetermined*
TIGER	Contributes to maintaining Depot's core logistics capability	No	No	Yes
TIGER	Improved operational readiness	Yes	No	Undetermined*
TIGER	Reduced operation and sustainment costs	Yes	No	Yes
TIGER	Process efficiencies	No	No	Yes
TIGER	Utilization of Depot resources	No	No	Yes
Stryker Workshare	Contributes to maintaining Depot's core logistics capability	No	No	Yes

Benefits (cont'd)

P3	Benefit	Benefit Established	Metrics Established	Benefit Received
Stryker Workshare	Depot has access to contractor's technical data	No	No	Yes
Stryker Workshare	Goodwill between partners	No	No	Yes
Stryker Workshare	Improvements to Depot's facilities	No	No	Yes
Stryker Workshare	Improved quality of Depot's work	No	No	Yes
Stryker Workshare	Utilization of Depot resources	No	No	Yes
Stryker Direct Sale	Contributes to maintaining Depot's core logistics capability	Yes	No	Yes
Stryker Direct Sale	Goodwill between partners	Yes	No	Yes
Stryker Direct Sale	Utilization of Depot resources	No	No	Yes
Stryker Direct Sale	Provide seamless support to the Army	Yes	No	Undetermined*
JAB Workshare	Increased competition	No	No	Yes
JAB Workshare	Utilization of Depot resources	No	No	Yes
JAB Direct Sale	Goodwill between partners	Yes	No	Yes
JAB Direct Sale	Utilization of Depot resources	No	No	Yes

* Army officials were not able to provide supporting evidence to show that the Army received these benefits from the P3.

Source: The DoD OIG.

Management Comments

Secretary of the Army

SECRETARY OF THE ARMY
WASHINGTON

07 JUL 2023

MEMORANDUM FOR Department of Defense Office of Inspector General, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Response to DoDIG Draft Report, "Army's Use of Public-Private Partnerships at Anniston Army Depot" (Report D2022AH-0050, HQDA Tasker HQDA-230421-SQMS)

1. References:

a. DoDIG Draft Report, (CUI) "Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot" (Report D2022AH-0050, HQDA Tasker HQDA-230421-SQMS)

2. The subject audit (referenced above) generated 12 recommendations, 9 belonging to the Army and its subordinate proponents. The Army reviewed the subject audit. The Army concurs with all recommendations and has provided corrective actions in the form of comments (enclosed) for the nine recommendations pertaining to the Army (Recommendations #1, #2, #3, #4, #6, #9, #10, #11, & #12).

3. The information in the draft report does not require CUI security markings.

4. The points of contact for this memorandum are [redacted]

Encl

Christine E. Wormuth

Secretary of the Army (cont'd)

Secretary of the Army
Comments to the Department of Defense Office of Inspector General's Draft Report Titled: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot
(Project No. D2022-D000AH-0050.000)

DoD OIG OBJECTIVE: To determine whether Army officials established metrics to measure benefits from public-private partnerships (P3) for product support at Anniston Army Depot, Alabama, in accordance with DoD policies, and whether the Army received the benefits.

DoD OIG CONCLUSION: Army officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received benefits from the P3s. In addition, Army officials did not review the P3s every 5 years. This occurred because:

- The DoD lacks structure for P3 oversight,
- Officials were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training; and
- Army P3 policies did not align with DoD P3 policy.

Army officials did not have readily available data to support that the Army received the benefits from the P3s. While we were able to validate that the Army received some benefits from the P3s, in some instances officials could not support that the Army received the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the army's ability to maximize the value of its P3s.

ADDITIONAL FACTS: None

RECOMMENDATION AND REPLY:

For the Secretary of the Army

Recommendation 6: We recommend that the Secretary of the Army designate an office within the Army that is responsible for ensuring project management office and depot officials execute the appropriate analysis to determine that public-private partnerships are structured to maximize benefits to the Army. Specifically, this office should be responsible for the review of all active Army public-private partnerships and ensure that program management office and

Enclosure

Secretary of the Army (cont'd)

depot officials establish benefits and metrics to monitor those benefits and conduct 5-year reviews.

