

Follow-on Questions and Answers for AETC Group I Housing Privatization as of 14 Feb 05

	Question	Answer
Questions and Answers as of 18 Oct 04		
1.	Will there be an oral presentation for AETC Group I?	There will not be oral presentations as part of this one-step solicitation. The only planned oral engagement with Offerors will be to ask clarification questions of their proposals.
2.	Will the Air Force assume the inflation rate risk for this privatization project similar to how the Army and Navy use an inflation rate cap to mitigate the inflation rate risk during the initial construction period?	The Air Force assumes a 3% inflation rate in its pro forma. It does not provide a cap on the actual rate that the Successful Offeror may experience during the transition period. All construction risk rests with the Offeror including that which comes from material prices and labor increasing faster than what the Offeror assumed.
3.	Why aren't taxes taken out of funding waterfall in the Government pro forma? Taking taxes out of the funding waterfall would show a more realistic impact on the project.	The tax situation of Offerors may differ. Therefore, it would be impossible for the Government to include each Offeror's tax situation in its pro forma. For this reason, the Government does not include the tax implications in their pro forma.
4.	I am confused about Table 25 showing relevancy ratings and Table 26 for confidence assessment ratings for Past Performance. Can you clarify this?	The projects submitted by the Offeror for consideration as examples of past performance are first evaluated for how relevant the past projects are to the proposed project and then given a confidence rating as to the Offeror's ability to execute this project based on their past performance.
5.	<p>Section, 4.12.7.1 General b) PMR 2 states that "The Offeror has, within the past 10 years, provided property management and asset management for at least (3) major residential projects, each of which included a rental residential component of at least 350 units..."</p> <p>We request that the Air Force change PMR 2 to read "The Offeror has, within the past 10 years, provided property management and asset management for at least (3) major residential projects, each of which included a rental residential component of at least 150 units ..."</p> <p>or, alternatively add the following language to the end of 4.12.7.1 as currently drafted:</p> <p>"PMR 2 can alternatively be satisfied if an Offeror has</p>	<p>Currently, the Statement of Need (SON) requires the Offeror to have property management and asset management experience for at least (3) major residential projects, each of which included a rental residential component of at least 200 units with an overall inventory of 1500 units.</p> <p>This project is different from other Air Force solicitations due to its size and the diverse location of the bases. The Air Force has determined this is the minimum experience that a Successful Offeror should have for this project.</p>

	previously qualified for and/or has been awarded and successfully closed a Military Housing Privatization Initiative project."	
6.	Is the AF going to have any drawings on your website that showed where the water lines will be replaced this year on Tyndall AFB?	The drawing that shows the location of the water lines to be replaced this year is shown in the PSCMHC web site, www.pscmhc.com .
Questions and Answers as of 21 Nov 04		
7.	Section 4.12.7.1 of the AETC Group I SON states for PMR #2 that the Offeror has, within the past 10 years, provided property management and asset management for at least three major residential projects, each of which included a rental residential component of at least 350 units. Does a student housing project with 350 individual leases count as 350 units?	The proposed Request for Proposal now requires this experience level for three projects of 200 units with an overall portfolio of 1500 units. This will be shown in the RFP when it is released. The AF recognizes that the leasing of student housing may be very similar to or the same as residential housing and it will incumbent upon the Offeror to demonstrate how the projects meet the requirements of this RFP.
8.	Nowhere is the SON does it state that Utilities Privatization is happening at Tyndall AFB. Should this be mentioned in the RFP?	Utilities Privatization at Tyndall AFB will be included in the RFP when it is released to industry.
9.	The SON states that the Successful Offeror would be charged the non-DoD rate for electric and gas. How can this happen at Tyndall AFB considering the AF receives the natural gas and electric through the suppliers for the entire base, and if the AF were to charge the SO the non-DoD rate, then wouldn't the AF be making a profit and be considered a "re-seller?"	The AF has determined that the utility rates to be charged residents of the privatization project will be the non-Federal, non-DoD rates. The AF requires SOs to obtain utilities directly from the local providers, wherever possible.
