



AFRPA

EUL Playbook Volume 2 Phase IV



October 25, 2010
Air Force Real Property Agency

TABLE OF CONTENTS

1.0	PHASE IV – POST-CLOSING MANAGEMENT	5
1.1	POST-CLOSING MANAGEMENT OVERALL PROCESS	5
1.1.1	Background	5
1.1.2	Roles and Responsibilities by Phase	6
1.1.3	PcM Team: Organization, Members and Tenure	8
1.2	PREPARATION FOR PcM PROCESS	8
1.2.1	Background	8
1.2.2	Preparation for PcM: Roles and Responsibilities	10
1.2.3	Best Practices	10
1.3	RPMP TRAINING SITE VISIT PROCESS	10
1.3.1	Background	10
1.3.2	RPMP Training Site Visit: Roles and Responsibilities	12
1.3.3	Best Practices	12
1.4	TRANSITION ACTIVITIES PROCESS	12
1.4.1	Background	12
1.4.2	Transition Activities: Roles and Responsibilities	14
1.4.3	Best Practices	15
1.5	PCM LEASE EXECUTION SITE VISIT PROCESS	15
1.5.1	Background	15
1.5.2	PcM Lease Execution Site Visit: Roles and Responsibilities	17
1.5.3	Best Practices	18
2.0	PERIODIC PROCESSES	19
2.1	CONSIDERATION PROCESS, CASH OR IN-KIND	19
2.1.1	Background	19
2.1.2	Consideration Process, Cash or In-kind: Roles and Responsibilities	21
2.2	MONTHLY ACTIVITIES PROCESS	21
2.2.1	Background	21
2.2.2	Monthly Activities: Roles and Responsibilities	22
2.2.3	Best Practices	23
2.3	QUARTERLY ACTIVITIES PROCESS	23
2.3.1	Background	23
2.3.2	Quarterly Activities: Roles and Responsibilities	24
2.3.3	Best Practices	24
2.4	ANNUAL ACTIVITIES PROCESS	24
2.4.1	Background	24
2.4.2	Annual Activities: Roles and Responsibilities	25
2.4.3	Best Practices	26
2.5	ANNUAL SITE VISIT PROCESS	26
2.5.1	Background	26
2.5.2	Annual Site Visit: Roles and Responsibilities	27
2.5.3	Best Practices	28
2.6	AIR FORCE OVERSIGHT OF PRIVATE/COMMERCIAL CONSTRUCTION PROCESS	28
2.6.1	Background	28
2.6.2	Pre-construction Responsibilities	28
2.6.3	Construction	29
2.6.4	Post-Construction	29
2.6.5	Air Force Oversight of Private/Commercial Construction: Roles and Responsibilities	30
2.6.6	Best Practices	31

3.0	CASH CONSIDERATION	32
3.1	RECEIPT AND DISBURSEMENT OF CASH CONSIDERATION PROCESS.....	32
3.1.1	<i>Background.....</i>	32
3.1.2	<i>Receipt and Distribution of Cash Considerations: Roles and Responsibilities</i>	34
3.1.3	<i>Best Practice</i>	34
4.0	IN-KIND CONSIDERATION.....	35
4.1	FUNDS AND DELIVERY MANAGEMENT OF IKC OVERVIEW	35
4.1.1	<i>Background.....</i>	35
4.1.2	<i>Funds Management – Five Key Concepts</i>	35
4.1.3	<i>Delivery Management – Four Key Concepts.....</i>	36
4.1.4	<i>Fund and Delivery Management of IKC: Roles and Responsibilities</i>	36
4.1.5	<i>Best Practice</i>	37
4.2	IKC: RECEIPT AND DISBURSEMENT OF FUNDS PROCESS	37
4.2.1	<i>Background.....</i>	37
4.2.2	<i>IKC: Receipt of Funds Process.....</i>	37
4.2.3	<i>IKC: Receipt of Funds: Roles and Responsibilities</i>	38
4.2.4	<i>IKC: Disbursement of Funds Process.....</i>	38
4.2.5	<i>IKC: Disbursement of Funds Process: Roles and Responsibilities</i>	42
4.2.6	<i>Best Practices.....</i>	42
4.3	IKC: PROJECT IDENTIFICATION AND APPROVAL PROCESS.....	42
4.3.1	<i>Background.....</i>	42
4.3.2	<i>IKC: Project Identification and Approval: Roles and Responsibilities</i>	44
4.3.3	<i>Best Practices.....</i>	44
4.4	DELIVERY OF IKC.....	44
4.4.1	<i>Background.....</i>	44
4.4.2	<i>Lessee Responsibilities</i>	45
4.4.3	<i>Independent Project Consultant Responsibilities.....</i>	46
4.4.4	<i>Air Force Responsibilities.....</i>	46
4.4.5	<i>Delivery of IKC: Roles and Responsibilities</i>	49
4.4.6	<i>Best Practices.....</i>	50

