

Air Force Housing Privatization

VANDENBERG AIR FORCE BASE HOUSING PRIVATIZATION

Total Units: Start State 1,336, End State 867

Total Development Costs: \$157.5M

Project Information

Contract #: FA8903-05-D-8757 (Task Order 0003)

Type of Contract: Firm Fixed Price

Amount of Contract: \$839,000

Point of Contact / Reference: Mr. Al Fennigkoh,
Project Manager AFCEE (Phone: 210.536.5796 and
210.254.4260)

Email: Allen.Fennigkoh@BROOKS.AF.MIL)

Prime / Sub: Concourse was the prime contractor
(under the name FPS)



Summary

Concourse is currently providing private-sector financial, legal, real estate investment and development expertise to the Air Force Center for Environmental Excellence (AFCEE) in support of MHPI. Concourse was engaged to execute the Vandenberg AFB, California (VAFB) Military Housing Privatization Initiative project. The project, which closed in 2008, included taking the project from concept development through selection of the Highest Ranked Offeror (HRO), and the real estate and financial transaction closure. The VAFB project involved 1,336 existing housing units and an end-state unit count of 867.

Work Description

Concourse's scope of work was divided into four work segments, described below.

In Work Segment #1, Concourse successfully established the file management plan to be implemented for all future work segments, and conducted extensive due diligence required to support the privatization and solicitation effort. Concourse maintained complete records and implemented a Project File Plan, established a web site to post specific information regarding VAFB, worked with AFCEE, VAFB and the Major Command (MAJCOM) to compile reports and studies necessary to understand the housing at Vandenberg AFB and validate the government-furnished plans and financial models. Concourse conducted site visits to gain a thorough understanding of the housing, utilities, amenities and related issues including: demand for family housing, condition of existing housing, utilities, construction and development costs, and the local housing market.

Concourse prepared a pro forma model that incorporated the data from the market study and from the review of existing plans and housing into the economic model. Concourse thoroughly documented all assumptions behind all cost and revenue estimates and ensured that AFCEE was in agreement with the estimates. Concourse prepared the Economic Assessment (EA) for the project to evaluate the viability of the privatization scope as compared to other alternatives available to the Air Force to revitalize the housing at VAFB. Concourse calculated the 50-year life-cycle costs for status quo, MILCON and privatization approaches to achieving the Air Force's goal of revitalizing deteriorated. Concourse prepared a Preliminary OMB Budget Scoring Report and prepared and revised, as required, the concept package, associated briefings, fact sheets, and financials through all approval stages.

In Work Segment # 2, Concourse successfully completed an RFP for the privatization of housing at VAFB. The RFP and attachments were based on the Air Force's generic RFP template to reflect the unique characteristics of VAFB, lessons learned in more recent solicitations and ongoing Air Force refinements. Concourse also supported the project RFP approval process by drafting all necessary documents for moving the VAFB transaction through the approval process and assisting in the preparation of all required Congressional notifications for Air Force review and submission, and generating market interest in the project.

In work Segment #3, Concourse successfully facilitated all activities necessary to complete the release of the RFP to the market and move the project toward transaction closing with the Highest Ranking Offeror (HRO). Concourse marketed the project, conducted an Industry Forum at VAFB, facilitated the issuance of the RFP, evaluated proposals from offerors, hosted and facilitated oral presentations, and assisted the Air Force in determining and selecting the most advantageous offer to the Air Force through the competitive process. Concourse also attended and participated in the Acquisition Support Team (AST) training at VAFB and supported telephone debriefings to unsuccessful offerors. Concourse prepared pre-final financial documents reflecting the HRO's proposal, including revised EA, Pro Forma and Budget Scoring Report.

In work Segment #4, Concourse provided technical, administrative, and other support necessary to facilitate the transaction closure process. As part of this process, Concourse facilitated government negotiations with the Highest Ranked Offeror's (HRO) to consummate a deal acceptable to both parties. Concourse interfaced between Air Force counsel and HRO counsel to ensure that all closing documents were reviewed and are acceptable to both parties.

Additional Information

In 2007, the Air Force evaluation stated that Concourse "brought a variety of experience to the Vandenberg Project assisting the Program Office to get the request for proposal published in a timely manner. [Concourse's] knowledgeable people have greatly contributed to the successful response to the RFP by potential offerors. Quick response to the potential offerors questions and the Air Force staff questions has kept us on schedule" and Concourse's "expertise and experience in MHPI has paid dividends to AFCEE and the project. They have provided the right mix of talent and discipline needed."

Project Status

The project successfully closed in 2008.

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Introduction

Vandenberg Air Force Base Vandenberg AFB is home to the 14th Air Force, 30th Space Wing, 381ST Training Group, and the Western Launch and Test Range (WLTR), and is responsible for satellite launches for military and commercial organizations, as well as testing of intercontinental ballistic missiles, including the Minuteman III ICBMs.



Scope of Work

Concourse was engaged by the Air Force to provide private-sector financial, real estate investment and development expertise in support of the Air Force's Military Housing Privatization Initiative (MHPI) at Vandenberg AFB. The project included obtaining Air Force approval, from concept development through selection of the Highest Ranked Offeror (HRO), and the real estate and financial transaction closure.

Project Performance

The project involved 1,336 existing housing units and an end-state unit count of 867. Concourse handled all elements from project concept to closing. The scope of work included preparing a pro forma that incorporated the data from the market study and from the review of existing plans and housing into the current Air Force model; preparing the preliminary Economic Assessment (EA) for the project to evaluate the viability of the privatization scope as compared to other alternatives; preparing an OMB Budget Scoring Report; preparing the concept package, associated briefings, fact sheets, and financials through all stages. Concourse also drafted the project RFP and facilitated all activities necessary to complete the release of the RFP to the public and move the project toward transaction closing with the Highest Ranking Offeror (HRO). Upon award of the project to a private sector developer, Concourse provided technical, administrative, and other support necessary to facilitate the transaction closure process. As part of this process, Concourse facilitated negotiations with the developer to consummate a deal acceptable to both parties.

Conclusion



Concourse Federal Group ~ Title

Concourse's effort on this assignment resulted in a successful \$137 million privatization project that supports the mission of Vandenberg AFB.

Project Reference

Project Manager, Mr. Al Fennigkoh, AFCEE (Phone: 210.536.5796 and 210.254.4260) Email: Allen.Fennigkoh@BROOKS.AF.MIL)