

About the Author

Samuel Bendett is an Assistant Research Fellow in the Center for Technology and National Security Policy, Institute for National Strategic Studies, at the National Defense University.

Defense Partnerships: Documenting Trends and Emerging Topics for Action

by Samuel Bendett

Key Points

- ◆ Further integration along with a shared forum for common procedures, roadblocks, and solution sets will help inform and address public-private, public-public (P4) functional stovepiping and specialized P4 success in the Department of Defense (DOD).
- ◆ There is a need for formal capture of enterprise-wide best practices and lessons observed.
- ◆ DOD personnel have significant training and competency in their specific career field, but there appears to be a need to either integrate or identify P4 subspecialties to develop P4 through the ranks.
- ◆ Cross-Service collaboration and interagency planning, tiger-teaming, and convening non-DOD stakeholders with DOD counterparts will support P4s both at a project level and an enterprise level.

Public-public and public-private and partnerships (P4s) are time-proven effective solutions for delivering public services at reasonable costs when deployed and managed properly. Various U.S. agencies¹ and international organizations all have longstanding successful P4 initiatives and projects. Recently, Department of Defense (DOD) leaders have expressed increased interest in implementing P4s throughout their organizations.² As DOD is faced with evolving roles and missions in an “unpredictable and complex world amid fiscal constraints, the expertise and involvement of the private sector and other public organizations will be essential.”³ P4s could be ideal tools intended to “further policy objectives, enhance U.S. operational capabilities, reduce costs, gain access to nonmilitary expertise or assets, or build greater capacity in partners.”⁴

While the need for P4s is fairly well articulated, there are still serious hurdles to their implementation, with a general lack of explicit guidance, best practices, and frameworks for implementing P4s consistently, optimally, or at an enterprise level within and across DOD. P4s can be extremely diverse from one another in terms of formality, structure, objective, complexity, stakeholders, and scope of activity—elements that make enterprise-level consistency difficult. This leaves P4 practitioners and organizations in a unique situation, one in which creativity, collaboration, and alternate approaches are expressly encouraged to achieve a variety of project objectives, while bound by legal, political, mission, and financial frameworks that have not yet been established, approved, or tested on an enterprise scale.

While P4 is not a new concept, it has never received as much attention as it does today as a tool or technique to accomplish DOD missions. More

practitioners are now being exposed to P4s, and it is expected they will consider them equal to or in lieu of traditional procurements.

Lacking centralized instruction for conceiving, designing, and implementing a P4, project initiators are each developing separate standards and processes. Many organizations within DOD are embracing P4s for their discretionary funding to try and “do more with less.” One major benefit from the push for P4s appears to be a greater understanding at the tactical level of capabilities possessed by partners that complement the missions of DOD units.

Purpose and Methodology

This paper is intended to promote and further P4 dialogue by documenting and summarizing major themes, trends, and emerging issues facing DOD partnerships, building off a paper titled *Public-Private Cooperation in the Department of Defense: A Framework for Analysis and Recommendations for Action*.⁵ DOD P4 project successes and best practices do exist but tend to be anecdotal in nature or functionally stovepiped. After a review of existing research, P4 projects and programs, interviews with DOD stakeholders including combatant commands (CCMDs), as well as participation in P4-centric military conferences, summits, and workshops (for example, the Public-Private Partnership Working Group convened by the Office of the Secretary of Defense/Special Operations and Low-Intensity Conflict and the Association of Defense Communities Forums and Summits), this paper intends to share the “common themes” and project examples derived from that research. Across these multiple sources of research it became apparent that trends, best practices, issues, and emerging topics for defense partnerships would most appropriately be categorized within four core areas: understanding partnership fundamentals; partnering frameworks and conditions; policy and legislative opportunities; and organization, coordination, training, and education.

Understanding Fundamentals

The nature of P4 projects often brings together the profit-maximizing and service-maximizing mentalities

of the private and public sectors, and leverages efficiencies of scale.⁶ The differences in perspective are not impossible to reconcile, but it is in the appropriate structuring and implementation of P4s that lead to optimization of these fundamentals. There are several concepts that are important both to understand and to create successful partnerships: partnerships create mutual value that is greater than what the partners could achieve on their own, partnerships leverage resources, partnerships address common issues, and partnerships share risk.⁷

Put another way, P4s must be based on “shared visions, principles, goals, objectives, and standards—and these must be measured and assessed across all project stages. In sum, there needs to be a sense of community around a common purpose.” P4 stakeholders, regardless of the project application, must appreciate these fundamentals and understand how their interplay affects the process, establishment, and outcomes of any particular P4.