TABLE OF FIGURES

Figure 1: PcM Activities, Phases III and IV 6
Figure 2: Preparation for PcM 9
Figure 3: RPMP Training Site Visit..... 11
Figure 4: Transition Activities..... 14
Figure 5: PcM Lease Execution Site Visit..... 17
Figure 6: Consideration Process, Cash or In-kind..... 20
Figure 7: Monthly Activities..... 22
Figure 8: Quarterly Activities..... 23
Figure 9: Annual Activities..... 25
Figure 10: Annual Site Visit..... 27
Figure 11: Air Force Oversight of Private/Commercial Construction Process 30
Figure 12: Receipt and Distribution of Cash Considerations 33
Figure 13: Fund and Delivery Management of IKC Overview 35
Figure 14: IKC: Receipt of Funds 38
Figure 15: IKC: Disbursement of Funds Process – SAF/IEI retains delegated authority 40
Figure 16: IKC: Disbursement of Funds – SAF/IEI delegation to AFRPA..... 41
Figure 17: IKC: Disbursement of Funds – SAF/IEI delegation to Installation 42
Figure 18: IKC: Project Identification and Approval 44
Figure 19: Delivery of IKC 48

1.0 PHASE IV – POST-CLOSING MANAGEMENT

1.1 POST-CLOSING MANAGEMENT OVERALL PROCESS

1.1.1 *Background*

Phase IV of the EUL process (Post-closing Management [PcM]) deals with project, portfolio, and asset management for the length of the lease.

Portfolio and asset management of EUL projects begins in Phase I of the EUL process, continues through Phase IV, and concludes with Phase V, Lease Termination.

Phase I AFRPA/Real Property Portfolio Management (RPMP) portfolio and asset management activities include the dissemination of lessons learned, provision of a portfolio perspective of “best value” initiatives, facilitation of PcM training within the EUL Program, and receipt/review of the Feasibility Study. Training occurs across all phases of the EUL process and is both internal (Air Force) and external (e.g., developers and municipalities).