Command Reply: Concur. The audit recommended that the SA designate an office that is responsible for ensuring project management office and depot officials execute the appropriate analysis to determine that public-private partnerships are structured to maximize benefits to the Army. This recommendation will be implemented by the ASA(ALT) distributing a memo to the PEOs to ensure optimum oversight of P3 execution. These recommendations will then be codified in the next revision of Army Regulation (AR) 700-90, "Army Industrial Base Process."

Target Completion Date: 01 Jul 2025

Recommendation 9: We recommend that the Secretary of the Army issue a policy memorandum reiterating the importance of reviewing and applying the information in the "Public-Private Partnering for Product Support Guidebook."

Command Reply: Concur. The audit recommended that the SA issue a policy memorandum reiterating the importance of reviewing "Public-Private Partnering for Product Support Guidebook." This corrective action will be implemented in parallel with the corrective action for Recommendation #6.

Target Completion Date: 02 Jan 2024

Assistant Secretary of Defense (Sustainment)

SUSTAINMENT

ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

MAY 22 2023

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Response to the DoD IG Draft Report "Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot" (Project No. D2022-D000AH-0050.000)

This is in response to the DoD IG Draft Report "Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot" (Project No. D2022-D000AH-0050.000).

The Assistant Secretary of Defense (ASD(S)) agrees to the following DRAFT report recommendations and will take action to update DoD Instruction 4151.21 by the end of Fiscal Year 2024.

Recommendation 5- We recommend that the Assistant Secretary of Defense (Sustainment) update DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," to establish an oversight structure to ensure that the Secretaries of the Military Departments are implementing their responsibilities as assigned in DoD Instruction 4151.21, "Public-Private Partnerships for Product Support."

Recommendation 8- We recommend that the Assistant Secretary of Defense (Sustainment) update DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," and assign the Secretaries of the Military Departments the responsibility to verify that officials developing and implementing public-private partnerships receive public-private partnership training, including LOG 0060, "Public-Private Partnerships" or its equivalent offered by the Defense Acquisition University.

My point of contact for these actions is [redacted]

Christopher J. Lowman

U.S. Army Materiel Command

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMIR

19 MAY 2023

MEMORANDUM FOR Department of Defense Inspector General (DoDIG/Ms. Anna P. Martin), Program Director for Audit Acquisition, Contracting and Sustainment, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Comments to Department of Defense Inspector General Draft Report: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot, Project: D2022-D000AH-0050.000

1. The U.S. Army Materiel Command has reviewed and endorses the subject draft report and responses from the U.S. Army Tank-automotive and Armaments Command and the Anniston Army Depot. U.S. Army Materiel Command concurs with its own recommendation. Our specific comments are included at the enclosure.

2. The U.S. Army Materiel Command point of contact is [redacted]

Encl

MARION G. WHICKER
Executive Deputy to the
Commanding General

U.S. Army Materiel Command (cont'd)

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMOP-SRT 14 APRIL 2023

MEMORANDUM THRU Director, Internal Review and Audit Compliance Office, Headquarters, U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898-5000

FOR Department of Defense Inspector General, Program Director for Audit Acquisition, Contracting and Sustainment, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Response, DoDIG Draft Report: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (D2022-D000AH-0050.000)

1. Headquarters, U.S. Army Materiel Command Ombudsman has reviewed the DoDIGs results and concurs with the recommendation. AMCs response is included at the enclosure.

2. The AMC Ombudsman point of contact is [redacted].

BARBER.JESSE.L.[redacted]

Encl

Jesse L. Barber
Command Ombudsman

U.S. Army Materiel Command (cont'd)

Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (D2022-D000AH-0050.000)

EXECUTIVE SUMMARY

Purpose: To provide the Headquarters, U.S. Army Materiel Command's comments to address Recommendation 11 from the DoDIG Draft Report: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (D2022-D000AH-0050.000)

Recommendation 11: DoDIG recommended that the Commanding General of the U.S. Army Materiel Command update "Command Policy Memorandum – U.S. Army Materiel Command (AMC) Business Development (BD) and Partnership Program Execution Policies and Procedures," to ensure it aligns with DoD requirements for public-private partnerships, including conducting 5-year reviews.