Beyond traditional military operations, this “common purpose” underlying P4 models can be used to

Fundamentals Demonstrated

Yuma Desert Proving Ground partnered with General Motors (GM) in a 50-year enhanced-use lease on Department of Defense land to finance, build, and maintain a hot weather testing complex, providing GM with a secure test location with restricted air space and over \$100 million U.S. Army estimated cost savings. Keys to success included aligned goals, early engagement of subject matter experts from each of the partners, detailed business planning and a contract that specifically stated each partner’s role/assumed risks, and effective stakeholder engagement.

achieve and support military missions, incentivize development, and spur local economies.

Leveraging an understanding of these fundamentals from seemingly nonmilitary-related P4 examples can inform DOD partnerships. For example, with their largest ammonia-based fertilizer facility located in Trinidad and Tobago, transcontinental fertilizer firm PotashCorp built a 75-acre educational farm in the country using a P4 structure. Through this arrangement, the corporation benefits from greater outreach and collaboration with farmers. In return, the workforce receives modern training on the use of fertilizer technology and application strategies.⁸ This project example highlights common purpose of the private sector and international community that may not otherwise have been readily apparent.

Through interviews with CCMDs, it is clear that these fundamentals are increasingly being applied to today's military needs and requirements, where long-term, low-intensity operations such as intelligence, cyber, or humanitarian assistance/disaster relief (HADR) demand resources with a much different profile than traditional major combat operations.

While P4s are most often associated with sharing of resources on military installations, with an increasing number of humanitarian missions, counterinsurgency operations, and limited special operations forces actions, military operations other than war are particularly suited for P4.

Partnering and Conditions

Throughout this research, P4 project structuring was cited as a critical component both to understand how to implement P4s as well as to ensure the right amount of formality with flexibility, allowing definition and tangible results alongside creativity and room for adaptation as requirements evolve. *Public-Private Cooperation in the Department of Defense* classifies P4 structures along a “continuum of formality,” which features four categories of partnering frameworks that recognize how levels of partnership cooperation evolve organically while

enabling systemic identification of associated advantages and disadvantages. These four broad categories include those P4s with contractual arrangements, well-defined

The “Devil Is in the Details”

The Bethesda Hospitals’ Emergency Preparedness Partnership between the U.S. Navy, private sector, and National Institutes of Health medical/healthcare organizations was driven primarily by the need for adequate institutional preparedness for a major event, the vision/champion role of the base commander, and the partners’ complementary core competencies and resources. Despite formal structuring, the P4 faced serious obstacles with divergent organizational cultures, different electronic medical information/IT systems, and financial/staffing limitations.

See Beth Lachman, presentation, RAND Corporation, “Installation Public-to-Public Partnerships (PuPs) in the Department of Defense: A Research Perspective,” Association of Defense Communities 2013 National Summit, June 12, 2013; also see D.K. Henderson et al., “Bethesda Hospitals’ Emergency Preparedness Partnership: A Model for Transinstitutional Collaboration of Emergency Responses,” *Disaster Medicine and Public Health Preparedness* 3, no. 3 (October 2009), 168–173.

standards and protocols, broad frameworks for interaction, and emergent/undefined situations.⁹ Despite formal structuring as a Category (1) P4, the Bethesda Hospitals’ Emergency Preparedness Partnership reiterates that despite structure, the “devil is in the details.”

Not all scenarios warrant or support a P4 solution. This highlights both the importance of effective screening techniques and the use of discretion when analyzing potential P4 projects and determining their ideal structure. Martha Amram and Tabitha Crawford¹⁰ list four conditions that must be met for a P4 arrangement to be successful:

- ◆ private sector involvement has the potential to add value through access to capital and efficiency gains
- ◆ term of the P4 (contract or otherwise) is of appropriate length to provide private recoupment of funds and/or adequate return on investment
- ◆ revenue streams are stable and sufficient
- ◆ cost of capital for the private partner is sufficiently low.

