

ERNST & YOUNG LLP
Privatization Support Contractor

PROJECT EXECUTION PLAN

**FOR PRIVATIZATION OF
MILITARY FAMILY HOUSING**

Wright-Patterson AFB, Ohio

28 June 2001

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1.0 INTRODUCTION

The purpose of this Execution Plan is to identify the specific methodologies, project organization and team structure, and milestones for Ernst & Young (“E&Y”) performing its responsibilities as an Air Force Privatization Support Contractor (“PSC”) for Wright-Patterson Air Force Base (“WPAFB”) Housing Privatization Project (“Project”). The Execution Plan will cover phases of the privatization process from soliciting industry interest and evaluating offerors up to and including transaction closure. The Execution Plan will describe E&Y’s approach and processes for:

- (1) researching and identifying interested industry sources,
- (2) communicating with industry and Air Force workgroups during all phases including handling of input and inquiries from offerors,
- (3) releasing the Request for Proposals (RFP) to industry for comment,
- (4) conducting discussions during the solicitation phase,
- (5) applying selection criteria and overseeing the selection process,
- (6) transaction closure, including the development of a pre and post award checklist and conducting a post award and transition workshop with Air Force personnel and the Successful Offeror prior to closing,
- (7) documenting communications
- (8) compiling and responding to inquiries from potential Offerors throughout the entire process
- (9) coordinating with the Contracting Officer (“CO”) prior to release to the offerors or the public of any written communications regarding modifications to the draft RFP.

This Execution Plan also identifies when the Preliminary Economic Analysis and the Preliminary Budget Scoring Report for the Project will be updated and finalized. These tasks are generally required as part of the Deputy Undersecretary of Defense for Installations DUSD(I) and Congressional notification of award process.

This Execution Plan first provides an overview of E&Y’s roles and responsibilities (Section 2.0), followed by detailed discussions of E&Y’s proposed steps, methodologies and procedures for addressing Project Identification (Section 3.0), RFP and Concept Approval (Section 4.0), and Developer Selection Process and Transaction Closing (Section 5.0). The Execution Plan also includes the following appendices:

- A. Competition Plan, which provides a detailed plan for reviewing and assessing proposals and establishing the basis on which the competing offerors will be evaluated to arrive at “best value” recommendation to the Air Force,

- B. Project Milestones and Schedule, a Microsoft Project schedule, which details necessary steps and events up to and including closing the transaction,
- C. Project Team Roster, showing PSC staff and subcontractors as well as AST staff that will be used in assessing proposals for the Project, and
- D. A list of sample Assessment Forms and other templates. This list contains proprietary documents created by E&Y that have been developed and utilized successfully for other privatization projects. In particular, many of these documents were created specifically for the proposal assessment process. The purpose of this and other forms and templates we will utilize is to assist in the assessment process by abstracting key information from the proposals that form the basis upon which rating criteria will be applied. The actual forms and templates may be included in Acquisition Support Team (“AST”) briefings to summarize key proposal information.

The Execution Plan should serve as a clear road map to the AST for how E&Y intends to attract the maximum number of qualified potential bidders and conduct the solicitation and proposal assessment process in a manner that we believe will be fair and competitive to bring the best value housing construction, renovation, and project management to WPAFB service members and their families.

2.0 E&Y ROLES AND RESPONSIBILITIES

As PSC for WPAFB, E&Y will play a vital role in supporting the AST throughout the acquisition process. E&Y’s responsibilities will include:

- obtaining industry interest in the Project,
- conducting an Industry Forum,
- finalizing and issuing the RFP with assistance from the AST,
- receiving, reviewing and assessing proposals,
- briefing the AST on the results of the assessment, and support the AST in briefings to ASC/CC, AFMC/CV, Air Staff, DUSD(I), and Congress, and
- assisting in closing the transaction.

Although E&Y will work hand in hand with the AST, E&Y is not part of the AST. E&Y, as an advisor to the AST, will use its experience and lessons learned on prior privatization transactions to assess the proposals and offer ongoing guidance and recommendations to the AST throughout the transaction process. In accordance with AFCEE guidance, E&Y will not perform any tasks which are inherently governmental. In short, this means E&Y will not make decisions for the Air Force or obligate the Air Force in any to any future requirements or liabilities.

Moreover, E&Y’s role as the PSC is to serve as the primary point of contact for offerors and the Air Force during the privatization process.

3.0 PROJECT IDENTIFICATION (PHASE I)

TASK COMPLETED

4.0 RFP AND CONCEPT APPROVAL (PHASE II)

TASK COMPLETED

However, to the extent that the AST approves material changes to the RFP as a result of industry feedback and the PSC review, such changes may require additional review and approvals from the Air Staff and OSD.

5.0 DEVELOPER SELECTION PROCESS (PHASE IIIA)

5.1 SOLICIT DEVELOPER INTEREST

Based on our prior experience soliciting industry interest in privatization transactions, E&Y recommends the following communication strategies to inform and receive feedback from the development community regarding the WPAFB Project:

- **CBD Announcement** – E&Y will prepare an advertisement for the Air Force to publish in the Commerce Business Daily to announce the WPAFB Project solicitation.
- **Direct Communication with Real Estate Development Industry Entities** – E-mail and ground mail notices, in the form of a “Save the Date” announcement for the Industry Forum will be used to communicate with the real estate development industry. E&Y may make limited direct phone calls to certain individuals and organizations whose addresses are not available, or whom E&Y determines could potentially be interested in learning about the Project. Furthermore, E&Y will directly notify and solicit parties that have attended other privatization Industry Forums or who have otherwise expressed an interest in military housing privatization, and parties whom E&Y believes, through our knowledge of the industry, should be contacted.
- **E&Y Real Estate/Construction/Capital Market Industry Database** – E&Y will utilize its vast database of client and customer contacts in the real estate, construction, and capital markets sectors to ensure relevant industry participants are aware of the privatization transaction.
- **Notices in Local and National Periodicals** – This process includes advertisements and notices in newspapers, journals, and newsletters that will reach small and large entities in both close geographic proximity to the Project location and across the country. Such publications may include, but not necessarily be limited to:

- **Dayton Business Journal**
- **Dayton Daily News**
- **Wall Street Journal**
- **New York Times**
- **Los Angeles Times**
- **Defense Communities Magazine published by the Professional Housing Managers Association (PHMA)**
- **National Association of Home Builders (NAHB) Newsletter**
- **National Association of Installation Developers (NAID) Newsletter**
- **Urban Land Institute Magazine**

It is our intention to conduct this advertising process in a manner that is reasonable, fair, and cost-effective. In addition, the extent of advertising will be based on the AFCEE approved Statement of Work and budget for the Phase 3.2.7 – Project Offers and Proposal Assessments Task Order.

5.2 CONDUCT THE INDUSTRY FORUM

E&Y will conduct a two-day Industry Forum at WPAFB as one means to provide potential bidders and local community groups with an overview of the financial and technical elements of the Project, as well as an overview of the solicitation process. E & Y shall post pre-solicitation documents, including the technical, financial, and legal requirements, and evaluation standards be made available, via E&Y's Privatization Support Contractor website (www.eypsc.com). Informing industry participants with pre-solicitation documents will help make the Industry Forum a meaningful exchange, thereby resulting in a clearer RFP and better proposals (i.e., proposals with fewer deficiencies). The Industry Forum will also afford potential bidders an opportunity to tour each housing area included in the Project. Potential bidders will also be able to schedule one-on-one interviews with a team of PSC and AST representatives to talk individually about the Project.

In preparing and planning for the Industry Forum, E&Y will review past Industry Forum project documentation (e.g., Questions and Answers (Q&As), lessons learned, agenda, attendee list, and briefings) from other privatization projects. While E&Y will take the lead in planning for and conducting the Industry Forum, certain roles and responsibilities will be shared between E&Y and the Base Project Manager (BPM) as follows:

E&Y:

- Compile list of potential attendees
- Design, produce, e-mail and ground mail (where e-mail is not available) “save the date” notices

- Identify, invite, and coordinate participation of guest speakers and distinguished guests, other than those representing WPAFB
- Prepare agenda, handouts, and nametags
- Facilitate and moderate discussions and deliver presentations on certain aspects of the Project and solicitation process
- Oversee and manage Industry Forum registration
- Lead bus tour through housing units and other relevant areas of the base with assistance from the BPM

Base Project Manager (BPM)

- Identify and arrange appropriate locations for both days of the Industry Forum
- Ensure that all necessary supplies and equipment, including audiovisual, is available in the meeting room(s)
- Coordinate logistics for entering the base including supplying maps and directions,
- Supply personnel to assist in on-site Industry Forum registration, including sign-in and receipt of nametags and handouts
- Provide accommodations for refreshments
- Coordinate bus tour logistics and supply personnel to assist the PSC in conducting tours of selected housing units and other relevant areas of the base
- Participate in presentations and Q&A's
- Review and approve potential attendee list and guest speakers
- Review and approve all documents, advertisements, and other materials prepared by the PSC

Within one week following the Industry Forum, and in accordance with the approved schedule, E&Y will do the following:

- Research, document, and prepare written responses (in MS Word format) to questions presented during the Industry Forum
- Coordinate these responses among members of the AST
- Submit an After-Actions Report documenting the results of the Industry Forum
- Subsequent to the AFCEE Contracting Officer's ("CO") written approval, post the final Q&As, final briefing slides, draft WPAFB RFP sections (in PDF format), and final attendee list on E&Y's Privatization Support Contractor web site. The BPM will be

responsible for ensuring that all relevant informational materials are coordinated with the necessary Base personnel prior to release to the Public.

5.3 FINALIZE THE RFP

E&Y will review the RFP including related legal documents, provide comments in the form of a Feedback Report, including a blacklined version of the RFP showing E&Y's proposed changes compared to the draft provided by AFCEE. E&Y will coordinate suggested revisions with the AST. AFCEE will document consensus decisions reached regarding each submitted comment. The RFP documents will incorporate all RFP sections to include scope, solicitation process, proposal instructions, evaluation criteria and basis for award, construction and warranty bonding, and post-award requirements. The RFP will also address the financial, legal and business aspects of the proposed project to satisfy Air Force objectives for housing privatization at WPAFB. The desired outcome of this effort will be an RFP document ready for issue during the Project Acquisition Phase (Phase III) of the Wright-Patterson Housing Privatization Project.

Prior to issuance of the RFP, it is E&Y's understanding that AFCEE consents to E&Y directly answering telephonic, electronic and/or written inquires of a technical nature about the Program or project either made to E&Y by industry and non-federal Government representatives or forwarded to E&Y by others. E&Y can also meet with industry and non-federal Government representatives to discuss project details, and proactively approach industry representatives known to be exceptionally qualified and/or experienced in housing to further encourage their participation in the project. During this pre-issuance phase, E&Y will document all communications, and post on our website all questions and answers that are not proprietary to potential offerors. E&Y will coordinate offeror communications with the Air Force on any issues that deal directly with Air Force policy.

After the RFP is issued, E&Y will limit its communications to only that necessary to assist the Air Force conduct a fair, open, and competitive solicitation, including clarifications and Evaluation Notices. All communication with offerors will be thoroughly documented and filed.

5.4 PRE-QUALIFY OFFERORS

The acquisition strategy for WPAFB Project is to utilize a streamlined, non-FAR (not governed by Federal Acquisition Regulations), “Best Value” solicitation that encourages maximum flexibility in proposal development within the parameters set forth in the solicitation. The goal of the source selection strategy is to select the proposal that best realizes the WPAFB housing goals and demonstrates the private party's commitment to a long-term relationship with WPAFB and the local community. “Best Value” is defined as the proposal offering military families housing with the most outstanding quality designs, construction, and real estate services, in a secure and well planned community for the 50-year term. The Air Force will determine the “Best Value” based on an integrated assessment of financial and technical strategy factors and the costs to the Government of any subsidized financing (Government loan guarantee and/or Government direct loan), as well as qualifications/experience and proposal risk described below. The Government reserves the right to select a proposal which is more costly to the Government over a less costly proposal, if the more costly proposal is otherwise more advantageous. The developer selection process will be conducted in a two-step process. The first step will be Qualifications (development program, business & financial, property management) and Past Performance constituting Volumes I and II of the total solicitation document. The qualification evaluation is an examination of the offeror's past performance; expertise; experience, and financial strength as they relate to the offeror's ability to develop, finance, construct, operate and maintain a long-term residential rental development. E&Y has developed a structured methodology and due diligence process for evaluating past performance: expertise; experience; and financial strength. E&Y methodology and due diligence includes, but not limited to, credit examinations, Dun & Bradstreet reports, and potentially site visits to existing projects. This due diligence process will assist in the verification of information that is presented by the Offerors. E&Y recommends that offerors have a minimum of at least 30 days from issuance of the Final RFP to respond with Qualification and Past Performance Proposals.

