



Government Owned, Contractor Operated (GOCO) Army Ammunition Plant (AAP) Model Alternatives

Project Director Joint Services (PD JS)

Mr. Matthew T. Zimmerman
Deputy Project Director Joint Services
Building 1 Annex
Picatinny Arsenal, NJ 07806-5000
W: 973-724-7626

C: 862-345-0765

Email: matthew.t.zimmerman2.civ@mail.mil



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GOCO AAP Alternative Model Discussion

DOD 5160.68/AR700-90: "To the maximum extent possible, all costs associated with the production base, to include operations at the Army Ammunition Plants, will be reflected in product or service prices."

- **Current Model Scenarios:**
 - No Direct Cost, Facility Use (Property Mgmt) Contract w/ or w/out a companion Supply Contract
 - Facility Use:

 - \triangleright 5 year w/4 x 5 yr options \triangleright 5 year w/2 yr option & 3 yr option
 - > 25 year

 \triangleright 5 year w/2 x 5 yr options

- Cost/Revenue
- 3. Cost Plus Fixed Fee
- No Direct Cost, multi-year lease, x% of revenue re-invested back into the facility
- Direct Fund, Facility Use Contract/Performance Work Statements (PWS)

Canadian Munitions **Supply** Program: **Fixed Costs** Covered

GOCO Component >> Ammo Item >> LAP >> End Item Delivered

KO #1 KO#2 KO#3 \$\$\$

Production Variable Costs... + Material + % PWS costs

G&A + Fee

G&A + Fee

G&A + Fee

+

Army