Similarly, *Fundamental Concepts of Regional Partnering* states that partnerships should only be established when the following threshold conditions are met:

- ◆ There is a definite need felt by multiple organizations that is not met by other means.
- ◆ An already existing partnership cannot be changed to meet the need.
- ◆ The potential partners each have something to contribute to meeting the need.
- ◆ The potential partners are each willing to make a commitment of time and resources to the partnership.
- ◆ The potential partners can clearly define and communicate both the benefits they will receive individually from the partnership, and the common vision and goals of the partnership.

For HADR, recent successful operations point to formalized relationships such as memoranda of agreement/understanding with the organizations involved. CCMD interviewees highlighted two key elements for successful P4 HADR operations: a formal relationship between organizations and detailed plans to execute to respond during a crisis.

DOD P4 practitioners—such as a J9 staff, private-sector contractors employed by the U.S. military, Reserve officers in the Army and Air Force, as well as military staff at U.S. bases and installations—frequently cited important challenges associated with establishing a framework and structure to their P4 endeavors, primarily:

Formalized Agreements and Plans Result in Effective, Time-Sensitive P4 Operations

In response to Hurricane Sandy, for instance, U.S. Northern Command had already brokered an arrangement with U.S. Transportation Command and electric power companies to provide lift support to repair the electrical grid. After Sandy hit, power companies loaded their personnel and supplies on Air Force C5s on the West Coast to repair damage from the hurricane in the mid-Atlantic and Northeast. While there were some challenges during the operation, a preexisting memorandum of understanding between the power companies and DOD, as well as electrical infrastructure repair plans, allowed the operation to be a success.

- ◆ balancing the need to “formalize” the agreement with flexibility (that is, ensuring basic requirements are identified and codified but leaving room for changing needs due to mission, objectives, or operating environment, as already discussed)
- ◆ working within the frameworks and legal authorities available to the Federal Government to allow such partnerships (see Policy and Legislative Opportunity below)
- ◆ dealing with resistance from either partner to “formalize” requirements or certain elements of a P4 due to its untested and individualized nature.

With this understanding of the fundamentals of P4 considerations for structuring and integration into planning, we can begin to consider P4 for a portfolio and deliver the right services and solutions to enable continued operations in a constrained yet dynamic world.

Engaging the Private Sector

The most productive partnerships are founded on sound principles and the concepts of communication and cooperation.

There are several actions that public agencies may take to communicate and cooperate with private partners—ultimately attracting them to implement successful P4 projects. In one study, both public and private respondents ranked centralized management and communication as the most important traits for a P4 consortium to possess.¹¹ Furthermore, multiple examples indicate standardization (in process and structure, among others) and targeted strategic communications as critical best practices to engage and attract the private sector in a meaningful and productive way.

The principles and best practices presented in a recent DOD conference session on attracting Foreign Direct Investment in DOD Base Redevelopment¹² appear

Programmatically Recognizing the Need for Proactive Private-Sector Engagement

The United Kingdom initiated a second-generation P4 program called PF2 in late 2012, founded with a key objective to improve P4 attraction to the private sector. This PF2 program mandated standard contract documentation and processes in order to facilitate faster transaction times. Through greater outreach to institutional investors, public sector co-investment, and alternative financing sources, PF2 also facilitated P4 access to capital markets and helped reduce the debt to equity ratio requirements associated with earlier financing structures. See Jared G. Smith, “A New Approach to Public Private Partnerships,” thesis citation, HM Treasury Report, United Kingdom, 2012.

to ring true for broader application of P4: know your potential private sector partner; appeal to their motivations; address their perceptions; and integrate your communications and outreach with broader efforts.

Another great example of the flexibility and coordination inherent within the P4 model involves the city of Los Angeles, which, in partnership with the non-profit RAND Corporation, developed quicker, more targeted responses to emergencies based on community-level engagement and networks.¹³ Engaging existing organizations and nonprofits allowed the city to efficiently gather data from childcare, religious, assisted-living, and other community-support facilities to better understand where at-risk populations existed so response efforts could be better coordinated. This effort has resulted in the creation of interconnected community agencies to improve disaster resilience and coordinate disaster response. In this instance, communication, engagement, and coordination resulted not just in more willing partners but also in enhancement of the operations of the actual P4 opportunity.