Prior to the submittal of Step One Qualifications and Past Performance, E&Y will solicit interest from the development community utilizing the process outlined in Section 5.1 above. In addition, E&Y will post the final RFP on the Privatization Support Contractor website, so interested parties can have direct access, and provide copies of the RFP to any interested bidders. Prior to receiving and reviewing Qualification and Past Performance submittals, E&Y will provide orientation training to its team personnel that will be serving on its assessment team and develop a comprehensive work plan and list of documented procedures to ensure the timely and accurate receipt, review and assessment of proposal submittals.

After receipt of the Qualifications and Past Performance Volumes, E&Y may pose questions and seek clarifications from any respondent to specific aspects of their response and if a misunderstanding of a requirement is evidenced, E&Y may allow the respondent who misunderstood a requirement the opportunity to correct their response and resubmit it for reconsideration. E&Y will conduct these clarification procedures consistent with written guidance provided from AFCEE (in the form of Q&A's) regarding the communications with Offerors.

E&Y will evaluate Volume I and II submittals based on criteria set forth in the RFP and the Competition Plan (Appendix A). E&Y will prepare a Qualifications and Past Performance Submittal briefing presenting findings and recommendations, and brief the AST on its findings. E&Y will provide a draft copy of the briefing to the CO with a copy to the Government Project Manager (GPM) for review and approval prior to the AST briefing. E&Y will support the AST in approval decision briefings to WPAFB. E&Y will provide to the CO written responses to Air Force questions pertaining to the briefing. E&Y will not inform offerors of the results of their assessments until after the Air Force issues a written decision regarding which offerors remain eligible to compete in the Technical Proposals. The Government reserves the right to use the qualifications submittal and evaluation to down-select and select no more than five fully qualified offerors without discussions. Furthermore, E&Y will debrief unsuccessful offerors once the appropriate Air Force personnel have approved. The proposed rating methodology to be employed by E&Y is intended to provide the AST with basis upon which to down-select to Step-Two – Technical Proposals. For details on the proposal review and evaluation process, see Appendix A - Competition Plan.

After the down-selection to qualified offerors, but prior to receipt of technical proposals from the selected offerors, E&Y may have discussions with any down-selected offerors to make clarifications or identify potential problems that were uncovered in Step One. The purpose of such discussions would be to help ensure Step Two proposals are responsive to the RFP and to avoid Evaluation Notices. Again, such discussions will be consistent with written guidance provided from AFCEE regarding Offeror discussions.

All pre-qualification materials submitted by potential Offerors will become the property of the Government at the point of delivery to the PSC.

5.5 EVALUATE TECHNICAL PROPOSALS

Step Two will be the Technical Proposal submission, consisting of Volumes III, IV and V. This evaluation will include an integrated assessment of the offeror's proposed development and past performance (Volume II). Its purpose is to: (1) assess how well the offerors have structured the development financing (i.e. will the financing be credible in equity and debt markets and minimize Government commitments and risks); and (2) evaluate how well the construction, management and operation of the proposed development, balanced with the projected Government costs, satisfies the requirements of the solicitation. E&Y will utilize four sub teams to conduct its evaluations: 1) Business and Financial Team; 2) Development Program Team; 3) Property Management Evaluation Team; and 4) Past Performance Evaluation Team. E&Y recommends that down-selected offerors have at a minimum 60 days to respond with Technical Proposals after notification of down-selection status.

E&Y will evaluate Volumes III, IV and V submittals based on criteria set forth in the RFP and described in the Competition Plan (Appendix A). Those offerors identified within the "competitive range" may have an opportunity to discuss and revise their proposals before final evaluations are completed and the Successful offeror is selected. E&Y may pose questions and seek clarifications from any respondent to specific aspects of their proposal and if a misunderstanding of a requirement is evidenced, allow the respondent to correct their proposal and resubmit it for consideration. In situations where information included in proposals is unclear or weak, and in accordance with guidance provided by AFCEE regarding unfair advantage, E&Y may inform an offeror, and allow the offeror an opportunity to strengthen the proposal and resubmit it for reconsideration. If a proposal does not meet RFP minimum requirements, E&Y may inform the offeror of the deficiency, allow the offeror to revise their proposal and allow the offeror to resubmit the proposal for reconsideration. As part of this process, E&Y anticipates several rounds of Evaluation Notices (EN's) as detailed in the Competition Plan, prior to selection of one offeror for exclusive negotiations. The intent of the EN process is to seek further clarification of outstanding issues with offerors and identify noted weaknesses and deficiencies, with the intent of giving offerors the opportunity to resolve issues and improve proposals.

After the EN process is completed, E&Y will prepare a Proposal Assessment Results Report and brief the AST on its findings. E&Y will provide a draft copy of the Report to the CO with a copy to the GPM for review and approval prior to the AST briefing. E&Y will support the AST in approval decision briefings to ASC/CC, AFMC/CV, and ESG/OSD. E&Y will provide to the CO written responses to Air Force questions pertaining to the Report. E&Y will not inform offerors of the results of their assessments until after the Air Force Contracting Officer issues a written decision regarding which offeror is selected for exclusive negotiations.

All technical proposal materials submitted by potential Offerors will become the property of the Government at the point of delivery to the PSC.

E&Y will prepare a report incorporating the OSD Award Approval Checklist for the proposal selected as offering the best value, and will brief the AST on the report. The AST will evaluate the report and develop a recommendation to enter into exclusive negotiations with the selected offeror. The AST will then coordinate the recommendation with other relevant Air Force and Government entities.

6.0 TRANSACTION CLOSING (Phase IIIB)

The Government anticipates there will be a need to resolve additional administrative details during the closing process with the Successful offeror. This may include finalizing the remaining financial contingencies and completing all agreements in order to close. This post-selection process to resolve details will not encompass issues that affect the basis on which the selection decision was founded. If, for whatever reason, the Government and Successful Offeror are unable to complete this process within 60 days of notification of selection, the Government reserves the right to establish a new closing date or to select a new Successful offeror. In the event a new successful offeror is selected, neither the old Successful offeror nor the Government will be entitled to reimbursement of cost or other indemnification from the other party.

Following Air Force selection of the developer, E&Y will confirm with the CO that Congressional Notification has been made before notifying the Successful Offeror. E&Y will provide technical, administrative or other support as necessary to resolve administrative details and to facilitate the transaction process to reach successful closure of the transaction. E&Y support will include, but is not limited to, providing drafting assistance, where requested, subject to prior Government review and approval for all transactional documents necessary to close the transaction with the financing institutions and the developer performing the work, and working with all parties to ensure proper completion and signatures. E&Y will prepare a final Economic Analysis, and Budget Scoring Report, which must be forwarded to the CO no later than 21 days after the selection of a developer. E&Y will also assist AFCEE and AFMC in briefing the ESG and DUSD(I). The transaction will be considered complete when all required real estate and financial instruments are jointly executed by the Air Force and the successful developer/financier and are recorded as required by law. E&Y will coordinate with the Successful Offeror for procedures for them to compile into indexed binders (with table of contents) four sets of all fully executed and recorded (as required) documents, including documents incorporated by reference.

E&Y will submit a progress report and an updated project schedule by the <27th>of each month.

7.0 PROJECT MANAGEMENT (Phase IV)

Under the future phase 3.4 – Project Management task order E&Y also recommends preparing a pre and post award and transition check list as well as conducting a post award workshop during the closing phase of the project. The check list and the work shop will ensure that WPAFB and the selected offeror understand their new roles and responsibilities as lessor and lessee, respectively, and are adequately prepared for responsibilities immediately following closing. The workshop will cover areas such as understanding the final deal documents, confirming conditions

precedent to closing, construction inspection process, setting up a tenant referral system, establishing payment by allotment procedures, establishing a local base level Project Management Team and Management Review Committee, and other detail activities needed for successful transaction closure and transition.

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APPENDIX A: COMPETITION PLAN

INTRODUCTION

This Competition Plan provides a detailed description of how proposals will be received, reviewed and assessed and the basis on which the competing Offerors will be evaluated to assist the Air Force in determining the best value for Wright Patterson AFB. It identifies in detail, the steps to be used in assessing proposals, including the specific evaluation factors and subfactors.

E&Y will initiate a two-step developer solicitation process. Step 1 will consist of the Qualifications and Past Performance evaluation (Volumes I and II). Step 2 will consist of the Technical Proposal (Volumes III, IV and V). Only those Offerors down-selected based on Volumes I and II submitted during Step One will be asked to submit Volumes III, IV, and V during Step 2. Proposals will be submitted as follows:

Volume	Description	Number of Submittals	Page Limit
I	Qualifications (Development Program, Business & Financial & Property Management)	One original, five copies & one electronic copy	50 pages
II	Past Performance	One original, five copies & one electronic copy	30 pages
III	Business Arrangements, Financial Plan and Structure	One original, five copies & one electronic copy	45 pages
IV	Development Program	One original, five copies & one electronic copy	60 pages
V	Property Management	One original, five copies & one electronic copy	60 pages

Color Codes. The following chart summarizes the code system to be used to assign color ratings for each of the factors.

<u>Color</u>	<u>Rating</u>	<u>Definition</u>
Blue	Exceptional	Exceeds specified minimum performance or capability requirements in a way beneficial to the Air Force.
Green	Acceptable	Meets specified minimum performance or capability requirements necessary for acceptable contract performance.
Yellow	Marginal	Does not clearly meet some specified minimum performance or capability requirements necessary for acceptable performance, but any proposal inadequacies are correctable.

Red	Unacceptable	Fails to meet specified minimum performance or capability requirements. Proposals with an unacceptable rating are not awardable.
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STEP ONE - PROPOSAL RECEIPT, REVIEW, AND EVALUATION PROCESS

Proposal Intake Procedures

Step One Proposals will be received in the E&Y office or other designated locations by E&Y staff responsible for proposal receipt. Once a proposal is received, a staff member will record in a *Receipt Log* the date, time and initials of the staff member receiving the proposal plus the name of the sender and any necessary comments. The receipt log is used to ensure that all proposals received off-site have been delivered intact to E&Y and accounted for.

E&Y team personnel responsible for reviewing proposals for completeness will reject any proposal that is deemed to be substantially incomplete. A proposal will be deemed substantially incomplete if it lacks submittal requirement elements as detailed in the RFP. E&Y will document the review by completing a *Substantially Incomplete Review Form* detailing the requirements that are not met.

During the process of determining proposal completeness, E&Y may request additional and supplemental information. With respect to proposals that are substantially incomplete, as described in the *Substantially Incomplete Review Form*, E&Y will not deem it appropriate to request additional and supplemental information, and such proposals will be deemed incomplete.

With respect to those proposals that are not deemed to be substantially incomplete, E&Y may request additional information to complete the submittal requirements of the RFP. In those instances when a proposal is not substantially incomplete, and E&Y requests additional or supplemental information necessary to complete the Proposal, the applicant will be given 3 business days to provide the requested information. If the information is not received within this period, the proposal may be deemed incomplete.

The proposal review process involves assigning of proposals to appropriate reviewer sub teams, and conducting two substantive review phases: an initial review and a final review. Throughout each phase of the proposal review process documentation of results is conducted. The determination of proposal completeness may occur concurrently with the review processes described below.

Initial Review Team

E&Y shall form review teams to perform reviews of proposals not deemed to be substantially incomplete. Initial review teams will be assigned either specific Factors from Volume I or the Past Performance from Volume II. Reviewers will conduct their review and evaluation on their assigned Factors and/or Past Performance for all Proposals submitted. Reviewers will have access to both Volumes, however each team's specific evaluation criteria will be limited to their

assigned Factor(s) to ensure unbiased review and evaluation. Initial reviewers may be E&Y personnel, subcontractors, or members of the AST.

Conflict of Interest

E&Y will conduct an internal conflict of interest review with respect to all Offerors, to determine if they are clients of E&Y. E&Y partners identified as engagement partners for these engagements will be distributed an electronic letter informing them of the nature of the PSC arrangement and our role as proposal reviewers. The letter will also state that E&Y shall not be engaged by prospective developers to assist them with their submissions for the Wright-Patterson Privatization Project. Partners will be required to respond to the electronic letter acknowledging their receipt of the letter. If clients of the firms who submit proposals are identified, consistent with prior DoD MHPI procedures, we will notify the AFCEE contracting officer of such situation and we will take steps to ensure that no one on the E&Y PSC team provides services to such clients

Training

E&Y shall provide appropriate training to reviewers to:

- familiarize them with the E&Y review process;
- inform them of their roles and responsibilities as reviewers;
- engage them in an actual and practical review; and
- assist them in understanding the selection criteria and the appropriate use of review forms and tools for their assigned factors.

E&Y shall seek to assign proposal factors to review teams based on the reviewer's specific industry expertise. E&Y shall assign proposal factors to a reviewer based upon the reviewer's expertise, availability, and a determination that the reviewer has no conflict of interest with his/her assigned proposal factors.