AMC Response: HQAMC Ombudsman CONCURS with DoDIGs recommendation and will take the following corrective actions: a new paragraph adding the DoD requirements for public-private partnerships, to include a 5-year review of each partnership will be added to the policy.

AMC anticipates the recommendation to be fully implemented NLT 31 January 2024.

U.S. Army Tank-automotive and Armaments Command

DEPARTMENT OF THE ARMY
U.S. ARMY TANK-AUTOMOTIVE AND ARMAMENTS COMMAND
6501 EAST 11 MILE ROAD
DETROIT ARSENAL, MICHIGAN 48397-5000

AMTA-IR

02 MAY 2023

MEMORANDUM THRU

Internal Review & Audit Compliance Office (AMIR), 4400 Martin Road, Redstone Arsenal, AL 35898-5000
Commanding General, U.S. Army Materiel Command (AMCG), 4400 Martin Road, Redstone Arsenal, AL 35898-5000

FOR Department of Defense, Office of Inspector General, Audit, Acquisition, Contracting & Sustainment Directorate, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Draft Report on Army's Use of Public-Private Partnerships at Anniston Army Depot (Project No. D2022-DOOOAH-0050.000)

1. Reference Department of Defense, Office of Inspector General, memorandum (Draft Report on Army's Use of Public-Private Partnerships at Anniston Army Depot (Project No. D2022-DOOOAH-0050.000), 21 April 2023.

2. The U.S. Army Tank-automotive and Armaments Command (TACOM) reviewed the results in the enclosed subject draft report. TACOM concurs with Recommendation 12. The official reply to the recommendations is enclosed.

3. The information in the draft report does not require Controlled Unclassified Information security markings.

4. The point of contact for this reply is [redacted]

Encl

DARREN L. WERNER
Major General, USA
Commanding

U.S. Army Tank-automotive and Armaments Command (cont'd)

U.S. Army Tank-automotive and Armaments Command
Comments to the Department of Defense Office of Inspector General's Draft Report Titled: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (Project No. D2022-D000AH-0050.000)

DoD OIG OBJECTIVE: To determine whether Army officials established metrics to measure benefits from public-private partnerships (P3) for product support at Anniston Army Depot, Alabama, in accordance with DoD policies, and whether the Army received the benefits.

DoD OIG CONCLUSION: Army officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received benefits from the P3s. In addition, Army officials did not review the P3s every 5 years. This occurred because:

- The DoD lacks structure for P3 oversight,
- Officials were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training; and
- Army P3 policies did not align with DoD P3 policy.

Army officials did not have readily available data to support that the Army received the benefits from the P3s. While we were able to validate that the Army received some benefits from the P3s, in some instances officials could not support that the Army received the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the army's ability to maximize the value of its P3s.

ADDITIONAL FACTS: The Department of Defense Office of Inspector General has addressed recommendation # 2 to the Program Executive Office, Ground Combat Systems (PEO GCS) to work with the Tank-automotive and Armaments Command Integrated Logistics Support Center (ILSC) in collaboration with Anniston Army Depot to conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the Total Integrated Engine Revitalization workshare public-private partnership with Honeywell. Although not an official recommendation to TACOM ILSC, we agree to work with PEO GCS to conduct the review.

RECOMMENDATIONS AND REPLIES:

For the Commanding General,
U.S. Army Tank-automotive and Armaments Command (TACOM)

U.S. Army Tank-automotive and Armaments Command (cont'd)

Recommendation 12: We recommend that the Commanding General of the U.S. Army Tank-automotive and Armaments Command, update "TACOM Life Cycle Management Command Public-Private Partnerships (P3) Policy" to ensure it aligns with DoD requirements for public-private partnerships including conducting 5-year reviews.

Command Reply: Concur. TACOM will update the "TACOM Life Cycle Management Command Public-Private Partnerships (P3) Policy" to ensure it aligns with DoD requirements for public-private partnerships including conducting 5-year reviews.