Policy and Legislative Opportunity

DOD has multiple existing partnership authorities as well as new P4-promoting legislation, just codified through 10 USC 2336 (Section 331 of the 2013 National Defense Authorization Act), which authorizes the Services to enter into intergovernmental service agreements.¹⁴ With the legal authorities, regulations, and legislation that can be used to foster DOD partnerships in place, it now takes knowledge and skill to apply these authorities effectively. While this research suggests that DOD has enabling legislation and policies, it is also clear that there still remains confusion among DOD P4 practitioners and programs. The question turns to why existing policy is not implemented optimally.

To highlight the prevalence of this paradox beyond just DOD, we turn to state-based P4 research. In the United States, 33 states and Puerto Rico have infrastructure-related P4-enabling legislation;¹⁵ however, only 7

states operate dedicated P4 units, mostly falling under the Department of Transportation in each state.

Furthermore, DOD stakeholders have indicated that DOD general counsel and legal opinion varies widely (both across and within the branches of DOD) in its interpretation of the legal authorities and their application to P4. A perception of legal difficulty remains, causing some potential initiators to abandon P4 solutions for simpler but potentially more costly strategies. In the experience of CCMD representatives, legal challenges rest primarily in the interpretation of P4 efforts, especially regarding solicitation for partnerships and gifting regulations. CCMD interviewees indicated that greater than the issue of offering too narrow a solicitation is the possibility of becoming inundated with too many partners all wishing to engage on a particular issue. Many P4 regulations currently require—or are interpreted to mean—that an organization take a “partner with one, partner with all” approach, which may not be feasible given an organization’s constraints and objectives. Some DOD P4 practitioners thus are seeking guidance on how to target partners in a fair and nonexclusive manner.

Additional specific common challenges relating to ambiguity in implementation and interpretation of P4 policy include perception of conflicting initiatives or missions; competition and Federal Acquisition Regulations versus new Section 331, utilization of Small Business and 8A Contracts; Budget versus Cost Accounting; Costing Calculations/Methodology; Capital Purchases in excess of 5 years;¹⁶ and the Office of Management and Budget (OMB) Scoring implications.

Based on this research, the answer to the policy and legislative issue likely lies in an array of reasons including lack of understanding of fundamentals or how authorities work, lack of resources, lack of communications, and/or lack of organizational structure to promote or support a P4. Many of these reasons can be summed up as either “inadequate interpretation” of existing policy or legislation or as “cultural inertia that resists change and new ideas.”¹⁷ Participants of a Tinker

Air Force Base P4 suggested that the obstacles to P4s must be overcome by “changing the status quo, not just challenging it.”

Proactive policy/legislative alignment and support to promote P4s is clearly needed within the ranks of DOD P4 approvers. What this appears to mean is a fundamental change to a culture of embracing and learning about the current legal and policy “constraints” and turning them into opportunities. Through better education and systematic training (see Organization, Coordination, Training, and Education) as well as purposeful, explicit alignment of mission to enabling policy, this interpretive gap and cultural hesitancy can be overcome to promote widespread use of the P4 model.

Aligning Policy to Project

A European Commission–sponsored initiative connects Web-enabled innovation through a P4 structure, intended to develop a single technology platform supported by targeted policy, legal, regulatory, and political frameworks. Projects within the Future Internet P4 are designed to promote Future Internet technologies in Europe, advance smart infrastructure, and increase business productivity through the Internet. By keeping policy aligned with technology and services, this structure delivers a forward-thinking approach to uses of P4.

Land conservation provides one such example of a successful venue for P4 projects that is heavily dependent on U.S. Government policies, such as the North American Wetlands Conservation Act.¹⁸ These partnerships, formed through land trusts, state governments, nonprofit groups, and private landholders, use techniques such as beneficial tax structures to preserve vital ecosystem services and habitats to endangered species. As these business models often rely on government incentives, they

Policy Clarification

Recent ambiguity on application of 10 USC § 2922a has led DOD to clarify its interpretation to allow for 30-year energy service contracts, promoting optimum financing terms and payback periods for energy P4s. Capitalizing on this clarification, the Army has utilized a Metropolitan Area Transportation Operations Coordination program to screen and streamline developer selection as partners in energy projects.