Team Leaders. Reviewers will be responsible for the initial review of his/her assigned proposal factors and reporting and discussing the progress of the review with a Team Leader. The reviewers shall record their assessment of the proposal factors on an *Initial Review Form* to be developed by E&Y.

The Team Leader will be responsible for project management of the review process to ensure that it is completed in a timely fashion by reviewers. The Team Leader will be responsible for ensuring consistency, quality control, and equality across the team. The Team Leader will encourage each reviewer to take advantage of the skills of other team members, to perform the review with objectivity, and to consider all criteria. During the review process, The Team Leader will ensure that each proposal factor review was performed in a fair and unbiased manner and was consistent with the criteria and procedures set forth in the RFP.

Communication with Offerors. During the course of the review, reviewers may request clarifying or technical information from Offerors. Reviewers requesting clarifying or technical information shall note in writing the date and nature of the request and submit the request to a designated E&Y staff who shall serve as the Offeror Liaison. All Offerors subject to the review process shall only be contacted by the designated Offeror Liaison. As clarifying and technical information is received from a Offeror, both the Offeror Liaison and the reviewer will record the date of receipt and the information received on a Clarifying and Technical Information Log.

Each review team shall read the relevant sections of all proposals and complete an evaluation of their competitiveness based on the team's assigned factors and evaluation criteria. Review teams will complete a *Factor Review Form* for all proposals not deemed substantially incomplete.

Final Review Team

After completion of the initial review process, Initial Team members will meet as a group to discuss team findings and recommend ratings for all factors and Past Performance submitted. E&Y shall maintain documentation of the group review discussion by preparing minutes of the discussion. Review team members will have the opportunity to review the minutes to check for accuracy and completeness.

The proposal selection process involves the procedures for developing recommendations by the review teams and the team leaders based on the proposal review meeting. A Final Review Team, consisting of E&Y professionals, subcontractors, and members of the AST will be convened and the Initial Review Team leaders will brief the Final Review Team on the results of the Initial Review. The Team Leaders will answer questions posed by the Final Review Team members and clarify any outstanding issues or items needing resolution. The Final Review Team will develop a final recommendation based on the findings of the reviews. All results from the team reviews and minutes from the Final Review Team briefing will be documented. Members of the Final Review Team will have the opportunity to review the minutes to check for accuracy and completeness.

Prior to recommendation of findings to the AST, each proposal reviewed and recommended will undergo a background check to ensure the Offeror is not on any Federal suspension or debarment list or otherwise excluded from receiving Federal financial subsidies. Pursuant to OMB Circular A-129 and the Debt Collection Improvement Act (DCIA) of 1996, Federal agencies extending loans must screen their applicants for delinquent federal debt and creditworthiness. Similar to application forms used by private lenders and FHA, DoD's borrower application form is a mechanism which allows the Services/DoD to collect specific information about the applicant for the purposes of determining whether the applicant is creditworthy and/or has delinquent federal debt. DCIA goes on to note that all Federal agencies extending credit must collect the applicant's tax identification number and inform the applicant of what the Government will use his/her tax payer identification number for. The purpose is to check for delinquent federal debt during the application phase and to report on loan payment history information once a loan is extended to the applicant. The borrower application form will be included in the RFP and will be a proposal submittal requirement in the Step Two phase.

E&Y will prepare a Qualifications and Past Performance Submittal briefing presenting findings and conclusions, and brief the AST on its findings. E&Y will provide in writing a draft copy of the briefing to the Contracting Officer (CO) with a copy to the Government Project Manager (GPM) for review and approval prior to the AST briefing. E&Y will support the AST in approval decision briefings to WPAFB. E&Y will provide to the Contracting Officer written responses to Air Force questions pertaining to the briefing. E&Y will not inform Offerors of the results of their assessments until after the Air Force issues a written decision regarding which Offerors remain eligible to compete in the Technical Proposals. The Government reserves the right to use the qualifications submittal and evaluation to down-select to no more than 5 fully qualified Offerors without discussions.

STEP ONE: QUALIFICATIONS AND PAST PERFORMANCE

The qualification submittal evaluations will consist of an integrated assessment of financial strategies, technical concepts, qualifications/past performance and proposal risk (Volume I and Volume II). The Government reserves the right to down-select to no more than five fully qualified Offerors whose proposals demonstrate the highest probability of success. The Government reserves the right to down-select without discussions.

In addition to the information submitted in Volumes I & II, E&Y may consider other projects performed by the Offerors and identified through any and all means including but not limited to customer surveys, comments from Government agencies, reference checks, credit checks, and Dun & Bradstreet reports. E&Y may hold discussions during review of Volumes I & II.

Volume I - Development Program, Business & Financial, & Property Management.

Volume I factors are weighted equally – no one factor has more importance than any other. For the evaluation factors listed below, the evaluation standards represent the minimum acceptable to the Government, proposals that exceed these minimums will be evaluated more favorably. The Government reserves the right to select up to five fully qualified Offerors, therefore, Offerors are encouraged to provide their best responses to Volume I for the purpose of exceeding the minimum requirements.

Executive Summary. This summary shall succinctly outline the major reasons why the prospective Offeror, together with others who shall participate in the project (including but not limited to joint venture parties, major subcontractors, lending institutions, etc.) is qualified to carry out the project and associated development identified in the proposal.

The executive summary shall be structured by the Offeror to clearly demonstrate an understanding of the scope of the project. The executive summary must adequately summarize and be consistent with the materials submitted in Volume I. While the executive summary is not by itself an evaluation factor, it will be used as part of an integrated assessment of the Offerors Volume I submittal.

Factor 1: Team Strength.

This factor will be used to evaluate and clearly demonstrate that all significant parties (i.e. corporate entities, joint-venture partners, major subcontractors) and key project personnel (i.e. principals or other key individuals within a significant party) meet minimum standards regarding qualifications and experience.

Offeror shall submit a chart and brief commentary, clearly illustrating how the project ownership is contemplated and identify all parties to the transaction. Offerors shall submit the following information:

- Description of the team's approach to satisfying the project requirements for the entire 50-year term.
- Complete detailed narrative, clearly identifying each principal, partner and/or co-venturer proposing to participate in the project. For each principal, partner, co-venturer or known major sub-contractor identified, identify discipline or specialty (e.g. Community planning, a/e design, development, demolition, construction, demolition, and residential property management).
- Description of the legal form of the ownership, development, and operating entities.

This evaluation standard will be met when the Offeror has the following:

- The significant parties clearly demonstrate, collectively, at least three years experience in each of the following functional areas:
 - Community planning
 - A/E design
 - Development
 - Demolition
 - Construction
 - Residential property management
- Key project personnel have at least ten years real estate and/or construction experience and five years experience in one or more of the functional areas above.

Factor 2: Relevant and Recent Project Experience.

This factor will be used to evaluate and clearly demonstrate that Offerors have recent and relevant experience in development and teaming arrangements comparable to the Wright-Patterson AFB proposed project. The Offerors shall describe in detail recent and relevant experience in development and teaming arrangements with emphasis on the type of financial service/structure, type of project, number of units, project value, and complexity. Offerors shall also describe in detail recent and relevant experience in facility demolition, design, construction, renovation, real estate management, real estate operations and maintenance, and teaming arrangements with emphasis on the type of design, construction and/or real estate management, operations and maintenance services provided, and the specific role of the prospective Offeror and those persons and organizations identified as participants in the proposed project. Relevant

residential development experience shall be limited to developments of \$10 million (as assessed at time of proposal submission) or more and completed within the past five years. Illustrative or other materials (e.g. photographs and renderings) which demonstrate relevant experience may be submitted for evaluation (2 copies each). For each of the projects described, Offerors shall also provide the name, title, affiliation, current address, and telephone number of members of each project team and other persons familiar with the project, including but not limited to the institution which provided permanent and construction financing. Offerors shall also provide the location (street, city, state) of each project, length of time since involvement with project, and phone numbers for current and all previous owners, and tenants (to the extent possible).

This evaluation standard will be met when the Offeror has clearly demonstrated that significant parties have relevant residential development and property management experience, comparable to the Wright-Patterson AFB proposed project, with at least one project of \$10 million or more that was completed within the past five years.

Factor 3: Project Concept/Vision. This factor will be used to evaluate and clearly demonstrate that the Offeror has a clear understanding of the requirements and desired features of the RFP, including the long-term management, operations, maintenance, and capital improvements needed to ensure the project's viability over its 50 year term. The Offeror shall submit a detailed narrative describing Offeror's proposed project concept and vision including an accurate overall description of the intended project design, construction and real estate management, operations and maintenance methodology. Such project concept shall include but not be limited to the following items:

- Use drawings or narrative describing how basic requirements will be met
- Sample floor plans of single and multi-family units
- General description of materials and statement of compliance with fire and life safety codes
- Typical structural cross-section showing single and attached unit construction techniques and materials
- Description of proposed unit amenities
- Description of proposed project site amenities
- Description of the proposed phasing/transition plan
- Description of proposed security plans describing the extent of the security elements incorporated into the project development (i.e., street configurations, lighting and landscaping treatments)
- Description of proposed environmental design elements (i.e., compliance with applicable local, state and federal environmental protection regulations)
- Description of proposed property management administration methodology to include but not be limited to: organization of real estate management group; provisions for on-site management; process and procedures for rent collection, unit assignment, eviction and dispute resolutions

- Description of proposed process and procedures for routine maintenance, change of occupancy maintenance, periodic maintenance and replacement schedules, landscaping and grounds maintenance of units and project site, and pest control procedures

This evaluation standard will be met when the Offeror has:

- Provided all information requested.
- Clearly demonstrated Project concept/vision meets all requirements of the RFP.
- Clearly demonstrated a clear understanding of requirements and desired features of the RFP for the 50 year term of the project. This understanding will be demonstrated with a discussion of the features of the Offeror's proposal. It must address how the Offeror intends to ensure that the project receives adequate investment and how it will be maintained and managed over its 50 year term. This discussion must include, but is not limited to, the following items and the role each will play in the Offerors proposal:
 - Re-investment plan
 - Capital repair and replacement plan
 - Out-year re-debting
 - Out-year replacement or whole house renovation
 - Long-term management plan

Factor 4: Organizational and Management Approach. This factor will be used to evaluate if the Offeror has a clear and understandable organizational and management approach that meets the project management requirements of the proposed Wright-Patterson AFB project. The Offeror shall include a written description and organizational chart identifying the proposed approach to the overall management of the Wright-Patterson project, including a list of key project personnel, their roles, resumes and experience on previous related projects.

This evaluation standard will be met when the Offeror has identified clear lines of authority, and addressed the roles, responsibilities, and breadth of experience of key project personnel.

Factor 5: Credit References. This factor will be used to evaluate the credit worthiness of the Offeror. Offerors shall include the names, addresses, and telephone numbers of at least three credit references with whom the Offeror has done business within the last five years, together with letters addressed to each credit reference authorizing release of information to the Government and its advisors. If the prospective Offeror is comprised of two or more partners or co-venturers, the same information is required of each partner or co-venturer. For those Offerors who intend to use a guaranteed or Government Direct Loan, they shall also list all retired or existing mortgage debt that is in excess of \$10 million. If the Offeror is borrowing the required equity for this Solicitation, this must be disclosed and references for this type of borrowing must be supplied.

This evaluation standard will be met when Offeror has the following:

- Significant parties have not defaulted on any loan within the last 5 years.
- Significant parties provide at least three favorable credit references within the last 5 years.

- Significant parties are not currently filing for bankruptcy nor are they currently in bankruptcy.

Factor 6: Financial Statements. This factor will be used to evaluate and clearly demonstrate the financial strength and capacity of the Offeror. Offerors shall submit three years of financial statements and notes thereto for all significant parties to the transaction prepared in accordance with Generally Accepted Accounting Principles (GAAP). A significant party is any party, which shall sign the Lease of Property, own 10 percent or more of the project, or be the primary developer/builder. For publicly traded entities subject to reporting to the Securities and Exchange Commission, this requirement is met by submitting the three latest Forms 10-Ks. If any of the significant parties is a newly created entity for which three (3) years of financial statements are unavailable, then financial statements are required for the individual owner(s) of the significant parties.

This evaluation standard will be met when the Offeror has the following:

- Provided three years of financial statements and notes prepared in accordance with GAAP for all significant project participants.
- Provided significant party's financial statements that clearly demonstrate the following:
 - Positive net worth calculation (three year's average)
 - Positive current ratio calculation (three year's average)

The above criteria represents the minimum requirements for this factor. However, the evaluation team reserves the right, and intends, to evaluate additional ratios and calculations derived from the financial statements to determine whether the financial strengths of any Offeror exceed this factor.

