

Ordnance contractor readies expansion

BY ROB SABO

Investments in equipment and a new facility at Tahoe Reno Industrial Center paid off in a big way for U.S. Ordnance, which landed four contracts to supply guns to the U.S. Army. The contracts could total half a billion dollars.

U.S. Ordnance expects to hire additional workers and expand its facilities to meet demand.

U.S. Ordnance won contracts to supply M2 50-caliber machine guns and M60/MK 43 machine guns. Two of the contracts were for \$279 million and \$3.12 million, and U.S. Ordnance Chief Operations Officer Curtis Debord says the total value of the contracts could eventually reach \$500 million.

"The guns are going all over world, to Iraq, Afghanistan and a lot of other countries," Debord says. "The government is just managing the program because some of the guns for the larger contracts are for the U.S. government and some of the small contracts are going to other countries who have agreed to purchase guns."

Previously, the largest contract for U.S. Ordnance was for \$14 million. Debord says the company was in position to win the contracts through its heavy capital investments in recent years. Three years ago it began searching for a new facility as well as investing in tooling to produce the M2 50-caliber machine gun in order to secure big federal contracts.

"By building a state-of-the-art facility and spending our own money to tool that weapons



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US Ordnance employees discuss the finer points of the M2HB 50-caliber machine gun near the company's manufacturing facility at Tahoe Reno Industrial Center.

system, which was many millions of dollars to put this project into play, we rolled the dice and we won," Debord says. "We are certainly blessed by this, and we are grateful that the government has trusted us with this project."

U.S. Ordnance has built the M60 machine gun since 2000 and began building the M2 about a year ago, in part to prove to the government it could produce the weapon. The company was judged on its ability to succeed if it won a large contract for the weaponry.

"It was a no-brainer for them," Debord says. "We were at the top because we were already building guns."

"It is great news for U.S. Ordnance and great news for Nevada," Debord adds. "It is going to bring a lot of revenue into Nevada. All the money comes from outside of Nevada, and some from out of the U.S. It really is a win-win situation across the board."

Debord credits General Manager Steve Helzer, who through the years forged a strong relationship with Army officials, with helping the contract come to fruition.

U.S. Ordnance, which operates out of a 65,000-square-foot facility, plans to expand its facilities by 20,000 to 30,000 square feet and will

begin drawing up and submitting plans in the next few months. The company, which employs 60, also plans to hire 10 to 15 additional machinists and grinder operators, Debord says.

"We are looking for top-notch people. We hold to very tight tolerances; it's not like building parts for slot machines or something like that. We look for the best of the best."

The company also began manufacturing its own parts instead of outsourcing and now produces about 50 percent of the parts used to build the guns. Its target is to manufacture about 75 percent of its own parts. And U.S. Ordnance has moved manufacturing of outsourced parts to machine shops in the state as well.

"Our state needs the boost, so our focus has been to build in-house and create jobs or at least bring it back into the state," Debord says.

To celebrate its success, the company recently booked the Tahoe Queen and provided rooms for employees at Harvey's Lake Tahoe.

"They are the ones that really make it happen," Debord says. We have some good people and they do a great job for us."

U.S. Ordnance sells its weaponry only to the federal government, military and law enforcement.