



Next Steps in Advancing Public-Public Partnerships

Recognizing Military Community Organizations

ADC is advancing a legislative proposal to the Defense Communities Caucus to create Military Community Organizations or MCOs. An MCO will be a single local entity that will coordinate and speak in one voice for the multiplicity of state and local organizations that typically surround and interact with a multi-jurisdictional military installation. ADC will be releasing our proposal in the coming weeks. This legislation will provide a foundation for institutionalizing the relationship between the Department of Defense (DoD) and defense communities and states through MCOs.

Advancing Public-Public Partnerships

While the “Monterey model” provides a foundation for future partnerships, ADC recognizes the importance of successfully replicating public-public partnerships in a diverse set of communities to determine mutual benefits. Based on the recommendations from the Defense Policy forum and ADC’s long-term commitment to expanding public-public partnerships, the ADC Board of Directors approved the following actions to advance our policy goals:

- ADC will work with its members to identify 8-10 locations where military-community public-public partnerships have high potential to succeed and the local support and capacity to advance.
- ADC recommends the creation of a working group to include the Office of the Secretary of Defense, the military services, and community representatives to discuss how to support the implementation of public-public partnerships in nominated locations through existing authorities.
- ADC also recommends that DoD consider ways to support the use of existing authorities through technical assistance and direct support for community efforts.
- Based on the progress and outcomes of the initial partnership projects, ADC will continue to explore new and expanded authorities that will support the widespread use of public-public partnerships.
- ADC will work with its member communities to share information, communicate issues, and identify future challenges and opportunities associated with these partnerships.
- It is ADC’s goal that by May 2012, public-public partnership activities are underway in each of the nominated locations.



ASSOCIATION OF DEFENSE COMMUNITIES

DEFENSE POLICY FORUM

Promoting Efficiency and Innovation
Through Public-Public Partnerships

Event Summary & Recommendations

Introduction

On May 9, 2011 the Association of Defense Communities (ADC) convened thought leaders from each of the military services, DoD, defense communities, states, and the private sector for a forum on advancing public-public partnerships between defense communities and the military services. The goal of the event was to begin the process of advancing the concept of public-public partnerships and increasing their value for both the military and the public sector. The goal of these discussions was not to create a one-size-fits all approach but rather to construct a mechanism that allows the military and communities/states to collaborate at the local level on partnership strategies that meet their needs.

While “partnership” has a legal definition, for the purposes of this event, ADC only used the term as a notional way to describe the relationship between communities and the military services. For the Forum, public-public partnerships were defined as:

“Partnerships between the DoD/military and another government body or public authority at the local, regional, state level to provide services and/or facilities that reduce costs of installation operations and its related mission in a way that benefits the government body.”

Framing the discussion and future actions are the many forces are aligning to create a window of opportunity for advancing partnership concepts. For example:

1. Defense budget cuts and efficiency initiatives are creating a need for DoD to consider new ways of managing its resources and obligations, including shared services partnerships.
2. Congress is struggling to find ways to cut the budget and reduce the deficit, and there is a growing interest in seeking new ways to do business.
3. The potential new Secretary of Defense, Leon Panetta, will have an appreciation for community issues.

Forum Objectives

The specific event objectives were:

1. Convene key stakeholders from DoD, Congress, communities, states, and the private sector to identify ways to advance public-public partnerships that will enhance military missions and reduce the cost of operating installations.

2. Identify a framework (policies, authorities, capacity etc.) required to expand public-public partnerships and bring them to scale.
3. Develop a policy and legislative strategy for advancing public-public partnerships framework in the near/long term.

Forum Issues

Lessons Learned from Existing Public-Public Partnership Models – Intergovernmental Agreements *by Fred Meurer, City Manager, Monterey, CA*

The first presentation discussed the specifics of the partnership between the City of Monterey, CA and the local military installations.

- The city of Monterey, through the Presidio Municipal Services Agency (PMSA), provides numerous municipal services for the Presidio of Monterey and Naval Postgraduate School.
- Monterey is able to partner with its local military installations because of several legal authorities such as the Federal Acquisition Regulations, Section 2667 which grants leasing authority, and special legislation.
- The special legislation was a part of the 1995 Defense Authorization Act which permitted the Army to enter into demonstration projects on the purchase of fire, security, police, public works, and utility services from local government agencies. The Army entered into one of these demonstration agreements with the PMSA.
- Today, the PMSA provides numerous services such as fire, police, sewer, Internet broadband, road maintenance, building maintenance, park maintenance, landfill, and recreation facilities.
- Per an Army audit, these public-public partnerships between the PMSA and the Presidio of Monterey have saved the Army 41 percent by providing these services.
- There is also a 22 percent cost savings over a firm-fixed price private contract that would provide the same services.
- The PMSA also has been recognized in providing excellent service to the installations.

Expanding the Vision of Public-Public Partnerships—Additional Mission Support *by Melissa Glynn and Laurance Alvarado, Alvarez & Marsal*

The second presentation focused on the broad array of public-public partnerships that are possible.

- There are numerous, non mission-critical services that the public sector can provide to the military services.
- Currently, installation-specific services are provided, such as municipal services, housing, utilities, and other infrastructure.
- The partnership model can be expanded to logistics, family services, finance, security and other mission support services.
- New, broad authorities, though, will be needed to implement non-installation items.

- The cooperation and acceptance of the community, state, DoD, and the installation leadership are all critical to the success of these partnerships.

