



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

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14 APR 2000

FROM: HQ USAF/ILEI
1260 Air Force Pentagon
Washington DC 20330-1260

SUBJECT: FY01 Privatization Program Project Information Packages

RE: AF/ILEI Memorandum, "Design Instruction for FY01 Housing Privatization Program," dtd 23 Nov 99

As many of you requested, this memorandum summarizes guidance we previously provided your staffs formally or informally that should be used for development of your FY01 privatization projects.

Let me set the stage by referring to the Air Force Family Housing Master Plan (AF FHMP). The Master Plan is the basis for all MILCON projects and privatization initiatives. Installation Plans were developed and approved by each installation commander, and subsequently approved by MAJCOM commanders for incorporation into the AF FHMP. This plan was then approved by the CSAF and SECAF and is now the source document for preparation of the POM and annual budgets. In the case of the FY01 program, project documents were approved by OSD and submitted to Congress. As such, the master plan outlines general project scope (number of units by grade, to be met through privatization), year of execution, and funding required to develop and leverage a deal. Changes to any of these parameters risk disapproval of these and future initiatives. Upon review of the master plan, you will find there is no similar scope MILCON programmed to meet the requirements identified in the privatization project should a privatization project fail. And, although the 1391s presented to Congress only address MILCON renovation in the event the authorities are not extended, we intend to pursue the identified, lesser scope, MILCON renovation project should we be unable to close a privatization deal. Further, it would be at least two years before a MILCON project of similar scope can be programmed into the master plan. Therefore, to maintain the integrity of the master plan, privatization initiatives must be executed in the year funding is appropriated by Congress, the privatization project scope should reflect the master plan scope and projects should

be accomplished within the funding provided. Alternative scenarios (type of deal, additional base assets, leverage) may be considered but every attempt should be made to work within these parameters.

That said, we continue to receive unsolicited proposals from communities and industry prior to our release of a formal solicitation. This could be a good thing because it offers the opportunity to greatly accelerate our process. In the event an unsolicited proposal is received, it should be thoroughly reviewed for legal compliance, OSD and AF policy compliance, financial feasibility, and meet the housing requirements identified in the Family Housing Master Plan. Thereafter if a proposal is reasonable and appears to have merit, a request for interest (RFI) must be initiated to see if competition exists. We will work with each MAJCOM as these may arise, to facilitate approvals and appropriate congressional notifications.

Working with AFCEE, we are developing procedures and outlining organizational relationships necessary to complete the pilot program and work the FY01 program. This includes AFCEE's approach with a privatization support contractor or assisting MAJCOMs in pursuing the traditional solicitation execution process. Regardless of the approach to be used, a project information package (PIP) must be prepared for each of the FY01 initiatives. We are looking for FY01 PIP completion by 30 Jun 00 to posture the program for execution in the year of appropriation.

Attachment 1 is an overview of how we intend to proceed and meet our privatization goals. Also attached is a list of documents we intend including in the PIP (Atch 2) and a notional description of primary and collateral responsibilities (Atch 3). If you or your staff have questions, please contact Lt Col Gary Singler, AF/ILEIP, DSN 664-4631 or Lt Col Rod Croslen, AFCEE/DCH, DSN 240-5506. This is an AF/ILEI/ILEH/AFCEE coordinated memo.


SCOTT E. STREIFERT, Colonel, USAF
Chief, Competitive Sourcing
& Privatization Division
DCS/Installation & Logistics

Attachments:

1. Project Execution Overview
2. PIP List
3. PIP Milestones & Responsibilities
4. Timeline

Air Force Housing Privatization Project Execution Overview

Once again, the Air Force has only one housing privatization execution process. Each MAJCOM does however have the option to execute the traditional solicitation and evaluation process in-house or alternatively request AFCEE support to execute the process.

In either case, the first step in the process is identification of a project candidate. FY01-FY10 project candidates are already identified in the Air Force Family Housing Master Plan. We intend to pursue these candidates as identified therein.

The next step is programming these projects. For the FY01 candidates, this is complete, and we are fast approaching the programming milestone for FY02 candidates.

Once identified, we must still take project concepts to the IPT, ESG, CSAF and OSD for approval -- and will do that for the FY01 candidates in the very near future. This is one area we hope to streamline, by eliminating the IPT briefings and getting the ESG and CSAF concept approval via a staff package. While we are garnering appropriate approvals AFCEE will proceed forward with the project information package (PIP) development, the next step.

AFCEE is responsible for the PIP development process. Typically, AFCEE would arrange a meeting between MAJCOM, installation and AFCEE representatives to determine what documents need to be accomplished for each project. They would also establish precise understandings and agreements concerning the development of each item in the PIP and include specific time standards for performance and accountability for accuracy and completeness. We understand some MAJCOMs may have the resources and desire to undertake portions of the PIP development effort, while others may agree that AFCEE develop the PIP entirely, using data and information gathered from the MAJCOM or installation. In either event, only AFCEE will be funded specifically for PIP development. Because all MAJCOMs have already taken steps to execute their FY01 projects, we ask that you coordinate your completed efforts with those needed in the PIP and assist AFCEE in developing requirement packages if additional contract work is necessary.

Once a PIP is complete, at the MAJCOMs option, AFCEE will work with the MAJCOM, installation and consultant to develop a solicitation package(s) using the PIP as a foundation. Alternatively, the MACOM can develop the RFP and pursue the traditional solicitation methodology. After this, the Air Staff will follow through with the congressional notification, followed by actual solicitation.

Our FY01 program goal is to publish draft PIPs by 30 Jun 00, but AFCEE needs your continued involvement and commitment.