Volume II - Past Performance. Each Offeror shall submit a past performance volume as part of its proposal. The Offeror shall present factual material dealing with relevant similar projects FOR EACH SIGNIFICANT PARTY (e.g., real estate management company, design and construction firm, primary developer/builder). Relevant residential development experience shall be limited to developments of \$10 million or more and completed within the last five years. Illustrative or other materials (e.g. photographs, renderings, and videos) which clearly demonstrate relevant experience shall be submitted for assessment.

Submittal Requirements. Offerors shall describe in detail recent and relevant experience in development, demolition, construction, renovation, property management, and teaming arrangements with emphasis on the type of service, type of project, number of units, project value, complexity and the specific role of the prospective Offeror and those persons and organizations identified as participants in the proposed project. Volume II shall have three tabs:

- Tab 1 must include all project data for each significant party (i.e. key team/company) as it pertains to the business arrangement and financial teams;
- Tab 2 must include all project data for each significant party (i.e. key team/company) as it pertains to the design and construction teams; and

- Tab 3 must include all project data for each significant party (i.e. key team/company) as it pertains to the real estate management team.

Offerors shall submit information on contracts or projects considered relevant in demonstrating ability to perform this effort. This information may include data on efforts performed by other divisions, corporate management, critical team members, if such resources will be brought to bear or significantly influence the performance of the proposed effort. If other divisions, corporate management, critical team contractors perform a critical element or significantly influence the proposed effort, the information provided must clearly demonstrate their ability to provide the specific expertise for which they are critical. Offerors are required to explain what aspects of the contracts and projects are deemed relevant to this effort. Categorize the relevancy determination into the specific Volume used to evaluate this proposal. Offerors may also submit information on significant achievements or explain past problems they consider relevant to the proposed effort.

For all listed contracts/projects, for each significant party, Offeror shall provide the following information:

- Company/Division Name (CAGE Code and DUNS Number)
- Program/Project Title
- Contracting Agency/Company
- Contract Number/Statement of Need Number (as applicable)
- Description of the Contract/Project Effort
- Type of Contract/Project
- Period of Performance
- Contract Dollar Value at Time of Award/Closing
- Current Contract Value Including all Changes and Exercised Options
- Original Completion Date (if project not completed, provide % of Completion)
- Current or Actual Completion Date, and
- Name, address, e-mail address, telephone and fax number of Program Manager, Administrative Contracting Officer, Procuring Contracting Officer, private sector equivalent or key point of contact with knowledge of the specific project in question.

Performance Confidence Assessment Standards. Volume II, Past Performance, will be assessed on a performance confidence basis. The confidence assessment considers the adequacy of recent and relevant experience and a history of satisfying customer expectations. Integral to the confidence assessment is the Offeror's demonstrated record of contract compliance in supplying projects and services that meet users' needs including cost and schedule. The following elements will be considered as part of the integrated assessment of the Offeror's qualifications and experience:

Experience The Offeror's experience in the primary disciplines, as well as that of its proposed team members, will be evaluated on the basis of projects completed within the past 5 years that are comparable in terms of scope, complexity, cost and function to the project as conceived by

the Air Force and the Offeror. The Offeror's adherence to completion and delivery schedules will be evaluated for timeliness and skill in resolving problems affecting timing or completion. The Offeror's experience in adhering to budgets and in delivering a quality product must be clearly demonstrated.

Customer Satisfaction. The Offeror and its proposed team members will be assessed on the basis of customer satisfaction. The Offeror shall clearly demonstrate the ability to provide responsive, effective, quality, comprehensive services and safe, quality, well-maintained facilities that satisfy customer expectations.

Performance Confidence Assessment Rating. A performance confidence rating will be assigned to the Past Performance Volume (Volume II). Performance confidence represents the Government's confidence in an Offeror's ability to successfully perform as proposed and is based on an assessment of the Offeror's present and past work record.

The performance confidence assessment is a significant evaluation rating that will be used in making the "best value" selection. The main purpose of the performance confidence assessment is to appropriately consider each Offeror's demonstrated record of supplying projects and services that meet users' needs including cost and schedule. Evaluation of past performance enables the Air Force to better predict with a certain level of confidence the quality of, and customer satisfaction with, future work. The successful Offeror in this initiative must deliver the same high quality of service to Air Force customers as it delivers to its best commercial customers. The Air Force will, in turn, reward those Offerors that deliver quality service by giving credit for good performance when making a selection for this project. Offerors with unsatisfactory or marginal performance records must clearly demonstrate substantially improved performance and describe improvements in Volume II, Past Performance. The emphasis placed on assessing performance confidence demonstrates the Air Force's commitment to selecting the Offeror who will carry through with what it promises in its proposals.

Relevance. Offerors will be required to submit relevant past performance information as it relates to its business arrangements, design and construction, and property management proposals to clearly demonstrate an ability to perform the requirements of this project. Offerors will also be required to explain what aspect of the past performance information is deemed relevant to this effort. More recent and relevant performance will have a greater impact on the Performance Confidence Assessment rating than less recent or relevant effort. A more relevant past performance record may receive a higher confidence rating and be considered more favorably than a less relevant record of favorable performance. The following are definitions for assigning the relevancy to the Offeror's past and present performance:

RATING	DEFINITION
Highly Relevant	The magnitude of the effort and the complexities on this contract are essentially what the solicitation requires.
Relevant	Some dissimilarities in magnitude of the effort and/or complexities exist on this contract, but it contains most of what the solicitation requires.
Somewhat Relevant	Much less or dissimilar magnitude of effort and complexities exist on this contract, but it contains some of what the solicitation requires.

Questionnaire. E&Y will use a questionnaire, Appendix U of the RFP, to obtain input on the projects submitted in Volume II. Each Offeror shall furnish a copy of the Past Performance Questionnaire to each point of contact (i.e., Program Manager, Contracting Officer, Administrative Contracting Officer, or private sector equivalent) for each contact referenced. Responses shall be faxed directly to E&Y. The information provided through the questionnaires and other sources will be consolidated into an overall performance confidence rating. E&Y may consider other projects performed by Offerors and identified to E&Y through any and all means, including but not limited to customer surveys and comments from other Government agencies.

Assessment Ratings. Performance confidence is assessed as follows:

Exceptional/ High Confidence	Based on the Offeror's performance record, essentially no doubt exists that the Offeror will successfully perform the required effort.
Very Good/ Significant Confidence	Based on the Offeror's performance record, little doubt exists that the Offeror will successfully perform the required effort.
Satisfactory/ Confidence	Based on the Offeror's performance record, some doubt exists that the Offeror will successfully perform the required effort.
Marginal/Little Confidence	Based on the Offeror's performance record, substantial doubt exists that the Offeror will successfully perform the required effort. Changes to the Offeror's existing processes may be necessary in order to achieve contract requirements.
Unsatisfactory/ No Confidence	Based on the Offeror's performance record, extreme doubt exists that the Offeror will successfully perform the required effort.

Due Diligence. E&Y may physically visit two sites (places where the Offeror is performing the services) per Offeror. If the Government deems necessary, these visits may include visits to customer sites of any subcontractor that the Offeror will use in performance of this lease, customer sites of any key personnel that will be involved in this lease, and if the Offeror is a combination of firms (for example, a partnership or joint venture), customer sites of any companies that make up the Offeror. Furthermore, E&Y may have teleconferences with Offeror's other customers if the team deems necessary.

- E&Y has the flexibility to pick any customer sites it chooses. However, E&Y intends to select the sites based on the amount of relevancy and recency that the sites have to the requirements in this solicitation.
- During the customer site visits, E&Y will interview customers and Offeror's employees working on the site, as well as survey the location and the services the Offeror is providing.
- Due to its interactive nature and purpose, due diligence will be semi-structured and not rigid. This will allow E&Y flexibility in performing due diligence. This means that due diligence on one Offeror may not be exactly the same as due diligence on another Offeror. However, the overall purpose and focus of due diligence will be consistent among Offerors.

- E&Y will perform due diligence on the Qualifications and Past Performance, Volumes I and II.

STEP TWO – PROPOSAL, RECEIPT, REVIEW, AND EVALUATION PROCESS

The Step Two proposal evaluation process will incorporate the same methodology that was employed in the Step One evaluations, specifically an initial recordation and logging of received proposals, an evaluation of proposal compliance and completeness to the requirements set forth in the RFP, the establishment of initial review teams assigned to specific factors, the documentation and discussion of proposal findings, and a final review panel briefing resulting in the development of a recommendation on which proposal provides best value to the AF based on the evaluation criteria set forth in the RFP.

In addition to the proposal evaluation criteria detailed above, E&Y will incorporate the following:

Proposal Compliance with the RFP

E&Y will review the RFP and addenda, highlight any requirements or limitations, highlight desires that are different from requirements, and document the RFP requirements in an RFP Checklist (see Appendix E). E&Y will obtain a work paper copy of each proposal, complete the RFP checklist for each proposal, and document any Evaluation Notices (EN's) that result from the completion of the RFP Checklist.

EN guidelines describe the issue, explain why the issue is a problem (with the referenced RFP section), address what questions the Offeror needs to answer to resolve the issue, and each EN will be rated as either a clarification, weakness, or deficiency.

Internal Consistency of the Proposal

E&Y will tie together and cross-check all schedules in the financial proposal, verify that there is adequate support for all numbers, verify that all assumptions are clearly documented, reasonable, and used consistently, to gain an understanding of how the Offeror has structured the deal. Key elements of an Offeror's financial proposal include the following:

- Assumptions Page
- Pro forma Operating Statements
- Sources and Uses of Funds
- Construction Escrow Schedule
- Capital Repair and Replacement Schedule
- Reinvestment Account Schedule
- Bond/Loan amortization schedules and financing commitment letter
- Project Cost Schedule
- Other detailed supporting schedules including revenue calculations, operating expense detail, property tax calculations and utility calculations

General procedures for determining if the Proposal is internally consistent are cross referencing schedules and amounts, indexing pages, and math-checking all schedules. Exceptions E&Y looks

for include amounts that do not tie from one schedule to another, amounts that cannot be recalculated, amounts that appear unreasonable or unrealistic, amounts that are unsupported, and assumptions that are not consistent. The final step in determining if the proposal is internally consistent is developing Evaluation Notices as previously discussed, detailing out the nature of the issue, why it is a problem, how it should be addressed, and whether it is a clarification, weakness or deficiency.

Offeror's Net Return

The overall goals of this analysis is to understand how the Offeror is earning their return on the project, verifying that the Offeror is financially committed to the deal, and verifying that the Offeror's interests are aligned with the interests of the Air Force. Areas that are closely analyzed include the net cash flow distributed to the Offeror or related parties after payment of debt service, all fees paid to the Offeror or related parties including development and construction, design, and property management, and the balance of the escrow accounts at deal termination. Specific attention is given to analyzing the Offeror's net return, the flow of funds from the project, and the sufficiency of the capital repair and replacement account and the reinvestment account to provide viable housing for the entire 50-year term of the lease.

Many of the Evaluation Notices developed during the initial review period will be clarifications that the Offeror will be requested to respond to with either written responses or a revised proposal specifically addressing the EN. Communications between E&Y and Offerors during this period may take the form of written or electronic correspondence or telephonic calls. Typically there are multiple rounds of EN discussions before a final recommendation can be made.

E&Y procedures on EN responses by Offerors include:

- Reviewing the written Offeror EN response
- Reviewing the revised Offeror proposal to verify that the change has been made
- Determining whether the EN issue has been resolved
- If the issue has not been resolved, documenting the reasons and generating a new EN
- If there have been significant changes to the proposal, performing further detailed review

After completion of the initial review process for Technical Proposals, all team members will meet to discuss team findings and recommend ratings for all factors within Volumes III, IV and V, as well as prior Past Performance ratings from Volume II. E&Y shall maintain documentation of the review panel discussion by preparing detailed minutes. The minutes will be recorded by E&Y staff who are not members of the review teams. Review team members will have the opportunity to review the minutes to check for accuracy and completeness.

Final Review and Recommendation

The proposal selection process involves the procedures for developing recommendations by the review teams and the team leader based on the proposal review meeting. A Final Review Team, consisting of E&Y professionals, subcontractors, and members of the AST will be convened and the Team Leaders will brief the Team on the results of the Initial Proposal Review. The Team Leaders will answer questions posed by the partners and clarify any outstanding issues or items

needing resolution. The Team will develop final recommendations based on the findings of the reviews. All results from the team reviews and minutes from the Final Review Panel briefing will be documented. Members of the Final Review Team will have the opportunity to review the minutes to check for accuracy and completeness.

E&Y will prepare a *Proposal Assessment Results Report* and brief the AST on its findings. E&Y will provide in writing a draft copy of the Report to the Contracting Officer (CO) with a copy to the Government Project Manager (GPM) for review and approval prior to the AST briefing. E&Y will support the AST in approval decision briefings to WPAFB ASC/CC and AFMC/CV. E&Y will provide to the Contracting Officer written responses to Air Force questions pertaining to the Report. E&Y will not inform Offerors of the results of their assessments until after the Air Force issues a written decision regarding which Offeror is selected for exclusive negotiations.