Presentation #3 – Promoting Military-Community Organizations by *George Schlossberg, ADC Counsel*

The third presentation focused on legal authorities that would facilitate public-public partnerships.

- Currently there is no legally recognized entity that partners with an active military base.
- There is a legally recognized entity that partners to redevelop a closing military base – a local redevelopment authority (LRA).
- A military-community organization (MCO) would be the primary point of contact for all partnerships between the military services and defense communities.
- The MCO would be similar to a local redevelopment authority that is created in a community after a base closure.
- If public-public partnerships between installations and defense communities are to become a reality at numerous installations, then an MCO is a critical first step to establishing that relationship as it will provide a critical primary point of contact for the installation.

Expert Roundtable Discussion

After the three presentations, a roundtable discussion was held where leaders from the military services, DoD, Congress, states, and defense communities spoke about the opportunities and challenges with implementing public-public partnerships. Those participating in the discussion were:

- Joe Calcara, Deputy Assistant Secretary of the Army (Installations, Housing, and Partnerships)
- Dr. Craig College, Deputy Assistant Chief of Staff for Installation Management
- John Conger, Assistant Deputy Under Secretary of Defense for Installations and Environment
- David Larson, Deputy Director, Office of Economic Adjustment
- Jim Holland, Deputy for Installation Policy, Air Force
- Jim Leary, Director of Real Estate, Office of Assistant Secretary of the Navy (Energy, Installations & Environment)
- Rochelle Dornatt, Chief of Staff, U.S. Congressman Sam Farr (Calif.)
- Emily Mueller, Legislative Assistant, U.S. Congresswoman Lynn Jenkins (Kan.)
- John Armbrust, Executive Director, Kansas Governor’s Military Council
- Mark Merchen, Executive Director, South Dakota Ellsworth Development Authority, Rapid City, SD
- Fred Meurer, City Manager, City of Monterey, CA

In general, the military services and OSD are supportive of partnership concepts that allow DoD to save money, as well as those that integrate military installations into communities in a way

that preserves the mission and benefits the community. However, several key questions/issues were raised, such as:

- Monterey has been a successful example that should be encouraged; but, expansion and scalability will require models that can be replicated. What is the right model for expanding authorities to a broader range of installations? What legislation would be needed?
- The Defense Department's budget needs are urgent and the speed at which these money-saving concepts can be implemented will be critical. Can partnerships be implemented now so that money-savings can be realized soon, or will it take several years to realize savings? Will Congress approve a concept where savings may not be realized for years?
- How will public-public partnerships impact government jobs and avoid being viewed as a workforce transformation effort? If services currently performed on the installation are taken over by the community, some jobs on the installation may be lost. Will the business transformation benefits of partnerships be overshadowed by union concerns?
- If legislation authorizing public-public partnerships is developed, what form should it take? Should it be broad and flexible to allow for multiple forms of partnering?

Breakout Sessions

After the roundtable discussion, the Forum split into three break-out sessions to discuss: how do we advance the concept of public-public partnerships via intergovernmental agreements? how would the partnership work and what could it do? and how do we build capacity and recognition at the community level?

How do we advance the concept of public-public partnerships via intergovernmental agreements?

- Public-public partnerships cannot be viewed through a workforce lens because jobs may be lost. The partnerships must be shown as transforming the way that DoD conducts business and creating cost-effective solutions to budget challenges.
- There should not be winners and losers in developing public-public partnerships. If there are losers, then they need to be minimized.
- In advancing these concepts, communities and DoD should start small and demonstrate achievements. This will create success stories and evidence of replication.
- Develop a "bottoms-up" approach to show success at certain installations, then expand the concept.
- Identify a few pilot locations where partnerships could be tested and where the community wants to participate. This could produce additional successful "poster children" in addition to Monterey.
- Identify the 377 services that are provided on an installation and which ones can be provided through public-public partnerships.
- Learn from these pilot projects and adjust/narrow/expand the authority as needed.

- Develop success stories that can be shared with DoD and Capitol Hill to support future legislation.
- Identify future legislation that would be needed to advance public-public partnerships. Also, in order to be successful, these partnerships should be institutionalized in legislation, and not based on the personalities of the installation commander and community leaders as they are now.

How would the partnership work and what could it do?

- The sky is the limit when it comes to public-public partnerships, and the community can provide many types of products and services.
- The potential list of services that can be provided includes: security, health care, dependent care, energy, family housing, depot maintenance, procurement, personnel, and base operations.
- In addition, items can be purchased by the community for the installation outside of the normal procurement process.
- Communities can support more than the installation, they can support the mission too.
- Broad authority permitting numerous types of partnerships is necessary.

How do we build capacity and recognition at the community level?

- Communities (including cities, counties, and states) are generally supportive of the concept of recognizing an MCO.
- Both communities and the military services must want the organization and these partnerships to occur. They cannot be forced on either party. So, legislation should not mandate that an MCO be formed in every community.
- There were several pros identified with an MCO: a single point of contact within the community is easier for collaboration; an MCO is a good way to advance regionalism outside the installation; the MCO shows that the community supports the installation; there are potential cost savings for the community with public-public partnerships.
- There were several cons identified with an MCO: some local power struggles may occur when developing the MCO (as occurs with an LRA); if the MCO is eligible for grants, then Congress and Office of Management and Budget may not like the legislation; would the MCO compete with local small businesses that are already supporting the installation?

The findings from the three break-outs were then shared with all Forum attendees and the path forward was established.