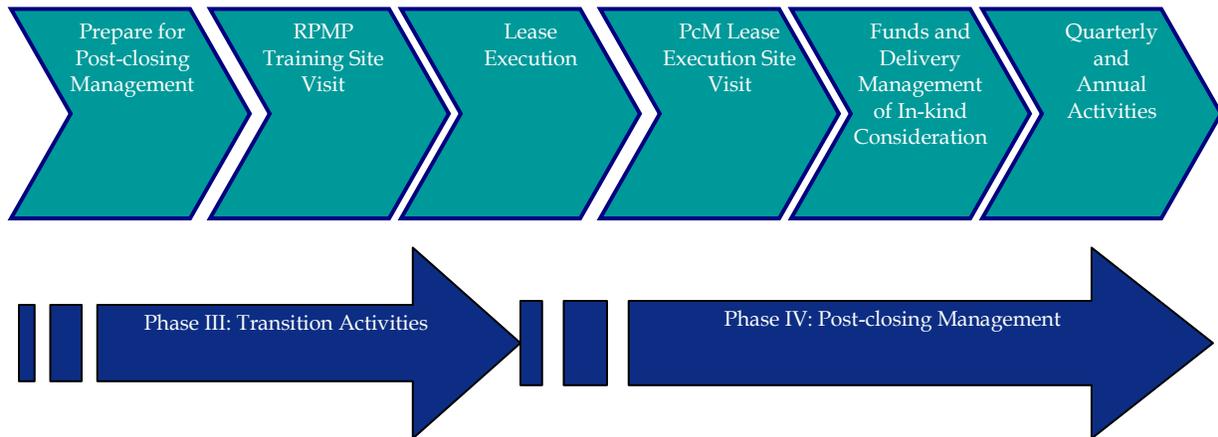
Phase II of portfolio and asset management of the EUL process continues with the formal chartering of the Deal Team (DT), appointment of a Deal Team Lead (DTL), and introduction of an AFRPA/RPMP Program Manager (PM) as a technical advisor and non-voting member. The PM serves in an advisory role to the DTL, ensures inclusion of PcM literature and language in Industry Day documents, reviews initially identified In-kind Consideration (IKC), and reviews proposals. The PM also ensures compatibility with the Air Force portfolio objective by recommending future PcM resource requirements, identifying additional PcM unique stakeholders, and coordinating a Value Assessment Board before the Executive Steering Group (ESG) Source Selection Murder Board. The ESG Peer Review Board is responsible for validating and approving the proposed concept.

Phase III of portfolio and asset management of the EUL process consists of advisory support for negotiations, term-sheet review, revalidation of proposed IKC, formal creation of the PcM Team, preparation for Post-Closing Management, and initiation of transition activities and the RPMP training site visit. The PcM Team includes the following representatives: AFRPA/Strategic Asset Utilization Execution (SAUE) DTL, the RPMP PM, Major Command (MAJCOM), Installation and other appropriate stakeholders (Table 1.1.2 Post-closing Management Team: Organization, Member and Tenure)

Phase IV portfolio and asset management of the EUL process continues with the PcM lease execution site visit and the completion of transition activities. DTL PcM responsibilities end when transition activities are complete. RPMP provides long-term

PcM sustainment of the EUL project with processes managed by the PM that include: monthly activities, quarterly activities; annual activities; receipt and disbursement of cash consideration; funds and delivery management of IKC; commercial construction oversight; and annual site visits.

Figure 1: PcM Activities, Phases III and IV



1.1.2 Roles and Responsibilities by Phase

- Phase I:
 - RPMP, Office of Coordinating Responsibility (OCR):
 - Receive/review Feasibility Study to assign appropriate PcM support
 - Provides training modules as part of the larger EUL training
 - Disseminates lessons learned
 - Provides Air Force portfolio perspective
 - SAUE: Office of Primary Responsibility (OPR): coordinate and provide documents, information, and updates to RPM as required
- Phase II:
 - RPMP (OCR):
 - Industry Day - Provide literature and documents to identify PcM requirements
 - Identify a PM as a PcM advisor and non-voting member to the DT
 - Review initially identified IKC
 - Review proposals
 - At HRO selection, RPMP receive/review HRO proposal
 - SAUE (OPR) and RPMP (OCR):
 - SAUE schedules and RPMP conducts Value Assessment Board prior to the ESG Source Selection Peer Review Board to determine if the proposed concept maximizes value for the Air Force
- Phase III:
 - DTL: coordinates with SAUE and RPMP to establish a PcM Team
 - PcM Team (OPR):