E&Y will prepare a report incorporating the *OSD Award Approval Checklist* (appendix F) for the proposal recommended as offering the best value, and will brief the AST on the report. AST will evaluate the report and develop a recommendation to enter into exclusive negotiations with the selected Offeror. AST will then coordinate the recommendation with the ASC/CC, AFMC/CV, and AFCEE.

STEP TWO – TECHNICAL PROPOSAL

The second step will be the Technical Proposal submission consisting of Volumes III, IV and V. This evaluation will be an integrated assessment of the Offeror's proposed development and past performance (Volume II). Its purpose is to: (1) assess how well the Offerors have structured the development financing (i.e. will the financing be credible in equity and debt markets and minimize Government commitments and risks); and (2) evaluate how well the construction, management and operation of the proposed development, balanced with the projected Government costs, satisfies the requirements of the solicitation. E&Y recommends that down-selected Offerors have at a minimum of 60 calendar days to respond with Technical Proposals after notification of down-selection status.

Volume III – Business Arrangements, Financial Plan and Structure. Volume III factors are listed in descending order of importance.

Factor 1 - Ability of Offeror to Complete Development of Housing Units

Submittal Requirements:

Financial Plan, Complete Sources and Uses of Funds for Development of Housing Units

Commitments of All Required Debt Financing Commitments (not including Government Direct Loan). Commitments shall set forth the full terms and conditions under which such amounts are to be provided. The Offeror shall include a plan to mitigate the risk of interest rate fluctuations or their impact on the project until the successful Offeror locks rate with the selected lender. The Offeror shall provide a conditional commitment letter from each construction and permanent financing lender that includes:

- Statement that the lender has reviewed the Offeror's proposal and solicitation documents;

- Amount of loan;
- Interest rate;
- Recourse vs. non-recourse (full or partial and list of requirements);
- Points and fees;
- Contingencies;
- Required debt coverage ratio (permanent financing only);
- Loan maturity and amortization period (permanent financing only).

Additional Requirements for Bond or Other Type of Secured Financing.

- Letter from the proposed underwriter stating the amount, terms, conditions and all fees of the financing and identifying the intended issuer of the bonds or securities.
- Description of proposed type of credit enhancement, if any, and proof of availability.

Commitments of All Required Equity. Commitment shall set forth the full terms and conditions under which such amounts are to be provided. The schedule for provision of equity shall be consistent with the requirements of the Offeror's construction and permanent financing. To the extent that the availability of equity is predicated upon the receipt of operating income from units transferred to the successful Offeror, an operating pro-forma shall be provided demonstrating the availability of funds and the Offeror's proposal shall address the means for completion of the project if the projected revenues are not realized.

Interest Rate Protection. The Offeror shall include any proposed interest rate ceiling to stabilize the cost of completing the Development Program. The Offeror shall specify the rate ceiling and criteria for implementing the rate ceiling. The Offeror shall clearly demonstrate risk mitigation of interest rate fluctuations until such time as rates are locked with the selected lender.

Assurance of Completion. The Air Force will require that the Successful Offeror be able to complete the construction and renovation of the housing units in accordance with the proposed schedule. The Offeror's proposal shall address the assurances of completion to be provided during the development period, including escrows, letters of credit, bonds, etc., so as to ensure the availability and adequacy of debt and equity sources and the timely completion of the housing units.

Reinvestment Account. Offeror shall provide the percentage of net cash flow to be deposited into the Reinvestment Account after operating expenses, debt services, impositions, reserve accounts.

Evaluation Standards. This evaluation standard will be met when the Offeror has the following:

- The Offeror clearly demonstrates the ability to bring a complete financing package to the table sufficient to meet the development plan requirements, including any/all out-year revitalization costs.
- The Offeror's financing commitments are commercially reasonable under the circumstances and can, in the judgment of the Government, reasonably be satisfied.

- The Offeror mitigates risk of short-term interest rate fluctuations until such time interest rates are locked.
- The Offeror clearly demonstrates an ability to raise all required equity, subject to commercially reasonable expectations as to performance.

Factor 2 - Government Participation in Project Financing

Submittal Requirements. The Offeror shall clearly set forth a plan for the Government's financial participation in the transaction and for the sharing of profits and proceeds with the Air Force. Such plan shall include:

Government Direct Loan. If a Government Direct Loan is proposed, Offeror shall submit the following:

- A completed Borrower Application Form Amount of the loan required and the proposed rate of interest.
- Expected terms and timetable for disbursement and repayment of Government funds.
- Any proposed exceptions or modification of terms of the Government Direct Loan (see RFP Appendix E), Forward Commitment (RFP Appendix D), and Intercreditor Agreement (RFP Appendix G). However, the Offeror should be advised that the Government will not accept any material modifications and that the inclusion of any modification may cause the Offeror's proposal to be evaluated less favorably.

Loan Guarantee Agreement. If a Limited Guarantee is proposed, Offeror shall submit the following:

- Amount of the loan to be guaranteed.
- Any proposed exceptions or modification of terms of the Military Housing Loan Guarantee Agreement (see RFP Appendix F) and Forward Commitment. However, the Offeror should be advised that the Government will not accept any material modifications and that the inclusion of any modification may cause the Offeror's proposal to be evaluated less favorably.

Lease of Property. The Offeror shall submit the following:

Any proposed exceptions or modifications to the terms of the Lease of Property and/or its attachments. However, the Offeror should be advised that the Government will not accept any material modifications and that the inclusion of any modification may cause the Offeror's proposal to be evaluated less favorably.

Lockbox Agreement. The Offeror shall submit the following:

- Any proposed exceptions or modifications to the terms of the Lockbox Agreement (see RFP Appendix AA). However, the Offeror should be advised that the Government will not accept any material modifications and that the inclusion of any modification may cause the Offeror's proposal to be evaluated less favorably.

Cost Savings Plan. The Offeror shall submit a plan for the proposed application of cost savings

realized during the development process, as compared with costs shown in the Development Budget and Statement of Development Sources and Uses of Funds. The plan must address the specific consequences to the Government of such proposed application (*e.g.*, reduced mortgage and project debt service, project or unit enhancements, etc.).

Evaluation Standards. This evaluation standard will be met when the Offeror has the following:

- The amount of any Government Direct Loan is no more than 50 percent of the value of the debt financing secured by the project.
- The Air Force's financial contribution is made only at the point at which all other sources of financing are firmly committed and the Offeror has provided assurance of completion.
- Any proposed exceptions or modifications of any of the legal or financial documents do not materially affect the legal and financial documents and are accepted by the Government.

Factor 3 - Project Development and Operating Cost Projections

Submittal Requirements:

Rent Structure. The Offeror shall submit updated rent and utility allowance figures.

Final Operating Revenue and Expenditure Budget. The Offeror will provide an expanded Operating Revenue and Expenditure Budget for each year, which describes, in detail the annual cash flow expected to be available for debt service. Identify the data and assumptions on which the estimates are based, *e.g.* absorption, vacancy rates, operating expenses by category, etc., and any data and rationale used to develop the assumptions. Identify all expected or potential development, construction, management, and other fees associated with the project. Details shall identify the nature, amount and timing of all fees, including those paid to the Offeror or related parties. Identify how and which parties will be subordinate (if applicable) relative to fees and distribution of returns.

Statement of Operating Sources and Uses of Funds. For each year of the Lease of Property, submit an updated Operating Sources and Uses of Funds schedule that identifies the estimated levels of annual cash available after debt service. The cash flow analysis shall indicate the anticipated expenditures, income and sources of revenue on an annual basis for the duration of the Lease of Property and address debt repayment. In addition, the Offeror shall identify the data and assumptions on which the pricing and other market issues are based and the rationale for those assumptions.

Development Budget. Submit an updated Development Budget for housing units based on the format in Appendix T. The Offeror shall submit total project costs and the price per square foot for demolition, renovation, new construction, and related improvement costs. The submittal shall include but is not limited to:

- Hard and soft costs identified in detail
- Developer costs separately identified, in detail
- Soft costs identified and reasonably based on industry standards

- Development costs compared to local market development costs

Evaluation Standards. This evaluation standard will be met when the Offeror has the following:

- The information submitted by the Offeror clearly demonstrates an understanding of the development and management requirements of the Solicitation and the amount and types of funds necessary to meet those requirements.
- The Offeror has clearly demonstrated the projected development costs are reasonable and attainable based upon comparable housing in the local community.
- The lower the proposed development costs are, after accounting for differences in quality, the more favorably this factor will be evaluated. However, the Air Force does wish to encourage innovation and efficiencies in project development and operation, and will also favor such elements that are reasonably, realistically and completely explained.
- The Offeror designates the types of fees to be paid and/or accrued, identifies whether the fees shall be earned by a third or related party, and clearly demonstrates long-term commitment to the project.
- The Offeror provides a detailed staging plan for the development and delivery of newly constructed housing units and for renovation of the remainder of the required housing units, with all initial demolition, construction and renovations completed no later than 31 December 2010. The staging plan must specifically address all local, state and federal governmental approvals, that are required for the project, together with a schedule for obtaining such approvals.
- The Offeror clearly demonstrates the relationship between the timing of receipts of funds under the equity and debt commitments and the schedule for staging construction and delivery, and addresses how delivery of the housing units will be assured in the event of cost overruns, construction delays or other circumstances which cause the contemplated funding sources to be insufficient to complete the project. The Offeror provides commitments for alternative sources of funds consistent with the foregoing.
- The Offeror provides a plan for the relocation of Air Force personnel on site during the renovation of any units occupied by such personnel and provides that each family shall move not more than twice. Such plan shall assure that unit size and rent are appropriate by grade and bedroom requirement.

Financial Assessment Criteria. Volume III will be evaluated based on the requested information/data. The Offeror's proposal must clearly demonstrate and clearly describe an effective and efficient business and financial approach for accomplishing the stated requirements. Unrealistic information/data, may be grounds for eliminating a proposal from competition either on the basis that the Offeror does not understand the requirement, or has made an imprudent proposal. The financial data must correlate with other volumes, attachments, and mandatory forms. Evaluation of the business arrangement and financial data/information is a mandatory evaluation criterion that shall be conducted to consider the following:

Reasonableness. The Offeror's methodology used in developing the proposal is fair, sound,

fully justified and supported under current market conditions.

Completeness. The Offeror provides all the data, assumptions and estimates necessary to support the offer, clearly demonstrates responsiveness, and provides traceable assumptions and data for all tasks and requirements.

Realism. The Offeror's proposal must be compatible with proposed scope of effort, and operations reflect reasonable economy and efficiency.

VOLUME IV - DEVELOPMENT PROGRAM. Drawings shall be provided at half-size (17"x24"). The Offeror shall include the following information in Volume IV. The Solicitation identifies and invites Offerors to provide a number of desired features, which exceed the project requirements. Offeror shall provide a list, narrative description and/or drawing as appropriate of any such desired features or enhancements proposed for the project.

Factor 1 - Community Plan

Submittal Requirements:

Site Design.

Site Plans Provide topographic design drawings (scale: 1"=200') of the existing and proposed site conditions showing the general arrangement of elements and typical arrangement of individual structures. Design must indicate integration of Air Force existing facilities, facilities to be demolished, new housing units, and new support facilities, including utility easements and rights-of-way. Indicate density of development, relationship of site design to surrounding area, vehicle and pedestrian traffic and proposed drainage plan. Show existing and proposed streets, walkways and parking.

Colored Sketch Furnish a colored sketch or rendering of typical proposed units and street characteristics from an angled street level view. All variations of unit style and material shall be depicted. Landscaping materials shall be depicted, as they will appear at the time of occupancy. Sketch need not be framed for evaluation purposes.

Recreation and Common Areas. Provide for all proposed new, retained and relocated recreation and common facilities. Include layout plans and proposed materials for those recreational features discussed in paragraph 3.4.2.3 of the RFP.

Landscaping. Provide typical landscaping site plans for each housing area.

Security. Provide a narrative describing the security aspects of the Community Plan.

Environmental Issues. Provide a plan for environmental protection addressing storm water run-off, spill contingencies, dust control, noise control, hazardous material handling, and disposal of all demolition materials.

Utility and Infrastructure Improvements.

Utility Plans. Describe the concept and general plan for each utility system serving each housing area, including utility tie-ins, capping, upgrade plans, materials, and metering plans. Utility

systems include electrical, street lighting, natural gas, water, sewer, storm drainage, telephone, and cable TV.

Site Engineering Drawings. Provide utility site plans for each utility system in each housing area at scale 1"=200' including connections to existing utilities and metering locations.

Desired Features and Enhancements. Provide a narrative description and drawings as appropriate of any desired features or enhancements proposed for incorporation in the Community Plan.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated how well the their proposed Community Plan provides an interesting, attractive, livable residential environment. Moreover, this evaluation standard will be evaluated on whether the proposal provides all the required submittal data and meets or exceeds the requirements identified in paragraph 3.4.2 of the RFP.