10.	Are we saying in the SON that the SO has responsibility for the distribution of the utility from the Point of Debarkation (POD) downstream? So, for instance at Tyndall AFB, in the case of our natural gas distribution the POD is at the Saber Gate. So, even though the meter is miles from housing, and running along an AF-owned street, the SO would be responsible for it? It seems that we are conveying land to the SO based on function (what's used directly for housing), but we're conveying utilities (and determining PODs) based on where it would be easiest to meter (financial reason).	Yes, the SO would be responsible for distribution of the utility from the POD downstream. The POD for natural gas is not at the Sabre Gate even though the meter is there. The AF will establish two new PODs near the intersection of Prime Beef Rd and Sabre Dr at Tyndall AFB.
11.	We already know that the marina, the golf course, the Shoppette, the horse stables and the youth center will have to be metered because they are non-housing functions that the SO won't own/operate, but you forgot to include the fire station in that group. That building/function won't be conveyed to the SO, but right now it's not metered because it's an AF O&M function. Does that need to be added to the RFP?	Section 3.3.9.6.3 requires the SO to, "... install meters on Government-retained facilities to determine actual utility usage by those facilities." This includes all Government facilities on all four installations.
12.	Will the Air Force indemnify the land to be leased for past environmental conditions?	Appendix U to the RFP covers the question in Condition 3.0 and 10.7 by stating the AF

		will not indemnify any environmental hazards -- the land is leased "as-is." Between this and the Environmental Baseline Survey for each installation, the Lender and Offeror will have to do their own due diligence and determine what the risks are and whether to undertake the project.
Questions and Answers as of 11 Jan 05		
13.	Regarding the Description of Materials list, Subfactor 1.2, found in Appendix K, Mandatory Forms, should the list reflect the quality of materials for all housing (E1 to O7+) or just the quality of materials for the four floor plans (two new construction and two renovation) that are to be submitted?	Since the quality of the materials in the housing could differ depending on the different grades of the intended occupant, the list should reflect the information relative to the four floor plans required to be submitted.
14.	Section 4.11.5.2.2.1.a) 3) requires Offerors to submit a floor plan representing "Renovation of an existing 2-bedroom E-4 home (existing floor plan is provided in Appendix K)." Should I choose to replace the 2-bedroom unit instead of renovating, do I still have to submit a floor plan representing the renovation of the 2-bedroom unit?	The RFP requires Offerors to submit four (4) floor plans representing new construction of a 3-bedroom E-6 home and a 4-bedroom E-8 home, and the renovation of a 2-bedroom E-4 home and a 3-bedroom E-6 home. If Offerors choose to replace units instead of renovating the units or renovate a larger bedroom-size home as part of their business plan, then the floor plan of the unit to be used shall be submitted indicating whether it is for the 2-bedroom E-4 unit or the 3-bedroom E-6 unit.
Questions and Answers as of 14 Jan 05		
15.	Does the AF have a problem with using MAC (Military Assistance Corp) for rent collection by allotment the way Army and Navy is doing?	The RFP requires service members to pay rent by allotment. Offerors may use whomever they wish to handle their rent collection; however, it needs to be made known in the financial proposal if this is an expense to the project or to the housing occupants.
16.	During the 90-day exclusive discussion period following notification as the HRO, the HRO will be responsible for submitting community, housing and support facility designs to the 15% design level as required in Section 6.2.3.2. The HRO will also be required to develop a Construction Management Plan that outlines the design and construction schedule including all design submittals and required review conferences. This schedule would include the requirements for the 35%, 65% and 100% design stages (per para.3.3.9.1). We would like to verify that the schedule for completing the 35%, 65%, and 95% designs will be during the Transition Period (period after financial close as defined in the Glossary, Appendix A) and not at any point before the financial	Section 6.2.3.2.2.1 requires the HRO to prepare drawings to the concept stage (approximately 15% design) during the 90-day exclusive discussion period. The completion of the drawings and plans would occur following the real estate and financial closure of the project which is during the Transition Period.

	close.	
17.	Ref Pg 11, Para 1.3.7.1, Tyndall Concept: The number of acres 498.87 differs from the number of acres 477 in paragraph 1.3.7.1. Should it not be 477?	The land to be leased at Tyndall AFB consists of nine (9) parcels totaling 498.87 acres as shown in Table 7.