- Establishes roles and responsibilities
 - Defines deliverables
 - Determines timelines based on terms of the transaction
 - With RPMP - Identifies and incorporates key performance metrics and compliance indicators unique to the project, as well as the broader portfolio program metrics to substantiate and validate reports and establish accountability through PcM
 - With DT (OCR) - reviews term sheets and legal documents to determine:
 - Scope of support from required stakeholders
 - Level of effort (LOE) required of stakeholders
 - Other required resources
 - Pre-populates post-closing templates
 - RPMP (OPR):
 - With DTL (OCR)
 - Schedules and prepares for the RPMP training site visit (conducted in parallel with Congressional notification)
 - Facilitate IKC requirement determination
 - Ensures PcM duties are delegated to appropriate action officer
 - RPMP (OCR) with DTL (OPR) - Support negotiations from a PcM perspective
- Phase IV:
 - DTL (OPR) with PM (OCR):
 - Completes transition activities
 - Conducts PcM lease execution site visit
 - PM (OPR):
 - Conducts PcM lease execution site visit
 - Conducts quarterly activities
 - Conducts annual activities
 - Manages receipt and disbursement of cash consideration
 - Manages funds in IKC Fund Account (IKCFA)
 - Oversees delivery of IKC Projects
 - Provides private/commercial construction oversight
 - Conducts annual site visit
- Phase V
 - AFRPA/RPMP (OPR) with SAF/GCN (OCR):
 - Oversees and coordinates lease termination

1.1.3 PcM Team: Organization, Members and Tenure

ORGANIZATION	MEMBER	TENURE
AFRPA/SAUE (SAUE)	DTL	PcM Team creation → Compliance checklist completion
AFRPA/RPMP (RPMP)	PM	PcM Team creation → Lease termination
MAJCOM	Determined by MAJCOM	PcM Team creation → Lease termination
Installation	Determined by Installation	PcM Team creation → Lease termination
SAF/GCN		As required
Other Stakeholders		As required
AFRPA/PA		As required