Target Completion Date: 31 July 2024

Program Executive Office, Ground Combat Systems

DEPARTMENT OF THE ARMY
PROGRAM EXECUTIVE OFFICE
GROUND COMBAT SYSTEMS
6501 E. ELEVEN MILE ROAD
DETROIT ARSENAL, MICHIGAN 48397-5000

SFAE-GCS

MEMORANDIUM THRU HQDA ASA(ALT) (ATTN: Audit Manager, ASA(ALT) Operations, Plans & Strategy) (SAAL-ZSC), 103 Army Pentagon, Washington, DC. 20310-0103

FOR Department of Defense Office of Inspector General, Acquisition, Contracting & Sustainment Directorate Audit, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Draft Report on Army's Use of Public-Private Partnerships at Anniston Army Depot (ANAD) (Project No. D2022-DOOOAH-0050.000)

1. Reference memorandum, Department of Defense Office of Inspector General, Memorandum for Assistant Secretary of Defense (Sustainment) Auditor General, Department of the Army, President, Defense Acquisition University, dated 21 April 2023, subject as above.

2. The Program Executive Office, Ground Combat Systems (PEO GCS) reviewed the results in the subject draft report. PEO GCS concurs with Recommendation #1 and Recommendation #2. The official reply to the recommendations is enclosed.

3. The information in the draft report does not require CUI security markings.

4. The point of contact for this reply is [redacted]

James W. Schirmer [redacted]

Encl

Mr. James Schirmer
Deputy Program Executive Officer
Ground Combat Systems

Program Executive Office, Ground Combat Systems (cont'd)

Program Executive Office, Ground Combat Systems
Comments to the Department of Defense Office of Inspector General's Draft Report Titled: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (Project No. D2022-D000AH-0050.000)

Department of Defense Office of Inspector General (DoD OIG) OBJECTIVE: To determine whether Army officials established metrics to measure benefits from public-private partnerships (P3) for product support at Anniston Army Depot, Alabama, in accordance with DoD policies, and whether the Army received the benefits.

DoD OIG CONCLUSION: Army officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received benefits from the P3s. In addition, Army officials did not review the P3s every 5 years. This occurred because:

- The DoD lacks structure for P3 oversight,
- Officials were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training; and
- Army P3 policies did not align with DoD P3 policy.

Army officials did not have readily available data to support that the Army received the benefits from the P3s. While we were able to validate that the Army received some benefits from the P3s, in some instances officials could not support that the Army received the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the army's ability to maximize the value of its P3s.

ADDITIONAL FACTS: None

RECOMMENDATION AND REPLY:

For the Program Executive Officer, Ground Combat Systems

Recommendation 1: DoD OIG recommends the Program Executive Officer, Ground Combat Systems, in collaboration with Anniston Army Depot officials, conduct a review as required by DoD Instruction 4151.21, "Pubic-Private Partnerships for Product Support," of the M1 Abrams and Stryker Family of Vehicles workshare public-private partnerships with General Dynamics Land Systems. During the review, the Program Executive Officer, Ground Combat Systems should identify and document benefits of

Program Executive Office, Ground Combat Systems (cont'd)

the partnerships, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer, Ground Combat Systems should also consider potential changes to the public-private partnerships during the review and implement those that maximize benefits for the Army.

Command Reply: Concur. The Program Executive Officer, Ground Combat Systems, in collaboration with Anniston Army Depot officials, will conduct reviews as required by DoD Instruction 4151.21, "Pubic-Private Partnerships for Product Support," of the M1 Abrams and Stryker Family of Vehicles workshare public-private partnerships with General Dynamics Land Systems. During the reviews, the Program Executive Officer, Ground Combat Systems will consider potential changes to the public-private partnerships, identify and document benefits of the partnerships, establish metrics to measure the benefits, and implement a process to monitor the benefits.