18.	Ref Pg 55, Para 3.2.3.1, Risk Mitigation Plan: This requires a Risk Mitigation Plan. When is that required to be developed ... as part of the Step 1 submission or during the 90-day negotiations by the HRO?	Section 6.2.3.1.2.3 requires the HRO to “include a plan to mitigate risk (short-term interest rate increase, utility cost spike, construction materials cost growth, etc.) until the financial closing. Provide a description of any risk mitigation measures, including the 90-day binding commitment, that will be provided for a six-month period beginning at the time the HRO is designated the ASO.” This is where the Risk Mitigation Plan as described in Section 3.2.3.1 is to be submitted.
19.	Ref Pg 58, Para 3.2.4, Property Taxes: RFP states that SO will assume that property taxes will be assessed on the Project and such costs will be included in the financial projections, Step 1. There are four different taxing authorities and different property legal jurisdictions. We understand that the AF cannot get involved in the tax determination. We also understand that the AF wants consistency of evaluation criteria. We do not think it is the intent of the AF to have each developer expend the time or money to get a tax determination in order to accurately reflect the property taxes at each base in their financial documents for the Step 1 submission. Even if the AF was not concerned with the time and cost, each developer could use one of the three property tax computation methodologies (income method, replacement method, asset value method) and the AF would get different tax costs. If the AF is going to compare tax costs they must provide a standard. If no guidance is provided, developers are not in a position to compete equitably. Will the AF provide property tax computation guidance for each base or for all bases?	The Government will not provide tax computation guidance for each base nor for all the bases. This remains an Offeror responsibility.
20.	Ref Pg 64, Para 3.3.5.2.2, Land Use Restrictions: This restricts the use of land. With the approval of AAFES or can AAFES put a commercial food facility (McDonald’s, etc) in a community center on Project Company leased land?	Land use is restricted with respect to the SO providing any resale merchandise, services, and commercial recreational operations or activities. However, AAFES wishes to partner with Offerors on services AAFES can provide for the project. For this reason, AAFES has provided memos that provide data and their points of contact for the four bases. These memos are contained in the PSCMHC web site, www.pscmhc.com .
21.	Ref Pg 72, Para 3.3.6.4.1 Senior Ranking	No, the habitable area designation is not

	Requirements: The fourth bullet introduces the term “habitable areas”. This implies that there is another definition with regard to providing air conditioning. Is the “habitable” designation meant to draw attention from another requirement that is different? If so, please clarify the difference?	meant to draw attention from another requirement. It only indicates that air conditioning is to be provided in areas where people live as opposed to storage rooms, garages, etc.
22.	Ref Pg 73, Para 3.3.7.1, General Guidance for Renovations: In the third line from the bottom it is indicated “ to meet the <u>benchmark</u> standard in order to be”. Since you have added minimum square footage standards, should this not be changed to indicate “to meet the <u>minimum</u> standard in order to be.....”?	The full referenced sentence reads, “However, it is not mandatory that existing units be increased in size to meet the benchmark standard in order to be considered an adequate home.” The minimum square footage standard is just that, the minimum asked for by the Government. Many houses in the conveyed inventory do not meet the minimum square footage standards. The Government desires that existing housing units meet the benchmark square footage standards but understands that Offerors may not alter existing units to make them larger than the benchmark standard – just larger than the minimum standard in order to make them adequate as determined by the Offeror.
23.	Ref Pg 73, Para 3.3.7.1, General Guidelines for Renovations: The paragraph indicates that for Prestige (E-9) Housing, General Officer Quarters and Senior Officer housing that the square footage requirements in paragraph 3.3.6.4 should be used (see para. 3.3.6.4 Command E-9 and table 14 requirements). With regard to Prestige square footage, there is no guidance in paragraph 3.3.6.4 (other than for Command E-9) which conflicts with paragraph 3.3.7.1 guidance. The General Officer and Senior Officer housing renovation square footage in Table 16 conflicts with Table 14. Recommend that Table 16 be deleted.	The Government recognizes that it is more difficult to renovate an existing home and have it meet size standards as compared to building new homes. For this reason, Table 16 is provided for the GOQ and SOQ units and Table 15 for Prestige (E-9) units. The last sentence in Section 3.3.7.1 is to be modified to read -- “If the Prestige Housing, General Officer Quarters and Senior Officer housing are to be renovated, then the requirements specified in Section 3.3.6.4, excluding the square footages shown in Tables 13 and 14, shall be followed.”