are more vulnerable to policy changes than private sector fluctuations.¹⁹

However, other legislation and policy interpretation is beyond the direct control of DOD—two issues are of particular importance to the future effective implementation of P4s: 1) Revisiting OMB “A-76” Privatization Process—this has been used over the past few decades to outsource many Federal jobs, saving the taxpayers millions of dollars, but it has also been heavily criticized both by Federal organizations and by the private sector as being cumbersome, slow, and in some cases unfair;²⁰ and 2) Reformation of Budget Scoring—this involves OMB “scoring” the effects of major Federal actions and decisions on the Federal budget in relation to predicted streams of tax revenue, which is generally perceived by the private and public sectors as problematic, with the potential for impeding successful partnerships. Scoring needs to be reformed in relation to partnerships, especially in cases where the benefits to the Federal agency (or agencies) involved make clear fiscal and budgetary sense.²¹

Measuring Success

There is recognition that more study and rigorous documentation are needed to truly benchmark and measure what P4 success means. Combatant command interviewees indicated a sense that while senior leaders are encouraging P4s through the budget process, which

drives much of DOD’s day-to-day priorities, P4s are not necessarily being encouraged as a cost-saving measure, an optic that instead encourages projects to proceed with the full cost burdened by the Federal Government. In an environment of shrinking budgets, senior leaders within DOD have sent a clear message that budgets should be trimmed. However, there is no mechanism that compels the establishment of a P4 versus a project wholly funded by DOD when there is sufficient funding for a DOD-only project. Project cost estimates—with some exceptions—are performed with the expectation that DOD should shoulder the entire cost, which is then appropriated. If, for instance, a 25 percent cost savings could be realized with the added burden of a P4, there is no incentive for a project initiator to pursue this savings since the initiator would likely be unable to use those saved funds elsewhere. This setup may actually discourage cost savings because a P4 injects some complexity and risk with no perceived benefit for the project initiator.

Because different types of P4s support different types of objectives, specific objectives need to be clarified early in the process and used as initial measures of success. The structure, complexity, scale, and variation of P4 results and the multiple objectives of P4s within DOD may discourage many from attempting to formalize assessment methods at an enterprise level.

One challenge, recognized through research into the implementation of several emerging P4 programs, is their ongoing maturation. The very nature of P4 maturity within the United States and within DOD lends itself to an evolving set of metrics, especially as P4 concepts and programs mature through defense organizations. For example, early on, as with one of the Service’s Enhanced Use Lease and other P4 programs, metrics might center on quick wins and the number of partners or projects or interested parties. However, as projects and programs mature, quality becomes more paramount and accountability takes center stage, leading to metrics in return on investment, risk/return, or even portfolio-level management concerns. This all-important evolution of P4 maturity further complicates the measurement of P4 success.

Beyond the maturity challenge, a presentation during a P4 Summit in 2013 by the U.S. Air Force highlighted a definitional challenge. In this presentation the Air Force indicated that it sought a P4 to achieve “high-performance project delivery: at a fair cost . . . at the right quality . . . and on time.” The words *fair* and *right* accurately portray the definitional challenges and subjectivity associated with measuring success of a P4. Additionally, the tradeoffs required to achieve these qualitative *fair* and *right* measures of success are not necessarily simple to derive, nor are they straightforward to balance.

Quantifiable P4 benefits are well known (cost savings, additional resources, provision of research and development [R&D] space, intellectual capital or strategic intelligence, and new infrastructure, among others), but P4 often involves lesser known and less quantifiable, intangible benefits.

These challenges are further compounded by the multiple objectives or purposes of P4s within the DOD enterprise, including cost reduction/savings, revenue-generation, enhancing security or intelligence, educating workforces, augmenting humanitarian relief, promoting R&D, and improving community relations—all of which drive the need for a multifaceted approach to

“valuing” a P4 and establishing a common framework to measuring success.

Absent this common enterprise framework, best practices (for example, accounting approaches, metrics/key performance indicators, rigorous post-closing management, auditability, lifecycle cost accounting) from a variety of disparate programs do exist. Examples from more mature P4 programs abroad offer lessons for the United States in measuring success, improving transparency, and ensuring “value for money” through P4 strategies.²² One example comes from the PF2 (Private Funding) program, which launched the Operational Savings Programme to address cost effectiveness, value for money, and transparency issues, and now publishes the “Whole of Government Accounts,” accounting for debt held in Public-Private Partnerships and increasing transparency. In 2002, the Swiss nonprofit Global Infrastructure Basel designed an assessment scoring system for water P4 projects, which now applies to 14 categories of infrastructure. The system offers project sponsors the incentive to participate in a global investment forum to self-evaluate their project in terms of 10 sustainability criteria: customer focus, poverty alleviation, accountability, transparency, balanced partnership, result orientation, resource protection, shared incentives, proactive risk management, and sound financing mechanisms. Projects that undertook this rigorous self-assessment gained credibility for investors because they were seen as less likely to encounter policy challenges or unforeseen risks.