1.2 PREPARATION FOR PcM PROCESS

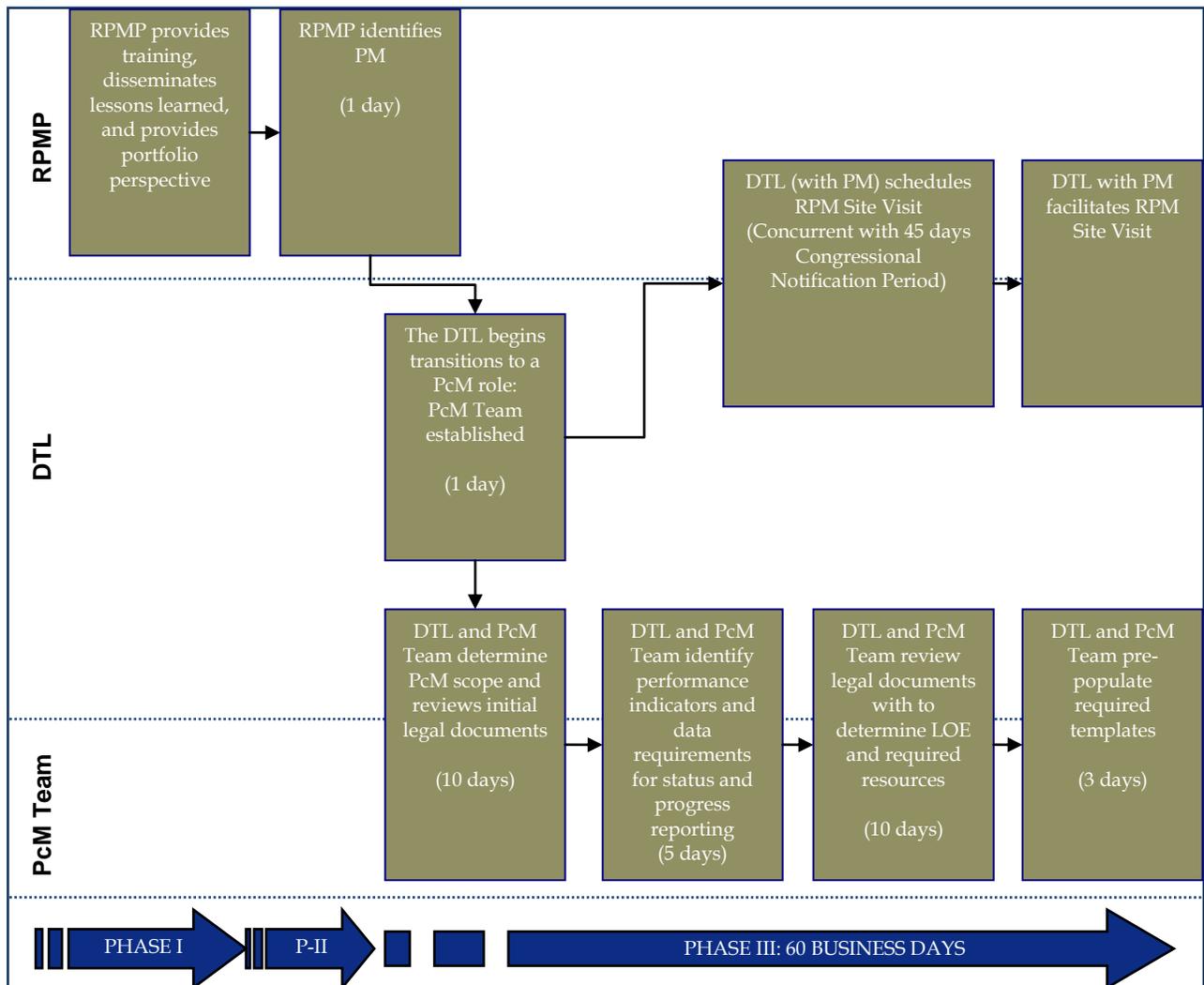
1.2.1 Background

Prior to the start of Phase IV (approximately 30-45 days before Lease signing) the PcM Team prepares for PcM. The intent of the process is to transition the project from deal closing and lease execution to PcM and long-term sustainment of the Lease.

Prior to Lease Execution, the DTL and PM coordinate the RPMP Training site visit and ensure that the compliance checklist and all closing documents are being populated.

After Lease Execution, the DTL and PM coordinate the PcM Lease Execution site visit. The DTL completes any outstanding compliance checklist responsibilities and works with the PM to accomplish the transition to long-term sustainment. DTL involvement after Lease execution is critical to facilitate stakeholder understanding of the PcM process and to foster the long-term relationship with the PM. Depending on deal complexity, DTL involvement may be required for six to twelve months. As appropriate for each project, but not before all compliance checklist items assigned to the DTL are complete, the DTL will be replaced by the PM for long-term sustainment of the project. The PcM function becomes nested within the AFRPA/RPMP section – one of several business lines within the larger agency portfolio of real property.

Figure 2: Preparation for PcM



1.2.2 Preparation for PcM: Roles and Responsibilities

ROLE	RESPONSIBILITY
RPMP	<ul style="list-style-type: none"> Identifies PM Transitions with DTL to set up PcM Team and operations Coordinates on Legal Closing Checklists, Delegation Authority, etc. Attends and supports RPMP Training site visit
DTL	<ul style="list-style-type: none"> Transitions to PcM role Ramps up PcM Team and determines PcM scope Reviews initial legal documents Identifies Stakeholder Requirements for Status/Progress Reporting Maintains overall responsibility for PcM Team actions and serves as liaison with PM Schedules RPMP Training Site Visit
AFRPA PcM Team	<ul style="list-style-type: none"> Identifies performance indicators and data requirements for status and progress reporting Reviews legal documents with DT to determine expected PcM stakeholder LOE and required resources Pre-populates required templates
SAF/GCN	<ul style="list-style-type: none"> Performs any required legal actions within project scope
Installation Point of Contact (POC)	<ul style="list-style-type: none"> PcM Team membership and support as required
MAJCOM POC	<ul style="list-style-type: none"> PcM Team membership and support as required
HAF/A7C POC	<ul style="list-style-type: none"> As required
AFCEE	<ul style="list-style-type: none"> As required
AFRPA/DR	<ul style="list-style-type: none"> As required
ESG	<ul style="list-style-type: none"> As required
Lessee	<ul style="list-style-type: none"> As required

