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# Privatizing the Naval Surface Warfare Center Depot at Louisville

Lucyshyn, William

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OF THE  
SECOND ANNUAL ACQUISITION  
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**PRIVATIZING THE NAVAL SURFACE WARFARE CENTER DEPOT  
AT LOUISVILLE**

**Published: 1 May 2005**

**by**

**William Lucyshyn**

**2<sup>nd</sup> Annual Acquisition Research Symposium  
of the Naval Postgraduate School:**

**Acquisition Research:  
The Foundation for Innovation**

**May 18-19, 2005**

Approved for public release, distribution unlimited.

Prepared for: Naval Postgraduate School, Monterey, California 93943



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The research presented at the symposium was supported by the Acquisition Chair of the Graduate School of Business & Public Policy at the Naval Postgraduate School.

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# Privatizing the Naval Surface Warfare Center Depot at Louisville

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**Presenter: William Lucyshyn**, is the Director of Research and a Senior Research Scholar at the Center for Public Policy and Private Enterprise in the School of Public Affairs at the University of Maryland. Previously, Mr. Lucyshyn served as a program manager and the principal technical advisor to the Director, Defense Advanced Research Projects Agency (DARPA), on the identification, selection, research, development, and prototype production of advanced technology projects. Prior to this appointment, Mr. Lucyshyn completed a 25-year career in the US Air Force serving in various operations, staff, and acquisition positions. Mr. Lucyshyn received his Bachelor Degree in Engineering Science from the City University of New York and his Master's Degree in Nuclear Engineering from the Air Force Institute of Technology.

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## Abstract

During the 1995 Base Realignment and Closure (BRAC) process, the Department of Defense (DoD) recommended that the Louisville depot be closed and its workloads transferred to several DoD facilities. The depot's principal mission was to overhaul and repair the Navy's multi-platform 5-inch gun and its Phalanx close-in anti-aircraft system. The plan was to transfer the gun repair work to the Norfolk Naval Shipyard, Virginia, the Phalanx to the Naval Surface Warfare Center, Crane, Indiana, and the engineering support functions to the Naval Surface Warfare Center, Port Hueneme, California.

During the BRAC review process, the city of Louisville proposed to the Commission that the DoD privatize the depot workload in-place. The Commission found that the Navy's cost savings from the closure were overstated, that the gun systems engineering functions at Louisville are consistent with operational requirements, and that the maintenance and overhaul functions performed at the facility have contributed substantially to the effectiveness of the Department of the Navy.

As a result of the Commission's findings, the Navy decided to privatize-in-place the Louisville depot's operations, with some Navy program-management positions remaining at the privatized facility. The field-engineering support function would also be retained as a detachment at the privatized Louisville depot.

In July 1996, the Navy awarded contracts to two private corporations to work in conjunction with the depot: Hughes (now Raytheon) for the Phalanx system and United Defense for the gun-repair workload. Both contractors have made significant gains in productivity while bringing in additional work to the depot. This case will examine the results of this reconfiguration, nine years after the privatization.



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