Effectively and consistently measuring P4 success is important to justify future and past projects to current and potential stakeholders. DOD should want to know whether it is implementing these innovative structures appropriately and for the right reasons. “P4 is not a silver bullet. . . . It is a way for the public and private sectors to work together to support the common good and produce returns on investment that transcend mere monetary rewards.”²³

Measuring Intangible Benefits

The P4 between the Air Force Research Lab and Antelope Valley College (AVC) results in increases in number of scientists, engineers, and technicians from which to draw employees for the base; joint research/access to AVC facilities; faculty gains and help in lab research projects; improvement to enrollment, teachers, and skills in the region; and enhanced research opportunities and courses. Success in this case is “measured” in job creation, new students, and improved curriculum.

Organization, Coordination, Training, and Education

Organizations undertaking significant P4 projects have been shown to benefit from a centralized public agency or office to facilitate cooperation and procedures between and within public and private sector agents.

The lack of a central point of contact is one of the primary complaints of many nongovernmental organizations (NGOs) and private sector organizations that want to work with the U.S. Government. The Marcus Ahadzi and Graeme Bowles²⁴ study on organizational structures found that private sector partners value the existence of a P4 expertise center within a public partner's organization, suggesting a powerful institutional solution to maximize private sector involvement. The Brookings Institution also advocates for a central P4 unit.²⁵ As stated by Jared G. Smith in a study on delivering sustainable infrastructure, "in the U.S., national and international companies must wade through myriad state and local policies and priorities, making private participation dif-

icult. Furthermore, expertise remains housed in agency silos, hardly capable of delivering the integrated infrastructure necessary for sustainable development."²⁶

Many national P4 expertise centers currently operate internationally, which could serve as models for the United States and DOD. Examples range from the European Public Private Partnership Expertise Center (EPEC) to Infrastructure UK to the Canadian Council for Public Private Partnerships. Smith argues that Europe benefits from established centralized financial and technical institutions, namely the European Investment Bank and the EPEC, supporting investment systems and methods across asset classes and political boundaries.

A single centralized DOD public office to facilitate cooperation and procedures between public and private sector agents, regardless of functional objective, may therefore be critical to successful P4s. Such an office could be designed to standardize required documentation, provide portfolio analysis of P4 opportunities across all defense operations, monitor projects, analyze trends and support benchmarking, capture best practices and success stories, and provide education, training, and technical expertise. Furthermore, establishment of a prominent office could serve as a strong indicator to potential private and public sector partners of DOD's commitment to the P4 type of business model.

Already, initial work has been done to capture and document existing P4 projects for DOD information-sharing. In its examination of government, NGOs, and private-sector project databases, National Defense University researchers have identified 124 examples of effective P4s across a wide spectrum of industries and governmental agencies. Data were collected on the brief histories of the partnerships, their overall intent, and the partners involved. In effect, this research (and an initial project list) provides a snapshot of current initiatives around the world, organized by location and targeted industry. But this is just a start—CCMDs and other DOD practitioners are seeking more.

The logical next step is to make the P4 project list a usable resource for DOD P4 stakeholders as one element of

Evidence of Greater Understanding of P4

There is evidence of greater understanding of P4 in "pockets" formed around the critical mission areas for individual U.S. combatant commands. Therefore, while U.S. Northern Command (USNORTHCOM) focuses on humanitarian assistance/disaster relief (HADR) and builds P4s that support this type of mission, U.S. Southern Command is forming relationships to counter narcotics and human-trafficking threats, and U.S. Pacific Command (USPACOM) specializes in P4s for training and educating Pacific partners. There has been some overlap, such as USNORTHCOM leveraging its HADR-focused partnership with Walmart in support of USPACOM during Operation *Tomodachi*.

the services offered by a centralized DOD P4 office. Potential end users are eager to receive P4 implementation guidance from Office of the Secretary of Defense and Joint Staff, but they note that it has to be sufficiently specific as to support the needs of all echelons yet not so specific as to constrain creative applications. DOD centralization to serve as a coordinating, rather than directive, office will further facilitate information-sharing and advocacy. Supporting the

Examples of Progress

Consider the Global Partnership Initiative at the Department of State, Office of Public-Private Cooperation at U.S. Southern Command, the new office within the Office of the Deputy Assistant Secretary of the Air Force for Installations to study and prototype a partnering program with local communities, the DOD's Renewable Energy Siting Clearinghouse, and the Army's Energy Initiative Task Force.

unique missions of each CCMD, component, Service, and Installation through P4 requires a level of flexibility that a centralized "directive" office could not be able to provide, but a "coordinating" office would.