1.2.3 Best Practices

- PcM Team reviews lessons learned for conducting post-closing preparation in advance of site orientation visit
- Identify, early in the PcM process, any Installation resource and training requirements; ensure adequate planning occurs to address these needs
- Ensure AFRPA Public Affairs (PA), Installation/PA, and MAJCOM/PA Teams are invited to the Training Site Visit or participate in the teleconference
- Foster positive, partnering relationships with Lessee and property manager to assist with maintaining a healthy project through proactive, solution-oriented approaches to communication, renegotiations, and problem solving

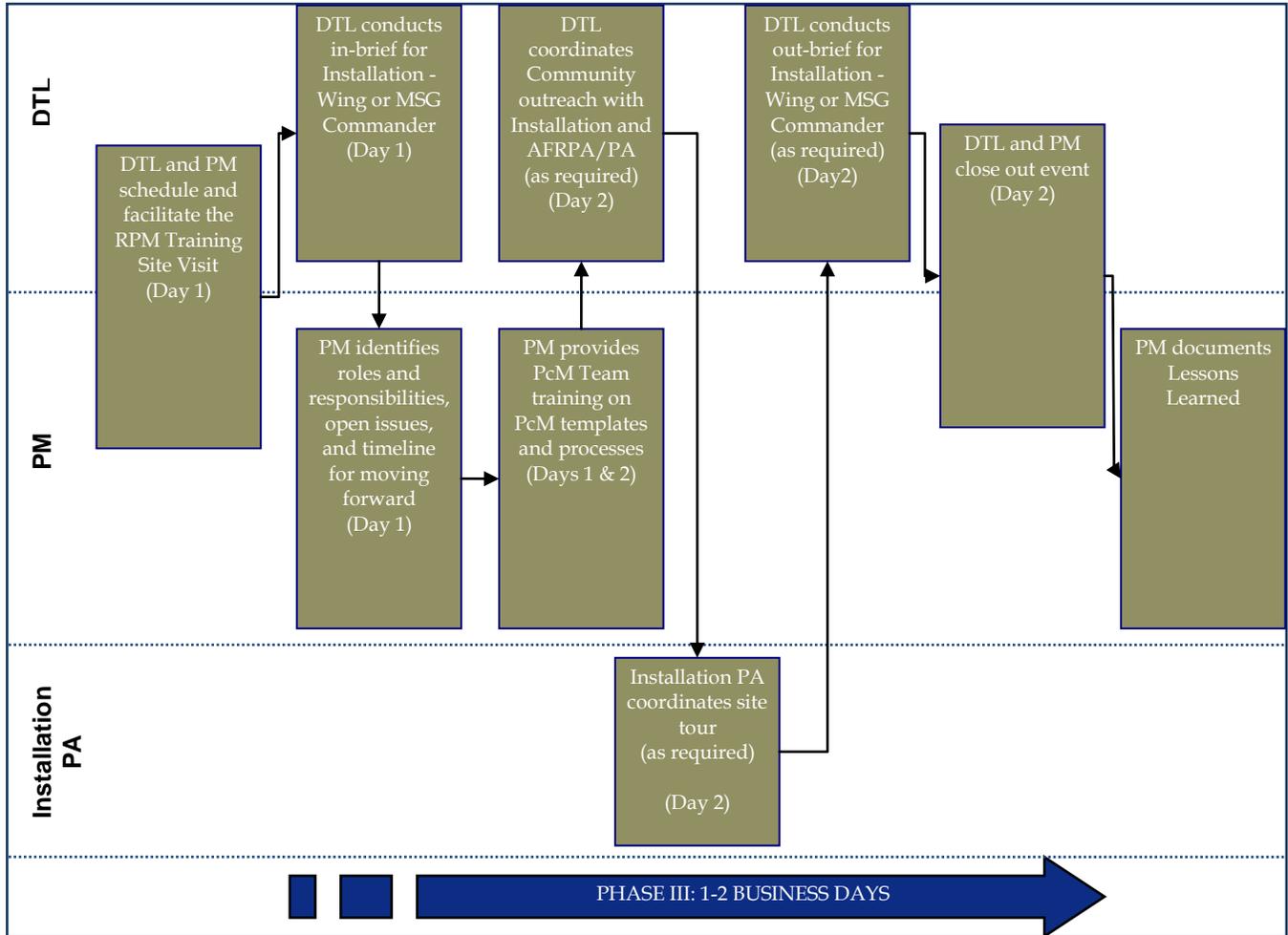
1.3 RPMP TRAINING SITE VISIT PROCESS

1.3.1 Background

The DTL (OPR) with PM (OCR) schedules and coordinates the RPMP Training site visit in parallel with the 45-day Congressional Notification waiting period. Training will be accomplished by PM. The purpose of the Training site visit is to formally introduce

stakeholders involved with PcM to the transition and sustainment process, outline post-closing roles and responsibilities, discuss open issues and initiatives, assess potential risks and mitigation strategies, refine timelines, review EUL Training Handbook (PcM templates), review EUL Playbook Volume 2 (Phases IV-V), provide project-specific training, and solicit input on site visit value and impact. After the site visit, the PM conducts a Hot Wash with the DTL and PcM Team to analyze results to incorporate lessons learned specific to the EUL project and the site visit itself.

Figure 3: RPMP Training Site Visit



1.3.2 RPMP Training Site Visit: Roles and Responsibilities

ROLE	RESPONSIBILITY
PM	<ul style="list-style-type: none"> Schedules and facilitates the RPMP Training Site Visit with DTL Identifies roles/responsibilities, open issues, timelines Provides PcM Team training on PcM templates and processes Conducts Hot Wash with MRC to document Lessons Learned