ATTACHMENT 2
PROJECT INFORMATION PACKAGES
SUGGESTED MINIMUM LIST OF DOCUMENTS

1. Base Housing Master Plan (which includes the HMA and HCP)
2. Environmental Baseline Survey
3. Environmental Assessment (depending on requirements)
4. Applicable Land survey data (example: Metes & Bounds; Geotech Report, etc)
5. Appraisal (when available)
6. Historic Preservation info (if applicable)
7. Current BAH information
8. Statement of Need and draft "Generic" Documents (lease, loan, etc)
9. Existing inventory
10. Site Maps

Additional items that may be included in the PIP are:

1. Utility rates
2. Tax information
3. Current housing O&M and MILCON data (construction/repair focus)
4. School info
5. Noise studies (if applicable)
6. Quantity Distance studies (if applicable)
7. Requirements Charrette Report
8. Abatement Study
9. Relevant portions of the Base Comprehensive Plan

ATTACHMENT 3

	<u>Days</u>	<u>OPR</u>	<u>OCR</u>
Phase I - PROJECT IDENTIFICATION	50		
Charter Base IPT		Base	
Assess Currentness of Housing Master Plan		Base	MAJCOM
Validate Requirements/Constraints/Assets		Base	MAJCOM
Define Proposed Project & Scope		Base	MAJCOM
Collect Data for Economic Analysis		Base	MAJCOM
Validate Financial Feasibility/Proforma		Base	MAJCOM
Develop Preliminary Economic Analysis		Base	MAJCOM
Preliminary EBS for Leased/Conveyed Land		Base	MAJCOM
Phase II - PROJECT DEVELOPMENT (PROJECT INFORMATION PACKAGES - PIP)	120		
Base / MAJCOM / AFCEE Requirements Charrette (In-House)		Base / MAJCOM / AFCEE	
Update Facility Condition Assessment(s)		Base	MAJCOM
Prepare Land Appraisal(s) (Contract)		AFCEE	Base
Prepare Land Survey / Metes & Bounds Survey (Contract)		AFCEE	Base
Develop Legal and Controlling Documents (In-House / Contract)		AFCEE	Base/MAJCOM
Finalize EBS (In-House / Contract)		Base/AFCEE	MAJCOM
Finalize Environmental Assessment (In-House / Contract)		Base/AFCEE	MAJCOM
Compile PIP Documents			
1. Executive Summary (Newsletter)		AFCEE	
1.a Requirements Charrette report		AFCEE	
2. Economic Analysis & Proforma (NOT POSTED ON THE WEB PAGE)		AFCEE	Base
3. Installation Master Plan Pieces and Parts (HCP, HMA, etc.)		AFCEE	Base
3.a Housing Community Plan		Base	MAJCOM/AFCEE
3.b Housing Management Analysis		Base	
3.c Site Plans / Location Maps		AFCEE	Base
4. Facility Condition		AFCEE	Base
4.a Facility Condition Assessment(s)		Base	MAJCOM/AFCEE
1.b Existing Inventory		Base	MAJCOM/AFCEE
c Housing Utility Data		Base	MAJCOM/AFCEE
4.d Current Housing O&M and MILCON data / Construction Estimates		Base	MAJCOM/AFCEE
4.e Unit floor plans / Area site plans		Base	MAJCOM/AFCEE
5. Draft Statement of Need w/ legal and controlling documents		AFCEE	
5.a Forward Commitment Letters		AFCEE	
5.b Direct Loan Instruments		AFCEE	
5.c Loan Guarantee Instruments		AFCEE	
5.d Intercreditory Agreement		AFCEE	
5.e Limited Liability Corporation Instrument		AFCEE	
5.f Ground Lease		AFCEE	
5.g Operating Agreements		AFCEE	
5.h Deeds		AFCEE	
5.i Regulatory Agreement		AFCEE	
5.j Lockbox Agreement		AFCEE	
5.k Non-Disclosure Agreement		AFCEE	
5.l Utility Plans/Sales Rates		AFCEE	
5.m Trust Agreement		AFCEE	
5.n Housing Allowance Charts/Assignments		AFCEE	Base
5.o Guaranteed Lender Eligibility Forms		AFCEE	
5.p Borrower Application		AFCEE	
5.q Offeror Cover Page		AFCEE	
5.r Mandatory Forms for Volumes II,III,IV		AFCEE	
5.s Qualifications/Past Performance Questionnaire		AFCEE	
6. Surveys and supporting documents (AS REQUIRED)		AFCEE	
6.a Environmental Baseline Survey		AFCEE	Base
6.b Site topographic survey / Housing Area TABS		AFCEE	
6.c Metes & Bounds / Easements		AFCEE	
6.d Noise Studies		Base	
6.e Quantity Distance Studies		Base	
f School Information		AFCEE	Base
g Appraisals (NOT POSTED ON WEB PAGE)		AFCEE	
6.H Environmental Assessment (NOT POSTED ON WEB PAGE)		AFCEE	Base
7. Legislative Authorities		AFCEE	



Notional Executions Milestones

Consultant Selection and Award

- Month 1** **Issue RFP**
- Month 2** **Select Consultant**

Process Execution

- Month 2-3** **Review and Refine Project Requirements**
Congressional Notification
- Month 3** **Advertise Solicitation/Conduct Site Visits**
- Month 6** **Offerors Submit Proposals**
- Month 6-7** **Evaluation of Proposals/Selection**
Approval Briefings for AF and SAF/MI
- Month 8** **Congressional Notification/Finalize Documents**
- Month 9** **Close Deal**