



Offutt AFB Housing Privatization Beat



What's New?

When we contacted you last, the Request for Proposal (RFP) was being prepared for Congressional Notification of release. Now, we are happy to report that the solicitation process for the Offutt housing privatization project has begun! This means selection of a developer to revitalize and manage housing at Offutt AFB is fairly imminent. Consequently, we believe it is necessary to help you understand how this developer is selected. This issue's *Feature* provides an overview of the process utilized to evaluate proposals and award the project.

In the Spring 2003 issue of the "Beat," we mentioned that the newsletter, which was formerly issued monthly, would become a quarterly publication. Since then, it has become obvious that there is more news to report over the course of three months than from month-to-month. In other words, we have a lot of information that will bring you up to date on your privatization project!

With privatization rapidly approaching, residents' chief concern is how to prepare for the transition. The *Question of the Quarter* provides you with information to help make the change as seamless and transparent as possible.

Remember, since the "Beat" is published in conjunction with the quarterly *Military Family Housing Gazette*, it will be delivered directly to each housing unit.

Program Updates

Step 1 Complete, Step 2 Starting – When the last issue was published, we

were still trying to finalize the RFP. Since then, the RFP has gone through Congressional Notification and has been released. First, Step 1 proposals were received and evaluated. Next, invitations to participate in Step 2 were distributed. Step 2 proposals are due in the first week of November. The two-step proposal process is further described in this issue's *Feature*.

Property Taxes – The *What's New?* section of the September 2002 issue mentioned that local newspaper articles reported the possibility of property taxes being levied on the privatized housing units at Offutt. Over the last couple of months, additional articles have been published that more clearly define Sarpy County's intent to tax houses once they have been privatized. Since the developer is responsible for paying taxes, this will not impact occupants.

Latest Milestones – Project milestones have changed slightly. The revised dates are as follows:

Receive Step 2 Proposals	Nov. 2003
Close Project	Apr. 2004
Start Construction	Jun. 2004
Complete Construction	Dec. 2012

Feature: The Proposal Evaluation Process

The acquisition portion of the privatization project, which results in the selection of the developer, officially began when the RFP was released in June. It will end when the developer (otherwise known as the

successful offeror or SO) is selected. As this process is currently underway, we thought it would be worthwhile to explain how the SO is chosen.

The selection process allows the Government to assess the overall qualifications of each potential developer (offeror). As mentioned in *Program Updates*, the selection process involves two steps.

Step 1: "Down-selection" to a specified number of qualified offerors.

This down-selection ensures the most qualified offerors are given an opportunity to continue competing for the project.

Step 1 involves evaluation of an offeror's overall qualifications and capability to meet the needs of the RFP. Any developer interested in the Offutt project may submit Step 1 proposals before the specified due date. A team of Government representatives known as the Acquisition Support Team (AST) evaluates the proposals against specific criteria. The evaluation factors considered in Step 1, which are of equal importance, are summarized below:

Factor 1: Business Arrangements – Assesses the offeror's organizational structure, individual team members, and overall management approach to the privatization project.

Factor 2: Financial – Assesses the offeror's current financial condition and ability to obtain the financing needed to meet the requirements identified in the RFP. This factor also analyzes the offeror's preliminary cost estimates and strategy for obtaining/generating adequate funding.

Factor 3: Project Concept – Assesses the offeror’s general proposal on how they will accomplish the initial redevelopment requirements (i.e., demolition, construction, and renovation) as well as long-term property management services.

Factor 4: Past Performance – Assesses the offeror’s performance and breadth of experience performing similar work.

Step 2: Invitation to submit a proposal.

After completion of Step 1, offerors invited to participate in Step 2 are notified and have 60 days to submit Step 2 proposals. These proposals are much more technical and detailed than those submitted in Step 1. Step 2 proposals are evaluated based on three factors that influence the overall quality of the project:

Factor 1: Financial – Thoroughly assesses how well offerors have structured financing and have developed a plan to ensure the long-term viability of the project. This is considered the most important factor in Step 2 because the offeror’s ability to fulfill the RFP requirements hinges upon its ability to obtain sufficient up-front financing and continue generating enough revenue to sustain the project.

Factor 2: Design and Construction – Assesses the offeror’s detailed plans for the initial development. This includes the initial community development and housing facility designs and construction management plan (including proposed construction schedule).

Factor 3: Property Management – Assesses the offeror’s plans for long-term operation and maintenance of the housing areas. This includes assessment of several required plans, including the unit occupancy plan, facilities maintenance plan, reinvestment plan (for construction projects beyond the initial redevelopment), and utilities management plan.

To summarize, in order to be a successful contender, the offeror must have three things:

- a financially sound plan that carries the project through the entire 50-year lease,
- a project concept that provides safe, quality, and affordable housing, and
- a solid plan for continuing to provide a high level of property management customer service throughout the lease term.

The selection of the SO will not be based on a “lowest bidder” concept. The goal is to choose the offeror that provides the **best value** to the Government, i.e., the one who provides the most value with the least negative impact to the Government. Cost is not necessarily the most important consideration.

Based on the number and range of factors utilized to assess each Step 2 proposal, in order for an offeror to become the SO, he/she must have a high-quality package. With this in mind, the SO who is responsible for privatized housing will be more than capable of providing the quality of life improvements military families deserve.

Question of the Quarter

What should I do to prepare for housing privatization?

Tenants should contact the Offutt housing privatization Project Management Office (PMO) for assistance in preparing for the transition to privatized housing. During the transition, tenants’ responsibilities will include:

Attending the Town Hall Meeting: Shortly after selection of the SO, a town hall meeting will be conducted to introduce the SO to military families. During the meeting, the SO will present the proposed community concept plan, discuss the project schedule, explain the upcoming sequence of events, and provide occupants an opportunity to ask questions. The town hall meeting will be announced on the Offutt housing privatization Web page

(www.offutt.af.mil, under “business opportunities”), in *Roll Call*, and via other media outlets.

Signing a Lease: Occupants of privatized housing will be required to sign a lease. For current occupants, the plan is to complete initial leases en masse. The PMO is currently working on a plan to accomplish this as easily as possible, and will provide more details as the date approaches.

Establishing Allotments: In conjunction with the lease, occupants will set up allotments from their paycheck that will automatically transfer funds to cover their rent. Details will be worked out and finalized with the finance office, but the plan is to accomplish these at the same time as the lease signing.

As you can see, preparing for the transition should not cause significant concern. Occupants should, however, continue to stay abreast of developments. The PMO will update the Web page as information becomes available. Although some names and roles will change, the Air Force will continue to play an active part in ensuring military families have access to safe, quality, and affordable housing.

Additional information on preparing for housing privatization is available in the first issue of the “Beat” (March 2002).

Upcoming Milestones

Step 2 Proposals Due for Offerors	Nov 03
Transaction Close	Apr 04

Direct all questions to the Contracted Project Manager (CPM):
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