Since many DOD staff and leaders with responsibilities across the range of doctrine, organization, training materiel, leadership, personnel, facilities, as well as those with specific joint professional military education responsibilities, do not have a comprehensive understanding of P4, a centralized office would comprehensively address the clear needs for culture change that promotes P4: increased policy alignment with adequate interpretation, creation of common business practices, and education/training. It is incumbent on the modern warfighter and defense leader to understand that a P4 model can be part of his strategic and operational resource and capability toolkit. Education and training are necessary at all levels including

senior Service schools. Especially at the CCMD level, where uniformed personnel rotate their roles constantly, continuity of practice and direction is a critical asset for P4s.

Ideally, project initiators would like a checklist-type policy document that identifies the step-by-step process for designing and implementing a P4, but since arrangements can span such a wide area of operations, from intelligence-gathering to moving materiel, they recognize the limitations of higher level guidance. CCMDs suggest that focusing on addressing issues that have thwarted some projects might be the most useful to translate individual lessons learned into time-tested application. For instance, a guiding document, tool, or resource should address best practices for project valuation, what types of formalized arrangements are acceptable, and legal precedents that allow such arrangements to proceed.

The "P4 Project List" or some iteration thereof could be a fundamental starting point for a centralized office to turn the practiced into the practical. A meaningful data set with relevant, usable P4 information for cross-DOD promulgation could provide the desired resources identified above to the DOD community. To achieve this, any P4 Project List would need to be robust enough to derive specific challenges, pitfalls, best practices, sample structures, and potential willing partners to any given future P4 initiative. The initial P4 Project List could be enhanced to include several additional metrics to quantify partnerships, identify critical deal/agreement terms, compare them to standard government procurement data, and show the overall costs and benefits of each partnership. In this way, the value of certain types of partnerships may be better recognized by future government decisionmakers who may then work to identify an optimal point of returns and scale. Finally, an analyzed set of critical challenges to each partnership and mitigation approaches used would prove invaluable to DOD project leaders looking for a benchmark, the education, and a guide to developing new initiatives.

Conclusion

To meet current fiscal challenges, DOD must explore all financing alternatives including P4s. A P4 model will not always fit a project's needs; it is not a "silver bullet." Rather, a P4 is a way to bring a variety of tools, resources, capabilities, and capacities to bear on common issues to support the common good.²⁷ Before developing this capability, however, DOD must allocate appropriate resources now to clarify authorities and establish robust procedures and analysis methodologies to appropriately promote P4s.

The following observations should inform DOD's ongoing momentum in organizing around P4s:

- ◆ CCMD, Service-specific, and task force entities are the current/emerging DOD mechanism for propelling P4 initiatives.
- ◆ Further integration along with a shared forum for common procedures, roadblocks, and solution sets will help inform and address P4 functional stovepiping and specialized P4 success.
- ◆ There is a need for formal capture of enterprise-wide best practices and lessons observed.
- ◆ DOD personnel do not have significant training and competency in identifying and developing P4s.
- ◆ Cross-Service collaboration and interagency planning, tiger-teaming, and convening non-DOD stakeholders with DOD counterparts will support P4s both at a project level and an enterprise level.
- ◆ With anecdotal best practices and project success stories, a regular forum would spur and motivate ongoing dialogue and learning on P4s throughout DOD.

Incremental changes may bring incremental benefits now, but systemic solutions such as an established DOD P4 expertise center will be needed to achieve the scale required to meet the evolving demands placed on DOD in the new strategic environment.

Acknowledgments

The author appreciates the support of Oscar De Soto, Aubris Pfeiffer, and Jared Smith of Booz Allen Hamilton in preparing this paper. He also thanks Dr. Linton Wells II, former Director of the Center for Technology and National Security Policy.