24.	Ref Pg 77 thru 78, Paras 3.3.8.1, 3.3.8.2, 3.3.8.3 and 3.3.8.4 Respective Airbase Utility Descriptions: In paragraph 3.3.8.1 for Altus AFB it indicates that the government will continue to maintain existing utility systems, outside the metes and bounds of the housing areas, until each respective utility is privatized. It does not say the same for Luke, Sheppard and Tyndall bases. Request that the statement be added to the other three base utility descriptions	The same provisions that apply to Altus also apply to Luke, Sheppard and Tyndall AFBs. Therefore, the statement can be added to 3.3.6.2, 3.3.8.3 and 3.3.8.4.
25.	Ref Pg 81, Para 3.3.9.6.3, Utilities: The RFP indicates that the developer will be responsible for the maintenance and operations of all utility lines within the metes and bounds of the	Should a Government utility line transit the leased property and have no distribution points for the SO, the AF will retain ownership and maintenance responsibility

	<p>property leased to the developer. Although it is not covered in the RFP, this implies that if the government has a distribution line that transits (no distribution points to the developer) the property leased to the developer, the developer is responsible for the lines maintenance and operations. Is this correct? If not, it should be clarified. If it is true, the government must reimburse the developer for the maintenance and operations of the line?</p>	<p>for the utility line. Access to the Government owned utility line will be outlined in the lease document.</p>
<p>26.</p>	<p>Ref Pg 81, Para 3.3.9.6.3, Utilities: In the second to last paragraph of para. 3.3.9.6.3, it indicates that meters will be installed on a unit within 12 months of closing, upon completion of new construction, or upon completion of renovation, whichever is later. Recommend that the word “of closing” be deleted and replaced with the word “after closing” to avoid confusion. This statement conflicts with guidance given on page 5, para. 1.3.4.7, Operation of Housing Pending Designation and Completion of 726 Units. Paragraph 1.3.4.7 indicates that the SO within one year from closing must install electric and natural gas meters on all units projected to be kept longer than one year. Paragraph 3.3.9.6.3 indicates that for renovated units meters must be installed upon completion of renovation which may be later than within one year of closing. Please clarify? In addition, there is no clarification for units being demolished. Does the developer have to install meters on units to be demolished?</p>	<p>The wording will be changed to use “after closing.”</p> <p>Concerning utilities and the installation of utility meters, the guidance in Section 3.3.9.6.3 controls. The wording in Section 1.3.4.7, 1.3.5.7, 1.3.6.7 and 1.3.7.7 that reads “Within one year from the closing of the transaction, the SO must install individual electric and natural gas meters on all units projected to be kept longer than one year” should be replaced with the wording from Section 3.3.9.6.3, “Utility meters will be installed on a unit within 12 months after closing, upon completion of new construction, or upon completion of renovation, whichever is later.”</p> <p>For units to be demolished, the guidance in Section 3.3.9.6.3 applies. If the Offeror plans to demolish a unit within one-year of closing, then utility meters are not required to be installed. If units are planned to be demolished within the second year or later after closing, then utility meters will need to be installed.</p>
<p>27.</p>	<p>Reference second paragraph of para. 3.3.9.6.3: “Government owned utility lines may continue to feed the housing area utility systems unless the base-wide commodity is privatized under separate contract. Until then, the electricity and gas will be charged at the non-DoD non-Federal rate, however, arrangements must be made to pay the provider directly rather than reimbursing the government.” If we are going to pay the utility provider directly, why can’t the developer negotiate a rate with the commodity provider (not Government) rather than pay the non-DoD non-Federal rate, especially if there is the potential to get a better deal than the non-DoD non-Federal rate?</p>	<p>Until the SO is able to connect the utility lines to the local provider instead of having the commodity provided through the base utility lines, the SO will need to pay for the utilities at the non-DoD non-Federal rate.</p>