Factor 2 – Facility Design, Construction, and Renovation

Submittal Requirements. The Offeror shall submit drawings, specifications, and descriptions to develop and design a commercial rental housing community. The following outline is provided to ensure that each proposal contains consistent and sufficient information for evaluation of technical factors. The intent of these submittals is to see that each Offeror's design concept is acceptable, that no serious misconceptions exist, and that quality units are provided. Offerors shall submit a Construction Plan and a Renovation Plan each containing the following:

Design. Provide narrative and tabular schedule describing total number of units by style, number of bedrooms, bathrooms and gross square footage (excluding garage) of each unit type. Divide the description into a separate group for each site. Provide cost per square foot for each unit type. The following list provides minimum drawings required. Drawings shall convey design concept and features.

Typical Building Site Layout. Provide site plan including facility footprint, pavements, and landscaping for each different facility type (with adjoining units as appropriate) at scale 1/8"=1'-0".

Composite Floor Plan. Provide at scale 1/4"=1'-0" a single-line floor plan of each unit type showing unit design, including spatial relationship, circulation, functional concept, room dimensions, interior and exterior storage. Provide narrative describing how proposal meets or exceeds requirements.

Label all rooms (include individual room dimensions and areas in square feet)

Provide a modern interior design presenting efficient arrangement of function, circulation and open spaces.

Provide an equipment layout and schedule

Building Code Compliance. Provide specifications or other reference to code compliance.

Exterior Elevations. (scale 1/4"=1'-0")

Depict location of materials, roof slopes, and dimensions

Indicate signage and decorative details

Identify architectural features with a high degree of modulation and variability

Interior Elevations. (scale 1/4"=1'-0")

Kitchens

Bathrooms

Quality of Materials.

Mandatory Forms. Offeror must complete and provide the mandatory form Description of Materials located under Appendix T of the RFP.

General Description. Provide narrative describing the quality of materials and workmanship proposed for all finishes. For example, roof materials, cabinets, windows, plumbing fixtures, light fixtures, and appliances. Catalog cuts and brief outline specifications may also be provided.

Maintainability. Describe how materials proposed for exterior use (particularly roofs, windows, doors, and exterior walls) provide durable, low-maintenance finishes. Describe how materials selected for interior finishes, particularly heavy use areas, provide both aesthetically pleasing and low-maintenance qualities.

Structural Features. Submit detailed narrative and drawings describing the structure of the facilities, including type of construction and proposed materials, quality of materials and workmanship of proposed foundations, walls, and roof structures.

Appliances and Equipment. Submit details of design and product manufacturer's literature and color cut sheet on major appliances and equipment (i.e. refrigerator, dishwasher, oven, stove, water heater, and heating and ventilating systems). Describe low-maintenance features of proposed appliances and equipment.

Energy Efficiencies.

Energy Plan Submit an energy plan to include as a minimum life cycle energy cost for each proposed unit type and projected monthly energy bills. Define how proposed designs meet applicable energy codes. Quantify expected energy efficiencies of proposed appliances, heating equipment, insulating features and solar orientation of units.

Calculation of Estimated Utility Consumption and Costs Submit detailed calculations supporting estimated energy consumption rates by unit type.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated the strengths and technical merits of the proposed development program submittals. Moreover, this evaluation standard will be evaluated on whether the proposal provides all required submittal data and conforms to the requirements identified in paragraphs 3.4.1, 3.4.3, 3.4.4, and 3.4.5 of the RFP.

Factor 3 - Demolition and Construction Management Plans

Submittal Requirements.

Demolition Plan.

Show all structures and utilities to be removed. Provide a demolition plan narrative, to include a description of the proposed method of clearing the site of existing structures, pavements, and utilities; abatement of asbestos and lead based paint and mitigation of chlordane.

Provide a narrative confirming compliance with paragraph 3.4.6 of the RFP, environmental requirements, and the location of off-base disposal sites.

Construction Management Plan.

Development Program Schedules. Reference Paragraph 3.4.7.1 of the RFP; outline the proposed project-phasing plan showing design schedule, mobilization, demolition, construction, renovation, and certification of occupancy. Describe the plan to minimize the impact on neighborhoods and moving military families, with milestones to accomplish phasing requirement.

Quality Control Program. Submit a plan for ensuring construction quality control. The plan shall address the proposed methods and procedures for inspecting and testing major items of work, including that of sub-contractors, to ensure conformance with applicable codes as well as standards, regulations and the approved plans and specifications with respect to materials, workmanship, finish and functional performance. Confirm intent to abide by any permitting and all inspection requirements and describing Offeror's concept for inspections.

Environmental Compliance Program. Provide a plan for environmental protection addressing storm water run-off, spill contingencies, dust control, noise control, hazardous material handling, and disposal of all demolition materials. Clearly demonstrate plans to comply with all applicable local, state, and federal environmental laws. Plans shall include, but are not limited to a hazardous waste spill plan and a hazardous material handling and disposal plan. Describe features of the construction operation that shall minimize construction debris, waste, and reduce landfill materials.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated the ability and capacity to manage delivery of the proposed development program. Moreover, this standard will be evaluated on whether the Offeror's Demolition and Construction Management Plans clearly demonstrates compliance with paragraphs 3.4.6 and 3.4.7 of the RFP.

Factor 4 - Project Management

Submittal Requirements.

Relevant Design Project Experience.

Design Project Experience. Document team's experience in designing major housing projects within the last ten years. Clearly indicate each key team member's roles, responsibilities and lines of authorities in the project. Provide specifics for each project, including the following:

- Project Name and Client.
- Project Scope Narrative.
- Design Start and Completion Dates.
- Construction Cost.
- Site Plans.
- Photographic Documentation.

Design Personnel Experience. Address the professional background, experience and qualifications of design team personnel proposed to manage the project design development.

Key positions shall include as a minimum:

- Community Planner
- Project Manager
- Architect
- Engineer
- Landscape Architect

In the event the actual personnel proposed are not available to work on this project, the Offeror shall substitute with personnel of equal or better qualifications.

Relevant Construction Project Experience.

Construction Project Experience. Document the team's construction experience with major housing projects or developments within the last ten years. Clearly indicate each key team member's role, responsibilities and line of authority in the project. Provide specifics for each project, including the following:

- Project name and client
- Project scope description
- Construction start and completion dates
- Construction cost
- Site plans
- Photographic documentation

Construction Personnel Experience. Address the professional background, experience and qualifications of personnel proposed to manage, direct, schedule and oversee quality control of the project's construction. Key positions shall include:

- Project Manager
- Quality Control Manager
- Job-site Superintendent
- Safety Officer

Team Organizational Structure. Provide a proposed organizational chart showing levels of management interaction between the design and construction teams, and personnel authorities and roles within the project. Identify to what extent the proposed design team has worked together with the proposed construction team on previous projects of similar size and scope. Describe corporate level support involvement in the planning, resourcing, cost control and implementation of the project.

Evaluation Standards.

The Offeror's ability and capacity to manage delivery of the proposed real property development will be evaluated. Relevant design and construction experience will be assessed as a predictor of the Offeror's ability to succeed with this project. Adherence to specified project requirements will be reviewed to ensure complete understanding of project scope. This evaluation standard will be met when the Offeror:

- Presents satisfactory evidence of both design and construction management experience on comparable projects.
- Clearly demonstrates adequate access to resources necessary to meet project schedule requirements.
- Provides a viable plan for the successful teaming of design and construction organizations and defines the corporate organizational structure to manage the project.

VOLUME V - PROPERTY MANAGEMENT The intent is to see that the Offeror clearly understands and fully addresses the Air Force's objectives and concerns with respect to property management. The Offeror will provide a list, narrative description and drawings as appropriate of any such desired features or enhancements proposed for the project. The Offeror shall include the following information in Volume V:

Factor 1 – Rental Rate Management

Submittal Requirements. Submit a Rental Rate Management Plan to address rental rates for referred tenants, utility allowance, changes in rents and utility allowance, and tenant deposits and/or fees. Backup data for the plan shall include all calculations for rent and utilities for each housing unit type.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated the ability to satisfactorily operate and maintain the proposed Rental Rate Management Plan, as well as its commitment to provide specific features and enhancements.

Factor 2 – Tenant Assignment

Submittal Requirements. Submit a Tenant Assignment Plan as discussed in Paragraph 3.5.4 of the RFP to address tenant referrals, rights of refusal, vacancy rates, non-referred tenants, change in eligibility, and tenant lease agreements. The tenant assignment plan shall describe project start-up procedures, tenant application and vacating processing procedures, rental referral assignment process, procedures for tenant preview of unit, and rental collection procedures.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated the ability to satisfactorily administer the proposed Tenant Assignment Plan, as well as its commitment to provide specific features and enhancements.

Factor 3 - Real Estate Operations and Management

Submittal Requirements. The Offeror will submit a Real Estate Operations and Management Plan. The plan shall address on-site property management office, staffing and functions, tenant relations, tenant safety and security, municipal services, and desired features.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated the ability to satisfactorily administer the proposed Real Estate Operations and Management Plan, as well as its commitment to provide specific features and enhancements. Moreover, this evaluation standard will be evaluated on the basis of separate plans that address major aspects of tenant management and facility management of the Development Program.

Factor 4 – Facilities Maintenance

Submittal Requirements. The Offeror will submit a Facilities Maintenance Plan to address routine maintenance and repair, emergency and urgent service calls, change of occupancy maintenance, pest control, lock and key service, safety, quality control and other services. Address the following in conceptual fashion, with examples of quality control and safety and proposed standards and performance metrics.

Property Maintenance. Describe maintenance concept for all units and common facilities, grounds, and improvements, including timelines and costs for periodic repairs to all facility sub-systems and equipment and routine maintenance described in the solicitation. Describe how routine, urgent, emergency and change of occupancy maintenance and repairs shall be performed and by whom, including a description of how the response times specified will be met and actions taken from communication of problem to resolution.

Refuse Collection and Other Services. Submit a narrative describing by whom, when and how services shall be provided.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated the ability to satisfactorily administer the proposed Facilities Maintenance Plan, as well as its commitment to provide specific features and enhancements.

Factor 5 – Capital Repair and Replacement

Submittal Requirements. Submit a proposed Capital Repair and Replacement Plan. Address long-term major repair and replacement requirements and performance metrics.

Evaluation Standards. This evaluation standard will be met when the Offeror has clearly demonstrated the ability to satisfactorily administer the proposed Capital Repair and Replacement Plan, as well as its commitment to provide specific features and enhancements.

Factor 6 – Experience

Submittal Requirements.

Operations and Management Personnel Qualifications. Document the professional background, experience and qualifications of personnel proposed to manage, operate and maintain real property assets. Address nationally recognized professional certification, education and continuing training. Provide position descriptions for the following key personnel.

- Project Manager
- Manager, On-site Property Management Office
- Maintenance Manager

Operations and Management Project Experience. Document the key personnel's experience managing significant real property developments within the last ten years. Clearly indicate each key personnel's role in the project. Provide specifics for each project, including the following:

- Development name and type description (including development size)
- Client name and address
- Scope of O&M management activity
- Duration of involvement in the property management activity

Evaluation Standards.

The Offerors' ability to satisfactorily operate and maintain the proposed real property development will be evaluated. This factor will be evaluated on the level of experience and qualifications of key operations and maintenance staff personnel.

This evaluation standard will be met when the Offeror has the following:

- Presents a proposal to provide key property management staff with sufficient experience and qualifications to manage a project of this scope and magnitude.
- Clearly demonstrates a familiarity with and sensitivity to the housing needs of families.
- Documents proficiencies in all significant areas of property management operations and maintenance activities.

Volumes III, IV and V: Evaluation Methodology

A color rating will be assigned to the factors within Volumes III, IV, and V. The color rating depicts how well the Offeror's proposal meets the requirements in accordance with the stated evaluation factors, standards, and solicitation requirements.

A proposal risk rating will also be assigned to the factors within Volumes III, IV, and V. Proposal risk represents the risks identified with an Offeror's proposed approach as it relates to accomplishing the solicitation requirements.

Basic Requirements and Desired Features. The solicitation identifies both basic requirements (the absolute lowest threshold the Government will accept) and desired features (additional attributes deemed by the Government to be beneficial to the military families).

Enhancements. Offerors are encouraged to submit enhancements, which they believe will enhance the project even though they are not identified as a basic requirement or desired feature in this solicitation. The Air Force reserves the right to award additional evaluation credit to such enhancements based upon its assessment of their added value.

Evaluation. Evaluation of desired features and enhancements will involve the exercise of subjective judgments and trade-offs as part of an integrated assessment to determine which combination of desired features and enhancements, weighed against proposal risk and performance confidence offers the best value to military families. The Government reserves the right to evaluate and give evaluation credit for proposed features that are either in addition to the basic requirement and stated desires or that exceed the stated desires. The quality level of a proposed desired feature or enhancement will also be factored into the integrated assessment.