Target Completion Date: 31 Oct 24

Recommendation 2: DoD OIG recommends the Program Executive Officer, Ground Combat Systems, working with the Director of the U.S. Army Tank-automotive and Armaments Command Integrated Logistics Support Center and in collaboration with Anniston Army Depot officials, conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the Total Integrated Engine Revitalization workshare public-private partnership with Honeywell. During the review, the Program Executive Officer, Ground Combat Systems, working with the Director of the U.S. Army Tank-automotive and Armaments Command Integrated Logistics Support Center, should identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer, Ground Combat Systems and the Director of the U.S. Army Tank-automotive and Armaments Command Integrated Logistics Support Center should also consider potential changes to the public-private partnership during the review and implement those that maximize benefits for the Army.

Command Reply: Concur. The Program Executive Officer, Ground Combat Systems, working with the Director of the U.S. Army Tank-automotive and Armaments Command Integrated Logistics Support Center and in collaboration with Anniston Army Depot officials, will conduct a review as required by DoD Instruction 4151.21, "Pubic-Private Partnerships for Product Support," of the Total Integrated Engine Revitalization workshare public-private partnership with Honeywell. During the review, the Program Executive Officer, Ground Combat Systems, working with the Director of the U.S. Army Tank-automotive and Armaments Command Integrated Logistics Support Center, will consider potential changes to the public-private partnership, identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits.

Target Completion Date: 31 Oct 24

Program Executive Office, Combat Support and Combat Service Support

DEPARTMENT OF THE ARMY
PROGRAM EXECUTIVE OFFICE
COMBAT SUPPORT & COMBAT SERVICE SUPPORT
6501 E. ELEVEN MILE ROAD
DETROIT ARSENAL, MI 48397-5000

SFAE-CSS 5 May 2023

MEMORANDUM THRU HQDA ASA(ALT) (ATTN: Audit Manager, ASA(ALT) Operations, Plans & Strategy) (SAAL-ZSC), 103 Army Pentagon, Washington, DC. 20310-0103

FOR Department of Defense Office of Inspector General, Acquisition, Contracting & Sustainment Directorate Audit, 4800 Mark Center Drive, Alexandria, VA. 22350-1500

SUBJECT: Draft Report on Army's Use of Public-Private Partnerships at Anniston Army Depot (ANAD) (Project No. D2022-DOOOAH-0050.000)

1. Reference memorandum, Department of Defense Office of Inspector General, Memorandum for Assistant Secretary of Defense (Sustainment) Auditor General, Department of the Army, President, Defense Acquisition University, dated 21 April 2023, subject as above.

2. The Program Executive Office, Combat Support & Combat Service Support (PEO CS&CSS) reviewed the results in the subject draft report. PEO CS&CSS concurs with Recommendation #3. The official reply to the recommendations is enclosed.

3. The information in the draft report does not require CUI security markings.

4. The point of contact for this reply is [redacted]

DIMARCO.ANDRE W.JOHN[redacted]

Encl

ANDREW J. DIMARCO
Deputy Program Executive Officer,
Combat Support & Combat Service Support

Program Executive Office, Combat Support and Combat Service Support (cont'd)

Program Executive Office, Combat Support and Combat Service Support Comments to the Department of Defense Office of Inspector General's Draft Report Titled: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (Project No. D2022-D000AH-0050.000)

DoD OIG OBJECTIVE: To determine whether Army officials established metrics to measure benefits from public-private partnerships (P3) for product support at Anniston Army Depot, Alabama, in accordance with DoD policies, and whether the Army received the benefits.

DoD OIG CONCLUSION: Army officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received benefits from the P3s. In addition, Army officials did not review the P3s every 5 years. This occurred because:

- The DoD lacks structure for P3 oversight,
- Officials were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training; and
- Army P3 policies did not align with DoD P3 policy.

Army officials did not have readily available data to support that the Army received the benefits from the P3s. While we were able to validate that the Army received some benefits from the P3s, in some instances officials could not support that the Army received the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the army's ability to maximize the value of its P3s.