28.	<p>Ref Pg 96, Para 3.4.6: Reinvestment Plan. The third and second to last sentences in the paragraph states that the Reinvestment Plan shall also provide for the 25-year modernization and upgrade requirement. With the exception of the 25-year modernization and upgrade requirement, the Plan shall be fully supported with funds from the Reinvestment Account. What does this mean? It indicates that the Reinvestment Plan will provide for (fund?) the 25-year modernization and upgrade requirement but won't fund it. If it is not to be funded from the Reinvestment Account, where are the funds to come from?</p>	<p>The Reinvestment Plan work, with the exception of the 25-year modernization and upgrade, should be funded solely from the Reinvestment Account. The 25-year modernization and upgrade may be funded from the Reinvestment Account and from re-financing of the project. It is not the Government's intent that the mid-term work be funded solely from the Reinvestment Account.</p>
29.	<p>Ref Pg 100, Para 3.5.16, Water and Wastewater: This paragraph indicates that the SO shall become the owner and legal operator of the water and wastewater systems conveyed and shall operate these systems in compliance with the Safe Drinking Water Act (SDWA) and the Clean water Act. Please indicate in the RFP where the water and wastewater systems that are to be conveyed are identified? Were the conveyed water and wastewater systems previously required to be certified by the applicable State while under government control? If so, please provide name and contact information for the State individual responsible for this certification? If we are to become certified as the owner and legal operator, this assumes that the government was certified as the previous owner and operator. If the government was not certified as the previous owner and operator, what happens if we cannot obtain certification because of a preexisting condition? The requirements in this paragraph appear to be a direct "lift" from the Texas State requirements. Texas is the only State having such requirements. Why should this be applicable to the bases in the other three States? Was the cost of being the owner and operator of these systems considered by the Air Force when it ran it's Pro forma? Does the owner and operator requirement end after the commodity is privatized? Normally, homeowners do not have to be certified. We are being provided a commodity that the Air Force purchases or produces / provides from its own resources. We as a developer (like the homeowner) should expect that the commodity that is provided (by private entity or the Air Force) will be safe and meet all quality and health certifications. Is this section</p>	<p>In none of the four bases will the SO become the owner and operator of the Government-owned water plant or the sewage disposal plant providing service to the privatized housing. However, the SO will be responsible for these distribution systems within the leased land boundaries. The SO must abide by the applicable codes and standards relative to the state where the base is sited.</p>

	inappropriate for the RFP?	
30.	Ref Pg 106, Para 4.9.1, Proposal Presentation and Pg 108, Para 4.11.3, Submittal Requirements: In neither location does it indicate if the following items are included in the page count: (1) tabs (blank divider pages), (2) Table of Contents and (3) List of Acronyms.	Tabs, Table of Contents and a List of Acronyms used by the Offeror will not be included in the page count.
31.	Ref Pg 107, Para 4.10, Execution of the Proposal: This paragraph requires a Cover Letter and Submittal Letter. The Cover Letter format and contents are outlined in Appendix H. Is the Submittal Letter the same as the Cover Letter? If not, please provide the information required by the Submittal Letter?	The Cover Page and Submittal Letter are two different documents. Appendix H is the Cover Page and is to be included in each volume. The Submittal Letter is a document forwarding the Offeror's proposal. There is no prescribed format for the Submittal Letter except for the guidance contained in Section 4.10.1.
32.	Ref Pg 108, Para 4.11.3, Submittal Requirements: The paragraph indicates that the Executive Summary is to be placed in the beginning of each volume and part of the volume. We assume that the number of pages for the Executive Summary is not included in the page limits established for each Volume. Is that correct?	As shown in Table 23, the Executive Summary is limited to 12 pages. The other Volumes or Parts of Volumes (e.g. Vol I, Part A) have their own respective page limits as also shown in Table 23.
33.	Ref Pg 113, Para 4.11.5.2.2.1, Design of Housing Units and Other Support Facilities: It is not clear how many elevation drawings are required. Para 4.11.5.2.2.1b) indicates that the Offeror shall provide one elevation drawing for each installation for one of the new units listed above. We interpret this to mean one elevation for a 3-bedroom E-6 (or a 4-bedroom E-8 but not both) for Altus, for Luke, for Sheppard and for Tyndall. This is a total of four elevations, one for each base new 3-bedroom E-6 (or a 4-bedroom E-8) unit type. Is this correct?	Yes, this is correct. The Offerors will be required to submit a total of four (4) elevation drawings – one for each base.
