



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

11 APR 2003

MEMORANDUM FOR ALMAJCOM/CE  
USAFA/CE  
11WG/CE

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

SUBJECT: Utility Rates for Air Force Housing Privatization Projects

References: (a) AFI 32-1061  
(b) DoD FMR, Volume 11A, Chapter 4  
(c) Title 31, USC, section 9701  
(d) OMB Circular Number A-25

As we go forward with our housing privatization program to meet Defense Planning Guidance, we need to clarify the Air Force policy on utility rate charges when the utility services are provided by the Air Force.

The Selected Offeror (SO) for our privatization projects is a non-federal entity. As a result, where the Air Force provides utility service to the SO, even though the SO will then pass the utility service to the member, the SO must be charged "at the local prevailing rate...but not less than the cost to the government..." in accordance with paragraph 3.8.3 of AFI 32-1061 (Ref a). This is in compliance with references (b), (c), and (d). A recent comparison of the DoD and the non-federal rates at 29 of our bases shows that the difference in rates is not substantial, indicating minimal overall impact to the housing privatization effort.

The policy and guidance manual, AFI 32-600x, *Privatized Family Housing Management*, currently in coordination, and the generic RFP will reflect this policy.

My POC for this policy is Col Jim Holland, AF/ILEH, 703-604-4470.

  
EARNEST O. ROBBINS II, Maj Gen, USAF  
The Civil Engineer  
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cc:  
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