ADDITIONAL FACTS: None

RECOMMENDATION AND REPLY:

For the Program Executive Officer, Combat Support and Combat Service Support

Recommendation 3: DoD OIG recommends the Program Executive Officer, Combat Support and Combat Service Support, in collaboration with Anniston Army Depot officials, conduct a review as required by DoD Instruction 4151.21, "Pubic-Private Partnerships for Product Support," of the Joint Assault Bridge workshare public-private partnership with Leonardo DRS. During the review, the Program Executive Officer, Combat Support and Combat Service Support should

Program Executive Office, Combat Support and Combat Service Support (cont'd)

identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits. The Program Executive Officer, Combat Support and Combat Service Support should also consider potential changes to the public-private partnership during the review and implement those that maximize benefits for the Army.

Command Reply: Concur. The Program Executive Officer, Combat Support and Combat Service Support, in collaboration with Anniston Army Depot officials, will conduct a review as required by DoD Instruction 4151.21, "Pubic-Private Partnerships for Product Support," of the Joint Assault Bridge workshare public-private partnership with Leonardo DRS. During the review, the Program Executive Officer, Combat Support and Combat Service Support will consider potential changes to the public-private partnership, identify and document benefits of the partnership, establish metrics to measure the benefits, and implement a process to monitor the benefits.

Target Completion Date: 31 Oct 24

Anniston Army Depot

DEPARTMENT OF THE ARMY
ANNISTON ARMY DEPOT
7 FRANKFORD AVENUE
ANNISTON, ALABAMA 36201-4199

TAAN-CO 26 April 2023

MEMORANDUM THRU Commander, U.S. Army Tank-Automotive and Armaments Command (AMTA-CG / Internal Review & Audit Compliance Office), 6501 East Eleven Mile Road, Detroit Arsenal, MI 48397-5000

FOR Department of Defense Office of the Inspector General, Acquisition, Contracting & Sustainment Directorate Audit, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Draft Report on Army's Use of Public-Private Partnerships at Anniston Army Depot (ANAD) (Project No. D2022-DOOOAH-0050.000)

1. Reference memorandum, Department of Defense Office of the Inspector General, Memorandum for Assistant Secretary of Defense (Sustainment) Auditor General, Department of the Army, President, Defense Acquisition University, dated 21 April 2023, subject as above.

2. Anniston Army Depot (ANAD) reviewed the results in the subject draft report. ANAD concurs with Recommendation # 4 and Recommendation # 10. The official reply to the recommendations is enclosed.

3. The information in the draft report does not require CUI security markings.

4. The point of contact for this reply is [redacted].

Encl

ERIC A. McCOY
COL, LG
Commanding

Anniston Army Depot (cont'd)

Anniston Army Depot Comments to the Department of Defense Office of Inspector General's Draft Report Titled: Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot (Project No. D2022-D000AH-0050.000)

DoD OIG OBJECTIVE: To determine whether Army officials established metrics to measure benefits from public-private partnerships (P3) for product support at Anniston Army Depot, Alabama, in accordance with DoD policies, and whether the Army received the benefits.

DoD OIG CONCLUSION: Army officials did not always establish benefits for the seven P3s we reviewed and did not establish metrics needed to determine whether the Army received benefits from the P3s. In addition, Army officials did not review the P3s every 5 years. This occurred because:

- The DoD lacks structure for P3 oversight,
- Officials were not fully aware of DoD and Army requirements applicable to P3s and were not required to attend P3 training; and
- Army P3 policies did not align with DoD P3 policy.

Army officials did not have readily available data to support that the Army received the benefits from the P3s. While we were able to validate that the Army received some benefits from the P3s, in some instances officials could not support that the Army received the identified benefits. Not establishing benefits and associated metrics and failing to reassess the P3s on a regular basis limits the army's ability to maximize the value of its P3s.

ADDITIONAL FACTS: The Department of Defense Office of Inspector General has addressed recommendations to the Program Executive Office, Ground Combat Systems and Program Executive Office, Combat Support & Combat Service Support that requests ANAD's collaboration with conducting reviews as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the Total Integrated Engine Revitalization, the Joint Assault Bridge, the M1 Abrams and Stryker Family of Vehicles. Although these were not official recommendations to ANAD, we agree to collaborate with the organizations that have the lead to conduct the reviews.