34.	Ref Pg 113, Para 4.11.5.2.2.1, Design of Housing Units and Other Support Facilities: It is not clear how many street scenes are required. Para 4.11.5.2.2.1c) indicates that the Offeror shall provide a community street scene that depicts the architectural features of the new housing at each installation. We interpret this to mean that we will have four street scenes, one per base. The scenes will show the architectural features of the new housing but the scenes do not have to include the particular elevations provided in Para 4.11.5.2.2.1b). Is that correct?	Yes, this is correct. The Offerors will be required to submit a total of four (4) artist's renderings of a street scene in the community for each installation that depicts the architectural features of the new housing – one for each base.
35.	Ref Pg 117, Para 4.11.7.4 Financial Statements: Currently any company that is hired to do the construction or management, regardless of whether or not they have any equity or monetary risk in the project is classified as a significant party and must provide two years of certified financial statements. This is a very stringent requirement that serves no	Section 4.11.7.4 is clear – “The Offeror shall submit two years of financial statements prepared by a certified public accountant under audit standards provided by the American Institute of Certified Public Accountants; and notes thereto for all significant parties to the transaction. A

	<p>purpose. Only the company or companies that will be providing equity or with which the loans will be made should be required to provide financial statements. It is up to the SO to ensure that his contractors and subcontractors are financially sound. The Air Force will hold the SO liable not the contractors, party members or subcontractors. Request that the portion pertaining to “, that is a major contractor or management company hired to do the work or any other parties which are described as key members of the Offeror’s team under Sections 4.11.7.3” be deleted.</p>	<p>significant party is any party that shall sign the Lease of Property (individually or as a partner or member of the Offeror), that owns 10% or more of the Offeror (may be the primary developer or operator), that is a major contractor or management company hired to do the work or any other parties which are described as key members of the Offeror’s team under Sections 4.11.7.3.” There is nothing in this section that requires the financial statements of sub-contractors. Also note that at this submittal, certified financial statements are not required – just financial statements prepared by a CPA.</p>
36.	<p>Ref Pg 64, Para 3.3.5.2.3, Density: This paragraph implies that GOQs, SOQs, and Key and Essential (K&E) Personnel are to be located in one distinct area. Is this correct even though Key and Essential personnel can include enlisted personnel and normally specific unit addresses are not identified for K&E personnel, as is a means to ensure these personnel can obtain housing by receiving a higher priority placement? This paragraph also implies that SNCOs and JNCOs cannot be located in the same area. Is this correct?</p>	<p>The phrase “and Key and Essential” will be removed from Section 3.3.5.2.3.</p>
37.	<p>Pg 70, para 3.3.6.3.1, Desired New Housing Construction Features: In paragraph 3.3.6.3.1, 2, it indicates additional square footage above the programming benchmark. Now that minimum square footages have been added, should this not be changed to “above the minimum”?</p>	<p>No. For new construction, the Government desires the SO to provide square footage homes that are greater in size than the programming benchmark.</p>
38.	<p>Pg 70, para 3.3.6.3.1, desired New housing Construction Features: In paragraph 3.3.6.3.1-14, it indicates a desired feature for all units are covered patios. In paragraph 3.3.6.2.3, Exterior, covered rear deck or patio is required. Which list should it be on, required or desired?</p>	<p>The requirement to provide covered patios as stated in Section 3.3.6.2.3, Exterior, is correct. The desired feature #14, covered patios, has been deleted.</p>
39.	<p>Appendix I includes a Non-Disclosure Agreement. Is this NDA required to be submitted with our Step 1 proposal and if yes, which volume is this to be submitted within?</p>	<p>The Non-Disclosure Agreement, Appendix I, shall be submitted whenever an Offeror has proprietary information contained in their proposal regardless of whether it is in the timeline for the submittal of proposals by all Offerors or by the HRO. Recommend you include it following your submittal letter.</p>
<p>Questions and Answers as of 24 Jan 05</p>		
40.	<p>The last sentence in the second paragraph in para. 3.3.9.6.3 indicates that the SO will reimburse the</p>	<p>If the utility commodity from a local commercial source is transmitted through</p>