Color Codes. The following chart summarizes the code system to be used to assign color ratings for each of the factors.

<u>Color</u>	<u>Rating</u>	<u>Definition</u>
Blue	Exceptional	Exceeds evaluation standards in a way beneficial to the Air Force.
Green	Acceptable	Meets evaluation standards necessary for acceptable performance.
Yellow	Marginal	Does not clearly meet some specified evaluation standard necessary for acceptable performance, but any proposal inadequacies are correctable.
Red	Unacceptable	Fails to meet specified evaluation standards. Proposals with an unacceptable rating are not awardable.

PROPOSAL RISK ASSESSMENT AND RATING. Proposal risk assesses the risk associated with the Offeror's proposed approach as it relates to accomplishing the requirements of the solicitation. All business and technical proposal information will be assessed to determine if the Offeror clearly demonstrates a sound approach to accomplishing solicitation requirements as well as a complete understanding of those requirements. Proposal risk will be assessed on Volumes III, IV, and V at the factor level as follows:

High (H)	Likely to cause significant disruption of schedule, increased cost, or degradation of performance even with special Offeror emphasis and close Government monitoring.
Moderate (M)	Can potentially cause some disruption of schedule, increased cost, or degradation of performance. However, special Offeror emphasis and close Government monitoring will probably be able to overcome difficulties.
Low (L)	Has little potential to cause disruption of schedule, increased cost, or degradation of performance. Normal Offeror effort and normal Government monitoring will probably be able to overcome difficulties.

BASIS FOR SELECTION. Selection will be made of the Offeror whose proposal is the most advantageous to the Government in that it provides the "Best Value" to satisfy the requirements of this solicitation for fifty years. This will be determined based on an integrated assessment of the evaluation factors, standards and solicitation requirements above. The volumes will be: Past Performance (Volume II), Business Arrangements, Financial Plan and Structure (Volume III), Development Program (Volume IV), Property Management (Volume V). Of these volumes, Volumes II and III are equal to each other in importance but are each of greater importance than Volumes IV or V; Volumes IV and V are, in turn, equal to each other in importance.

APPENDIX B: PROJECT MILESTONES AND SCHEDULE

An updated draft Microsoft Project Schedule dated 27 April 2001 with major project milestones is provided as a separate attachment to this Execution Plan.

APPENDIX C - PROJECT TEAM ROSTER

PRIMARY PSC CONTACTS					
	NAME	ORGANIZATON	TITLE	PHONE	E-MAIL
1	Mr. Ronald Lobel	E&Y	Director	(202) 327-7241	ronald.lobel@ey.com
2	Mr..Jerold“Jay”Brown	E&Y	Lead Project Manager	(202) 327-7315	jerold.brown@ey.com
3	Mr. Stephen Redlich	E&Y	Project Manager	(202) 327-7256	stephen.redlich@ey.com
4	Mr. Michael Ruby	E&Y	Project Manager	(310) 785-4188	michael.ruby@ey.com
5	Ms. Kim Marchand	E&Y	Project Manager	(202) 327-7216	kim.marchand@ey.com
6	Ms. Hillary Baltimore	E&Y	RE Specialist	(202) 327-7339	Hillary.baltimore@ey.com
7	Mr. Ron Slusser	E&Y	RE Specialist	(202) 327-7272	ron.slusser@ey.com
8	Mr. Kevin Hanrahan	E&Y	Financial Analyst Jr.	(404) 541-7255	kevin.hanrahan@ey.com
9	Mr. Brian Kenner	E&Y	RE Specialist Jr.	(202) 327-7239	brian.kenner@ey.com
10	Ms. Beverly Victor	E&Y	RE Specialist Jr.	(202) 327-7324	beverly.victor@ey.com
11	Steve Niles	Holland & Knight	Legal Attorney Sr.	(202) 457-7017	sniles@hklaw.com
12	LaFonte Nesbitt	Holland & Knight	Legal Attorney Sr.	(202) 457-7047	lnesbitt@hklaw.com
13	Mr. Ray Powell	MAI	Engineer/Architect Sr.	(703) 506-0505	rpowell@hq.mainet.com
14	Phil Thigpen	NA	Project Manager	(215) 794-3836	Phillip1@bellatlantic.net
15	Bill Palm	NA	Director (Former)	(202) 327-7265	William.palm@ey.com
PRIMARY AST CONTACTS					
	NAME	ORGANIZATON	TITLE	PHONE	E-MAIL
16	Mr. Larry O’Grady	ASC/CVH	Base PM	DSN 986-3502	Lawrence.O’grady@wpafb.af.mil
17	Mr. Drew Titone	AFMC/CEI	AFMC Project Manager	DSN 986-2947	Drew.Titone@wpafb.af.mil
18	Ms. Sallie Wilson	ASC/CVH	Acquisition Business Specialist	DSN: 986-3501	Sallie.Wilson@wpafb.af.mil
19	Mr Al Fraga	AFCEE/DCP	Government PM	DSN 240-8379	Alfonso.Fraga@hqafcee.brooks.af.mil
20	Ms. Deborah Snavelly	ASC/PKWOD	Contracting Officer	DSN: 787-6478 Ext 4300	Debbie.Snavely@wpafb.af.mil
21	Ms. Susan Sutton	ASC/PKWOD	Contracting Officer	DSN: 787-6478 Ext 4388	Susan.Sutton@wpabb.af.mil
22	Mr. Greg Leingang	88 ABW/FMI	Budget Analyst	DSN: 257-7763	Gregory.Leingang@wpafb.af.mil
23	Mr. Terry Mathews	88 ABW/CEH	Housing Chief	DSN: 787-6549	Terry.Mathews@wpafb.af.mil
24	Mr. Jerry Shofner	88 ABW/CECI	Engineering	DSN: 986-3454	Jerry.Shofner@wpafb.af.mil
25	Col Jim Conrad	88ABW/JA	Judge Advocate	DSN:787-6141	James.Conrad@wpafb.af.mil
26	Mr. Gordon Tanner	AFCEE	Legal Counsel	DSN: 240-8174	Gordon.Tanner@hqafcee.brooks.af.mil
27	Mr. Larry Moore	AFCEE	Financial Manager	DSN: 240-5633	Larry.Moore@hqafcee.brooks.af

APPENDIX D: SAMPLE PROPOSAL ASSESSMENT FORMS AND TEMPLATES (SUBJECT TO CHANGES)

The following referenced documents comprise examples of the types of assessment forms, templates, and formats developed from previous military housing experience that E&Y anticipates utilizing throughout the privatization process.

5.1 Solicit Developer Interest

- Sample Website Template

5.2 Conduct Industry Forum

- Sample “Save the Date” Template for Industry Forum
- Sample Agenda for Industry Forum
- Sample Industry Forum Logistical Checklist

5.3 Finalize the RFP

5.4 Pre-Qualify Offerors

- Qualifications Work Plan (Word)
- Credit Reference Checklist (Word)
- Financial Statement Analysis Template (Excel)
- Past Performance Analysis Checklist (Word)
- RFP Checklist (Word) (Detailed in Appendix E)

5.5 Evaluate Technical Proposals

- Financial Plan Summary (Excel)
- Executive Summary Narrative Comparison Template (Word)
- Sample EN Template (Word)

6.0 Transaction Closing

- Transaction Closing Checklist (Word)

APPENDIX E: SAMPLE WRIGHT-PATTERSON AFB RFP CHECKLIST

The following is an example of a draft sample RFP checklist that will be developed to evaluate Offerors’ proposals. The draft sample RFP checklist is not necessarily inclusive of all requirements currently mentioned in the RFP. Once the RFP has been issued in its most updated form, the RFP checklist will be finalized.

	RFP Section No.	Standard Description	Requirement or Desire?	Does offeror meet the standard? (Y/N)	Comments
General	1.3.2	The term of the project should be fifty years.	R		
	3.3.3	Demonstrates how the project will be funded through completion in the event that operating revenues are less than projected.	R		
	3.3.3.1	Demonstrates that sources of funding are sufficient to complete the construction/renovation of the required units.	R		
	3.3.3.9	Offeror has provided a trust agreement governing the priority of funds distribution from the lockbox account.	R		
	3.3.3.10	Offeror addresses means of protecting the project from interest rate fluctuations prior to closing, during construction, and over the long-term operation of the housing units.	R		
	3.3.3.10	Evidence of commitments for all financing (construction loan, guaranteed loan, etc.)	R		
	3.3.3.11.2	No government financing of credit support on guaranteed or direct loans.	R		

	3.3.4	Disclose all parties related to the Offeror that will perform work on the project.	R		
	3.3.7	Provide and maintain the following escrow accounts: operating account, capital repair and replacement account, construction escrow account, impositions account, tenant security deposit account, and reinvestment account.	R		
	3.5.3.5	Offeror should not require tenants to pay a security deposit if payment is by allotment. If payment is not by allotment, the amount of the security deposit shall not exceed one month's rent.	R		
	5.5.2.1.1.1.1	<p>Financing commitments shall set forth the terms and conditions under which the amounts are to be provided including the following:</p> <ul style="list-style-type: none"> -- Statement that the lender has reviewed the Offeror's proposal and solicitation documents -- Amount of the loan -- Interest rate -- Recourse vs. non-recourse -- Points and fees -- Contingencies -- Required debt coverage ratio -- Loan maturity and amortization period <p>-- Letter from proposed underwriter stating the amount, terms, conditions, and fees and identifying the intended issuer (bond financing only)</p>	R		

		-- Description of the proposed type of credit enhancement, if any, and proof of availability (bond financing only)			
	5.5.2.1.1.1.3	The Offeror's proposal shall address the assurances of completion to be provided during the development period, including escrows, letters of credit, bonds, etc., so as to ensure the availability and adequacy of debt and equity sources and the timely delivery of the housing units.	R		
	5.5.2.1.2.1.5	The Offeror should submit a plan for the proposed application of cost savings realized during the development process, as compared with costs shown in the Development budget and Statement of Development Sources and Uses of Funds.	R		
Phasing	1.3.2	Demolish 413 units within 24 months and 95 units within 92 months of closing	R		
	3.4.4.1	Construct 311 units within 36 months of closing	R		
		Renovate 503 Page Manor units within 96 months of closing	R		
		Perform major kitchen and bath renovations of 17 units in Woodland Hills within 12 months of closing	R		

	"	Perform a second renovation or replace all 1,536 units within 25 years of their last major renovation	R		
	"	Renovate 350 Woodland Hills units within 24 months of closing	R		
	1.3.4	Projected demand by rank on which the Offeror's cash flows are based agrees with Figure 1.1 Target Demographics	R		
		Of the 311 new units, those allocated to field grade officers (O-4+) will be single family units.	R		
	3.4.5.1.2	Replace some or all of the Page Manor units with new units of the same bedroom configuration within 72 months of closing.	D		
	3.4.6.1	Demolish 413 units on the east side of Page Manor within 24 months of closing and 95 units on the west side of Page Manor within 72 months of closing	R		
	3.4.7.1.1	Ensure that 1,225 units are continuously available for occupancy prior to beginning construction of the new units.	R		
Construction Plan	3.4.4.1	<ul style="list-style-type: none"> • No stacked units (no independent dwelling unit above another) • Maximum of two floors per unit • No more than six units per building • Finished one-car garages • Privacy Features 	R		

- Sound Transmission Class (STC) rating of 50 between attached living units
- Screening to provide some private area in the rear of each unit
- Window treatments (such as mini-blinds) on all windows
- New energy efficient appliances
- Refrigerator at least 20 cubic foot with ice maker
- Built-in three-cycle dishwasher
- 4-burner stove with self-cleaning oven and view window
- Garbage disposal
- Space and dedicated outlet for a full-size freezer
- Cabinets constructed with raised solid wood panel doors, and concealed hardware
- Ground level entrances
- Minimum 4/12 Pitched roof with minimum 12 inch overhang
- Gutters, downspouts, and splash blocks for all roof areas
- Central heating/air conditioning/ventilating systems for each unit
- Pre-wired for one telephone and cable