RECOMMENDATIONS AND REPLIES:

For the Commander, Anniston Army Depot (ANAD)

Anniston Army Depot (cont'd)

Recommendation 4: We recommend that the Commander of Anniston Army Depot conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the direct sales public-private partnerships for the Joint Assault Bridge and the Stryker Family of Vehicles. During the review, the Commander should ensure Depot officials identify and document benefits of the partnerships, establish metrics to monitor the benefits, and implement a process to monitor the benefits. The Commander of Anniston Army Depot should also consider potential changes to the public-private partnerships during the review and implement those that maximize benefits for the Army.

Command Reply: Concur. ANAD will conduct a review as required by DoD Instruction 4151.21, "Public-Private Partnerships for Product Support," of the direct sales public-private partnerships for the Joint Assault Bridge and the Stryker Family of Vehicles. During the review, ANAD will identify and document benefits of the partnerships, establish metrics to monitor the benefits and implement a process to monitor the benefits. In addition, ANAD will consider potential changes to the public private partnerships during the review and implement those that maximize benefits for the Army.

Target Completion Date: 31 October 2024

Recommendation 10: We recommend that the Commander of Anniston Army Depot update Anniston Army Depot Regulation 210-10, "Direct Sales Program," to ensure it aligns with DoD requirements and guidance for public-private partnerships, including establishing metrics to measure the benefits, implementing procedures to monitor benefits, and conducting 5-year reviews.

Command Reply: Concur. ANAD will update Anniston Army Depot Regulation 210-10, "Direct Sales Program," to ensure it aligns with DoD requirements and guidance for public-private partnerships, including establishing metrics to measure the benefits, implementing procedures to monitor benefits, and conducting 5-year reviews.

Target Completion Date: 31 January 2025

Defense Acquisition University

9820
FORT

DEPARTMENT OF DEFENSE
DEFENSE ACQUISITION UNIVERSITY
OFFICE OF THE PRESIDENT
BELVOIR ROAD
BELVOIR, VA 22060-5565

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL
4800 MARK CENTER DRIVE
ALEXANDRIA VA 22350-1500

SUBJECT: Response to DoD IG Draft Report "Audit of the Army's Use of Public-Private Partnerships at Anniston Army Depot" (Project No. D2022-D000AH-0050.000)

Please find attached DAU's response to the subject draft report. We appreciate the opportunity to review and comment on the finding and recommendation. Our point of contact for this audit is [redacted]

JOHNSON.JOSEPH.EDWIN. [redacted]

JOSEPH E. JOHNSON
Chief of Staff, DAU

Attachment:
As stated

Defense Acquisition University (cont'd)

The Department of Defense Inspector General recommends the President, Defense Acquisition University (DAU):

Recommendation 7: We recommend that the Defense Acquisition University President update Defense Acquisition University training course LOG 0060, "Public-Private Partnerships" or its equivalent. The updated course should address knowledge gaps we identified in our report, including identifying and establishing benefits and metrics and performing a 5-year review.

DAU Response Recommendation 7: Concur. DAU has updated training course LOG 0060, Public-Private Partnerships, to address knowledge gaps identified in the report, to include identifying and establishing benefits and metrics and performing the 5-year review. The updates included new training content, knowledge reviews, and final assessment questions. The updated course was deployed on 14 Apr 2023 and the changes validated by the DoDIG Project Manager on 5 May 2023.

Acronyms and Abbreviations

ASD(S)	Assistant Secretary of Defense (Sustainment)
AGT	Automotive Gas Turbine
AMC	U.S. Army Materiel Command
DAU	Defense Acquisition University
DoDI	DoD Instruction
FOV	Family of Vehicles
GDLS	General Dynamics Land Systems
JAB	Joint Assault Bridge
P3	Public-Private Partnership
PEO	Program Executive Office
PMO	Project Management Office
TACOM	U.S. Army Tank-automotive and Armaments Command
TIGER	Total Integrated Engine Revitalization


INSPECTOR GENERAL
INTEGRITY
EFFICIENCY
DEPARTMENT OF DEFENSE

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