	<p>Government for actual usage, once a month, for those utilities provided by the government. We are assuming that there is a difference between “providing” and “maintaining and transmitting”. The term providing is applicable to the water and sewer commodities? Please clarify.</p> <p>If the provider is paid directly and the utilities are not privatized how will the government be paid for the services of maintaining and transmitting the commodity? Will the developer be charged?</p>	<p>the Government-owned utility lines to the privatized housing, then the local utility provider shall be paid directly by the SO at the non-DoD non-federal rate. This would include the costs of maintaining and transmitting the commodity. If the Government is the generator of the commodity, then the Government will be reimbursed as stated in Section 3.3.9.6.3, which includes the cost of maintaining and transmitting the commodity.</p>
41.	<p>Pg 77, para 3.3.8.2.6, Energy Savings Performance Contract: In paragraph 3.3.8.2.6, it indicates the SO must buyout this contract as part of this privatization initiative. In discussions with Honeywell, they indicated they would be willing to continue the contract with the SO, but are unsure if the SO can assume the contract. In follow-on discussions with Luke AFB, they indicated they did not believe we could assume the loan nor could we pay it off for the Air Force. Our understanding from similar situations in privatization deals the Air Force should be responsible for paying off the loan and taking ownership of the assets prior to financial close. The assets are then transferred to the SO as capital assets. Please clarify.</p>	<p>The current ESPC that exists between the Air Force and Honeywell does not permit the loan to be assumed by a third party. Also, there is no language in the contract that prevents a third party from paying off the balance. Therefore, the language in Section 3.3.8.2.6 remains unchanged.</p>
42.	<p>Ref Appendix E, Pgs E-1, 2, 3, Utility Rates: Please confirm the non-Federal Unit Costs for Natural Gas at Altus AFB and Sewer at Luke AFB? Please confirm that the Unit for Natural Gas at Tyndall is KCF and not MCF as stated?</p>	<p>The Unit for Natural Gas at Tyndall AFB is KCF and not MCF. The Luke AFB non-Federal unit cost for sewer is correct as shown in Appendix E.</p> <p>The number shown for Altus non-Federal Cost for Natural Gas needs to be removed. Instead, a note will read “The Oklahoma Corporate Commission does not permit Altus AFB to resell gas to a third party. Therefore, arrangements will need to be made with Southwest Gas to connect directly to the utility provider upon closing of the transaction.”</p>
43.	<p>We've been unable to find CAM score breakouts in any documents other than the Housing Community Profiles posted for each base on the PSC website. A specific example is Altus AFB: (1) The RFP, pg 16 has a Parcel A (Capehart) listing for 102 units with a CAM score of 3.72; the HCP pg 4-297 has the R-type units listed for 102 units and a CAM score of 3.42. (2) Granted the 102 units listed in the RFP may not be the same units as the R-type units, but looking at Bicentennial is even more telling. The RFP pg 16 has</p>	<p>Recommend you use the CAM score data in the Housing Community Profile (HCP). Additionally recommend you consider the HCP CAM scores within the context of your internal analysis of their "competitiveness" against local housing market homes.</p>

	<p>80 units with CAM scores ranging from 3.50 to 3.62, while the HCP pg 4-298 has CAM scores ranging from 3.12 to 3.48. The highest CAM score in the HCP is below the lowest CAM score in the RFP. We understand the CAM scores in the RFP are not the sole determinant for the condition of housing, but we want to make sure we're looking at the right documents when trying to understand how the AF sees the status of the housing inventory on each base.</p>	
44.	<p>I would like to have the following documents from each of the four bases:</p> <ul style="list-style-type: none"> * Topographic maps for each base * Aerial photographs for each base housing area/proposed area (most current available) * Soils reports for construction done in the housing areas, or other parts of the base if none available for the housing areas (areas nearest the housing areas preferred) 	<p>Aerial photographs of the housing areas at the four installations were briefed at the AETC Group I Industry Forum. The Base Development Packages briefing that contains the aerial photographs can be found on the PSCMHC web site, www.pscmhc.com, under the heading Industry Forum/Industry Forum Products. Topographic maps and soil reports that are available for each base will be placed on the PSCMHC web site.</p>
45.	<p>In Appendix E - Utility Sales and Consumption Rates, table 2 for Altus AFB has "\$" signs in front of the numbers listed in the Amount column. Are these amounts the total cost of the utility or the quantity of the utility consumed? The amounts listed in the same table for the other installations appear to be quantities.</p>	<p>There should not be dollar signs in Table 2 for Altus AFB. These should be removed as the numbers are quantities and not dollar amounts.</p>