		<p>television jack per habitable room</p> <ul style="list-style-type: none">• Dead bolts and security viewer on all entry doors• Carbon monoxide detectors and unit fire extinguisher• Overhead lighting in all rooms, switched at the entry door• Floor treatments• High quality, durable, low maintenance hard finish flooring in kitchen, informal dining area, wet areas, and high traffic areas• Carpet in bedrooms and other living areas• Storm doors with screens for main entrance• Rear patio or deck with swinging doors• Walk-in clothes closet in master bedroom• Exterior electrical outlet in rear of unit• Exterior water faucet (front and rear)• Exterior trash storage areas screened and hidden from view• Exterior security lighting at front and rear of units• Mailboxes in accordance with US Postal Service regulations• Up to 5 percent of the housing units to be either ADA compliant for accessibility or			
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		readily and easily modifiable to be accessible (include entrance ramps, bathroom grab bars and chair lifts). Modifications shall be accomplished on a high priority basis when a requirement is identified.			
Real Estate Operations and Management Plan	3.5.5	Offerors shall establish a Real Estate Operations and Management plan for the housing units	R		
Guaranteed Loan	3.3.3.3.2	In the event that a limited loan guarantee is used, it cannot be granted in phases.	R		
	3.3.3.3.4	Original principal balance does not exceed 80 percent of the total project cost.	R		
	"	Guaranteed loan must be a permanent loan.	R		
	"	Loan bears a fixed rate and is fully amortizing for a period not to exceed 30 years and be level payments.	R		
	3.3.3.3.5	Lender has completed the lender eligibility form (Appendix Q) and has experience with the origination and servicing of multifamily housing loans.	R		
	3.3.3.6	DSCR > 1.20 for guaranteed loan	R		
	3.3.3.10.1	No deferrals of interest	R		
	"	No balloon payments	R		
	3.3.3.11.2	Guaranteed loan cannot be used to finance credit support.	R		

	5.5.2.1.1.1.2	The Offeror shall include any proposed interest rate ceiling to stabilize the cost of completing the Development Program. The Offeror shall specify the rate ceiling and criteria for implementing the rate ceiling. The Offeror shall demonstrate risk mitigation of interest rate fluctuations until such time as rates are locked with the selected lender.	R		
	5.5.2.1.2.1.2	If a Limited Guarantee is proposed, the Offeror shall submit the amount of the loan to be guaranteed and any proposed exception or modification of the Military Housing Loan Guarantee Agreement.	R		
Government Direct Loan	3.3.3.2.1	Borrower must be the same entity as the Offeror	R		
	3.3.3.2.2	Government direct loan is a permanent loan (not a construction loan)	R		
	"	Direct loan is not disbursed until after the equity and first mortgage proceeds have been expended and following the completion of all of the construction,, renovation and demolition and subject to the issuance of "Certificates of Occupancy".	R		
	3.3.3.2.4	Direct loan does not exceed the total project costs less first mortgage proceeds, equity contribution, and estimated proceeds to be deposited into the construction escrow account from operations.	R		

		Direct loan proceeds are not used to finance credit support, debt reserve funds, or related party fees. Direct loan proceeds also cannot be used to return the Offeror's equity contribution.	R		
	3.3.3.2.5	Loan term should not exceed 40 years	R		
	3.3.3.2.6	Direct loan proceeds should not exceed the first mortgage proceeds.	R		
	3.3.3.2.7	No negative amortization is permitted	R		
	3.3.3.2.12	Offeror is required to pay all mortgage recordation costs and fees, document preparation costs, title insurance, attorney's fees, and closing costs.	R		
	3.3.3.2.13	Intercreditor agreement between the Guaranteed Lender and the Government is required	R		
	3.3.3.2.14	No deferral of interest payments	R		
	3.3.3.6	DSCR for guaranteed loan + direct loan > 1.05	R		
	3.3.3.11.2	Direct loan cannot be used to finance credit support.	R		
	5.5.2.1.2.1.1	Offeror should submit the following: -- Completed Borrower Application Form (Appendix R) -- Amount of loan required and proposed interest rate -- Expected terms and timetable for disbursement and repayment of Government funds	R		

		-- Any proposed exceptions or modification of the terms of the direct loan.			
Taxes	3.3.5	Offeror must assume that property taxes will be assessed and that the Offeror will be responsible for them unless clear direction from the local taxing authorities indicates otherwise.	R		
	"	Offeror should demonstrate how any tax savings due to an exemption or abatement will be used. Proposals that use the savings to benefit the Air Force will be looked upon more favorably.	R		
Cross Collateralization	3.3.3.7	Offeror is prohibited from cross collateralization of the project with other assets	R		
Rental Rates	1.3.2	Rent plus utility allowance does not exceed the BAH rates specified in Appendix P	R		
	3.4.2.9.6	Rents paid to Offeror are equal to BAH less 110 percent of average utilities costs.	R		
	3.5.3.3	Utility allowance should be calculated as 110 percent of utility consumption multiplied by utility rates. Utility consumption for each unit should be estimated and supported with detailed calculations.	R		

<p>Equity Contribution</p>	<p>3.3.3.11.1</p>	<p>Equity contribution not less than six percent of total project costs.</p>	<p>R</p>		
	<p>3.3.3.11.2</p>	<p>Equity contribution greater than or equal to six percent of the total project costs net of Offeror fees and credit support costs. (Equity contribution = Total cost less permanent loans less NOI during construction).</p>	<p>R</p>		
	<p>"</p>	<p>Equity is contributed prior to permanent loan proceeds and any Government funds</p>	<p>R</p>		
	<p>"</p>	<p>Any related party fees, credit support costs, or reserve funds must be funded with equity over and above the six percent minimum requirement.</p>	<p>R</p>		
	<p>5.5.2.1.1.1.1</p>	<p>Proposal should include an equity commitment letter disclosing the terms and conditions under which the equity is to be provided.</p>	<p>R</p>		
	<p>"</p>	<p>The schedule for provision of equity shall be consistent with the requirements of the Offeror's construction and permanent financing. To the extent that the availability of equity is predicated upon the receipt of operating income from units transferred to the Successful Offeror, an operating pro-forma shall be provided demonstrating the availability of funds and the Offeror's proposal shall address the means for completion of the project if the projected revenues are not realized.</p>	<p>R</p>		

<p>Capital Repair and Replacement of Facilities</p>	<p>3.5.7</p>	<p>Capital repair and replacement plan shall include, but not be limited to, site conditions, landscaping improvements, recreational equipment repair, and repair of housing units or systems including interior finishes, appliances, windows, doors, cabinetry, fixtures, roofs, mechanical equipment, insulation, etc.</p>	<p>R</p>		
	<p>"</p>	<p>Offeror shall demonstrate that the capital repair and replacement plan schedule for housing materials does not exceed the life expectancies published in the <i>National Association of Homebuilders Housing Facts, Figures, and Trends</i>, manufacturers recommendations, or other industry standards.</p>	<p>R</p>		
<p>Construction Escrow</p>	<p>3.3.7.3</p>	<p>The Offeror shall establish and maintain this account to ensure completion of all construction, renovation and demolition.</p>	<p>R</p>		
<p>Reinvestment Account</p>	<p>3.3.7.6</p>	<p>The Successful Offeror shall establish and maintain the reinvestment account throughout the term of the real estate agreements to use a percentage of net cashflow to ensure the development continues to meet the original project goal.</p>	<p>R</p>		

Submittal Requirements	4.2.1.1	Include a narrative with all mandatory forms providing sources of information, backup data, and underlying assumptions	R		
	4.2.1.3	Offeror should sign and print its name on a submittal letter. The person signing the offer must have the authority to bind the Offeror.	R		
	4.2.1.5	Proposal should be submitted in three-ring binders on 8 1/2" x 11" white single sided paper single spaced with 10 point font.	R		
	4.2.1.8	Financial pro forma data shall be submitted in electronic format on either hard disk or CD-ROM. All financial spreadsheets should be in Excel 97.	R		
	"	All mandatory financial forms specified in Appendix T are included.	R		
	4.4	Offeror should submit a signed cover letter as shown in Appendix S. A copy of each letter should be included in each volume.	R		

	"	<p>If the Offeror is a JV, all members of the JV must sign the cover letter. A proposal executed by an attorney must include two copies of the power of attorney letter. If the Offeror is a corporation, a corporate officer who is authorized to bind the corporation must execute the corporate certificate. If the Offeror is a partnership, limited liability company, or other entity, the Offeror must provide evidence that the party signing the offer has the authority to bind the Offeror.</p>	R		
	5.5.2.1.3.1.1	<p>Offeror shall submit updated rent and utility allowance figures based on the format in Appendix T</p>	R		
	5.5.2.1.3.1.2	<p>Offeror will provide an expanded Operating Revenue and Expenditure Budget for each year which describes the expected cash flow available for debt service. All assumptions and fees should be identified and described in detail.</p>	R		
	5.5.2.1.3.1.3	<p>Offeror will provide a Statement of Operating Sources and Uses of Funds for each year of the project which identifies the estimated levels of cash flow available after debt service.</p>	R		

	5.5.2.1.3.1.4	Offeror will provide a Development Budget that shows total project costs and the price per square foot for demolition, renovation, new construction, and related improvement costs. This schedule should include detailed hard and soft costs, developer costs, and development costs compared to local market development costs.	R		
Qualifications and Past Performance	5.5.1.1.1.1	Executive summary	R		
	5.5.1.1.1.2	Chart and brief commentary clearly illustrating how the project ownership is contemplated and identify all parties to the transaction	R		
	5.5.1.1.1.3	Relevant and recent project experience	R		
	5.5.1.1.1.4	Organizational and management approach	R		
	5.5.1.1.1.5	Credit references	R		
	5.5.1.1.1.6	Three years of audited financial statements for all significant parties to the transaction	R		
	5.5.1.1.1.7	Submit a detailed narrative describing the Offeror's proposed project concept.	R		
Financial Plan Evaluation Standards	5.5.2.1.1.2.1	Offeror demonstrates the ability to bring a complete financing package to the table sufficient to meet the development plan requirements.	R		

	5.5.2.1.1.2.2	Offeror's financing commitments are commercially reasonable under the circumstances and can be reasonably satisfied.	R		
	5.5.2.1.1.2.3	Offeror mitigates risk of short-term interest rate fluctuations until such time as interest rates are locked.	R		
	5.5.2.1.1.2.4	Offeror demonstrates the ability to raise all required equity, subject to commercially reasonable expectations as to performance.	R		
Project Development & Operating Cost Projections Evaluation Standards	5.5.2.1.3.2.1	Offeror clearly demonstrates an understanding of the development and management requirements of the Solicitation and the amount and types of funds necessary to meet those requirements.	R		
	5.5.2.1.3.2.2	Offeror has demonstrated the projection off development costs are reasonable and attainable based upon comparable housing in the local community.	R		
	5.5.2.1.3.2.4	Offeror designates the types of fees to be paid and/or accrued, identifies whether the fees shall be earned by a third or related party, and demonstrates long-term commitment to the project.	R		

	5.5.2.1.3.2.5	Offeror provides a detailed staging plan for the development and delivery of new and renovated units and addresses local, state, and federal approvals.	R		
	5.5.2.1.3.2.6	Offeror demonstrates the relationship between the timing of receipts of funds under the equity and debt commitments and the schedule for staging construction and delivery, and addresses how delivery of the housing units will be assured in the event of cost overruns, construction delays or other circumstances which cause available funds to be insufficient to complete the project.	R		
	5.5.2.1.3.2.7	Offeror provides a plan for the relocation of Air Force personnel on site during the renovation of any units occupied by such personnel and provides that each family shall move not more than twice.	R		

The draft sample RFP checklist does not include requirements described in sections 3.4.5 of the 7 May 2001 RFP.

APPENDIX F: OSD AWARD APPROVAL CHECKLIST

General

1. Did the government meet its goal of obtaining new or remodeled housing with the least liability to the Federal Government and with the least amount of Department of Defense (DoD) money and guarantees?

Cost and Time

2. Is the DoD getting good value for its subsidy contribution?
3. Were appropriations leveraged in excess of 3:1 in developing the project?
4. Are expected life cycle costs for the privatization project less than the life cycle costs of a comparable MILCON project?
5. Does the project significantly reduce DoD's inventory of inadequate housing either through revitalization, demolition, or sale?
6. What is the amount of new construction versus renovated housing?
7. Was the installation's housing deficit significantly reduced?
8. Was the solicitation conducted in a reasonably short period of time?
9. How long will it take to complete construction?

Authorities and Financing

10. Were the authorities used effectively and efficiently to close the development gap?
11. Is existing housing being conveyed to create an income stream for the developer?

APPENDIX F: OSD AWARD APPROVAL CHECKLIST (CON'T)

- 12. Does DoD retain adequate management control over the property supporting the housing project?
- 13. Are DoD's rights as a member of the LLC adequately protected?
- 14. Do long-term profits flow to the developer and DoD?
- 15. Are there provisions to recoup any "windfall profits" resulting from the Cohen Initiative's increase in the basic allowance for housing?
- 16. Are government facilities included in the project?
- 17. Are the privatized units severable from the installation?

Developer Performance

- 18. Is the developer's private financial strategy sound?
- 19. What protections ensure the developer's construction performance and completion?
- 20. What protections ensure the developer's good operation and management of the project?

Tenant Satisfaction

- 21. Will the military tenants experience out-of-pocket costs?
- 22. Will the military tenants enjoy other amenities from the housing project?
- 23. How will the military members' satisfaction with the housing be tracked?