Notes

¹A review of multiple databases, case studies, and concept papers has identified over 4,000 examples of public-public and public-private partnerships (P4s). Valuable resources include the State Department's Global Partnership Initiative Office, with special thanks to Jim Thompson, Deputy Special Representative for Global Partnerships; RAND Corporation's Arroyo Center; National Council for Public-Private Partnerships; U.S. Agency for International Development; and Global Development Alliance.

²Department of Defense (DOD) Policy Memorandum, "Public-Private Partnerships Supporting the DOD Mission," April 25, 2013.

³Linton Wells II and Samuel Bendett, *Public-Private Cooperation in the Department of Defense: A Framework for Analysis and Recommendations for Action*, Defense Horizons 74 (Washington, DC: NDU Press, January 2012).

⁴Ibid.

⁵Ibid.

⁶Jared G. Smith, "A New Approach to Public Private Partnerships," HM Treasury Report 2012 (United Kingdom).

⁷Steve Bonner, "Fundamental Concepts of Regional Partnering," SONRI, Inc., 2010.

⁸Farming First, "Innovation and Incentives for Farmers Needed to Protect World's Biodiversity," press release, May 21, 2010, available at <<http://farmingfirst.org/tag/public-private-partnership/>>.

⁹Wells and Bendett.

¹⁰Martha Amram and Tabitha Crawford, "Unleashing Local Green Jobs Through Energy Savings," *Encyclopedia of Energy Engineering and Technology*, 2011.

¹¹Marcus Ahadzi and Graeme Bowles, "Public-Private Partnerships and Contract Negotiations: An Empirical Study," *Construction Management and Economics* 22 (November 2004), 967-978.

¹²Janine Cary, "Attracting Foreign Direct Investment," Association of Defense Communities (ADC) Base Redevelopment Forum, Portland, Maine, September 24-26, 2013.

¹³Lauren Katims, "LA Build Resilience Through Wide-Reaching Relationships," *Emergency Management*, November 4, 2013, available at <www.emergencymgmt.com/disaster/LA-Resilience-Wide-Reaching-Relationships.html?page=1&>.

¹⁴Glenn Seitchek and Steve Bonner, "Helping Defense Communities Save Money: New Authority Allows Military Installations to Enter into Inter-Governmental Support Agreements with State and Local Governments to Mutually Share Services," *The Military Engineer*, September-October 2013; Jaime Rall, "Public-Private Partnerships for Transportation: A Toolkit for Legislators," National Conference of State Legislatures, January 2013; Tim Lyon, presentation, ADC National Summit, Washington, DC, June 6-16, 2013; and Fred Meurer et al., "Installation-Community Partnerships: A New

Paradigm for Collaborating in the 21st Century,” *Journal of Defense Communities* 1 (February 20, 2013), 8.

¹⁸ Eve Endicott, ed., “Land Conservation Through Public Private Partnership,” Lincoln Institute of Land Policy, 1993.

¹⁹ Ibid.

²⁰ Meurer et al., 8

²¹ Ibid.

²² Smith.

²³ Meurer et al., 6.

²⁴ Ahadzi and Bowles.

²⁵ Emilia Istrate and Robert Puentes, “Moving Forward on Public-Private Partnerships: U.S. and International Experience with PPP Units,” Brookings-Rockefeller Project on State and Metropolitan Innovation, December 2011.

²⁶ Smith.

²⁷ Meurer et al., 6.

INSTITUTE FOR NATIONAL STRATEGIC STUDIES

The Center for Technology and National Security Policy (CTNSP) within the Institute for National Strategic Studies helps national security decisionmakers and their staffs understand emerging impacts of technology and integrate them effectively into policies through research, teaching, and outreach. CTNSP supports the Department of Defense leadership and Congress while also encouraging whole-of-government and public-private collaboration.



The Defense Horizons series presents original research by members of NDU as well as other scholars and specialists in national security affairs from the United States and abroad. The opinions, conclusions, and recommendations expressed or implied within are those of the contributors and do not necessarily reflect the views of the Defense Department or any other agency of the Federal Government. Visit NDU Press online at ndupress.ndu.edu.

Dennis McBride
Director
CTNSP

R.D. Hooker, Jr.
Director for Research
and Strategic Support

William T. Eliason
Director
NDU Press