46.	<p>In Appendix E for Tyndall AFB, the Annual Utility Consumption reference year of FY03 is different than the Utility Sales Rate table of FY04. Is this correct?</p>	<p>The Annual Utility Consumption year for Tyndall AFB should be FY04 instead of FY03 as shown.</p>
47.	<p>Is it possible to get the G-Tab utility maps for the housing area on Altus AFB that shows utilities marked with different colors?</p>	<p>The G-Tab utility drawings for water, sewer, gas, electrical and storm drainage will be posted in the Altus AFB area of the PSCMHC web site, www.pscmhc.com.</p>
48.	<p>Is it mandatory that Offerors follow the displacement guidance outlined in Section 3.3.9.6.2 for the years between the end of transition period and ten-year limit on demolition of surplus units?</p>	<p>Yes. The displacement numbers listed in Section 3.3.9.6.2 for the four installations are applicable during the transition period when major construction and renovation is on-going as well as when surplus houses are being demolished up until the end of the tenth year.</p>
49.	<p>Is it permissible to have a total number of units greater than then end-state number at the end of the transition period?</p>	<p>Any units in excess of the end-state requirement at the end of the transition period would be the surplus units that are required to be demolished not later than the end of the 10th year after award.</p>
50.	<p>At Tyndall AFB, is there the requirement for the SO to provide office space for Air Force housing personnel after award of the privatization project? Is</p>	<p>There is no requirement for the SO to provide office space for Air Force housing personnel following award of the contract. This requirement only exists at Sheppard</p>

	this outlined / confirmed in the RFP?	AFB and only if the SO chooses to use the current housing office as outlined in Section 3.3.5.1.6.
Questions and Answers as of 14 Feb 05		
51.	Request clarification of the items to be submitted in support of our lender selection as specified in paragraphs 4.11.5.1.2 and 4.11.5.1.3. Specifically, we understand that we are to provide a cover letter and term sheet from the selected lender. For all the lenders considered we are to provide a summary of their proposal submissions with the rationale for choosing the selected lender, an evaluation of each lender according to the specified qualitative criteria in paragraph 4.11.5.1.3b) and an evaluation of each lender according to paragraph 4.11.5.1.3c). Due to the size of the lenders proposals, do we have to submit copies of each lender's proposals? And if so must they also be put on the CD-ROM?	A copy of the lender's proposal is only required of the lender selected by the Offeror, and should be placed on the CD-ROM. However, the Offeror shall provide an evaluation summary for each of the financing firms' proposals. This would be a minimum of three. The summary shall provide a rationale detailing the qualitative criteria contained in Section 4.11.5.1.3. Finally, the Offeror shall provide the Quantitative Financing Evaluation Chart (Appendix BB) enabling the Offeror to calculate an All-in Cost of Financing for each proposal.
52.	In addition to the paper copies of the certified financial statements, must the statements also be put on the CD-ROM?	Section 4.11.7.4 requires the Offeror to submit two years of financial statements prepared by a certified public accountant under audit standards provided by the American Institute of Certified Public Accountants; and notes thereto for all significant parties to the transaction. These should be included in the CD-ROM. The HRO, however, is required in Section 6.2.3.1.2.1 to submit audited financial statements prepared by a certified Public Accountant in accordance with GAAP that will verify the reviewed financial statements previously submitted in Vol I, Part A.
53.	Regarding the streetlights on Sheppard AFB, are the light poles, underground wiring, etc. in good shape?	The number and properties of the streetlights in the housing area on Sheppard AFB will be posted on the PSCMHC web site, www.pscmhc.com . Other pertinent data pertaining to the electrical system within the housing areas on Sheppard AFB is contained in Section 2.0 of the RFP.
54.	Are the Offerors required to use the Appendix E non-DoD utility rates in their pro forma?	The Non-DoD rate is the rate the Government would charge you if you continued to buy the commodities from them instead of hooking up directly to a local utility provider. If you have a better rate from the local utility provider, you may use that in your pro forma provided you are able to connect

		directly to the local utility provider instead of using the base feeder lines.