DTL	<ul style="list-style-type: none"> Schedules and facilitates the RPM Training Site Visit with PM Conducts in-brief and out-brief for Installation Wing/MSG Commander Acts as primary AFRPA POC interacting with Air Force personnel and local entities Ensures site visit objectives are met
SAF/GCN	<ul style="list-style-type: none"> Performs any required legal actions within project scope
Installation POC	<ul style="list-style-type: none"> Coordinates logistics of site visit including in-brief/out-brief for Installation - Wing or MSG Commander, and Lessee and local government meetings as necessary Leads site/Installation tour Provides pertinent information/documentation, as requested Coordinates with Installation/PA and AFRPA/PA
MAJCOM POC	<ul style="list-style-type: none"> Provides insight from MAJCOM perspective to accomplish site visit objectives
HAF/A7C POC	<ul style="list-style-type: none"> As required
AFCEE	<ul style="list-style-type: none"> As required
AFRPA/DR	<ul style="list-style-type: none"> As required
ESG	<ul style="list-style-type: none"> As required
SAF/IEI	<ul style="list-style-type: none"> As required
Lessee	<ul style="list-style-type: none"> As required

1.3.3 Best Practices

- Schedule meetings with leadership well in advance
- Engage with AFRPA/PA and Installation/PA to coordinate on any community or local government activities
- Emphasize the importance of strong Installation leadership and open communications for project sustainability
- Capture lessons learned
- PcM Templates found in the EUL Training Handbook should be used for program/project continuity; file location: AFRPA EUL Community of Practice document web site (a Common Access Card is required to access this website)

1.4 TRANSITION ACTIVITIES PROCESS

1.4.1 Background

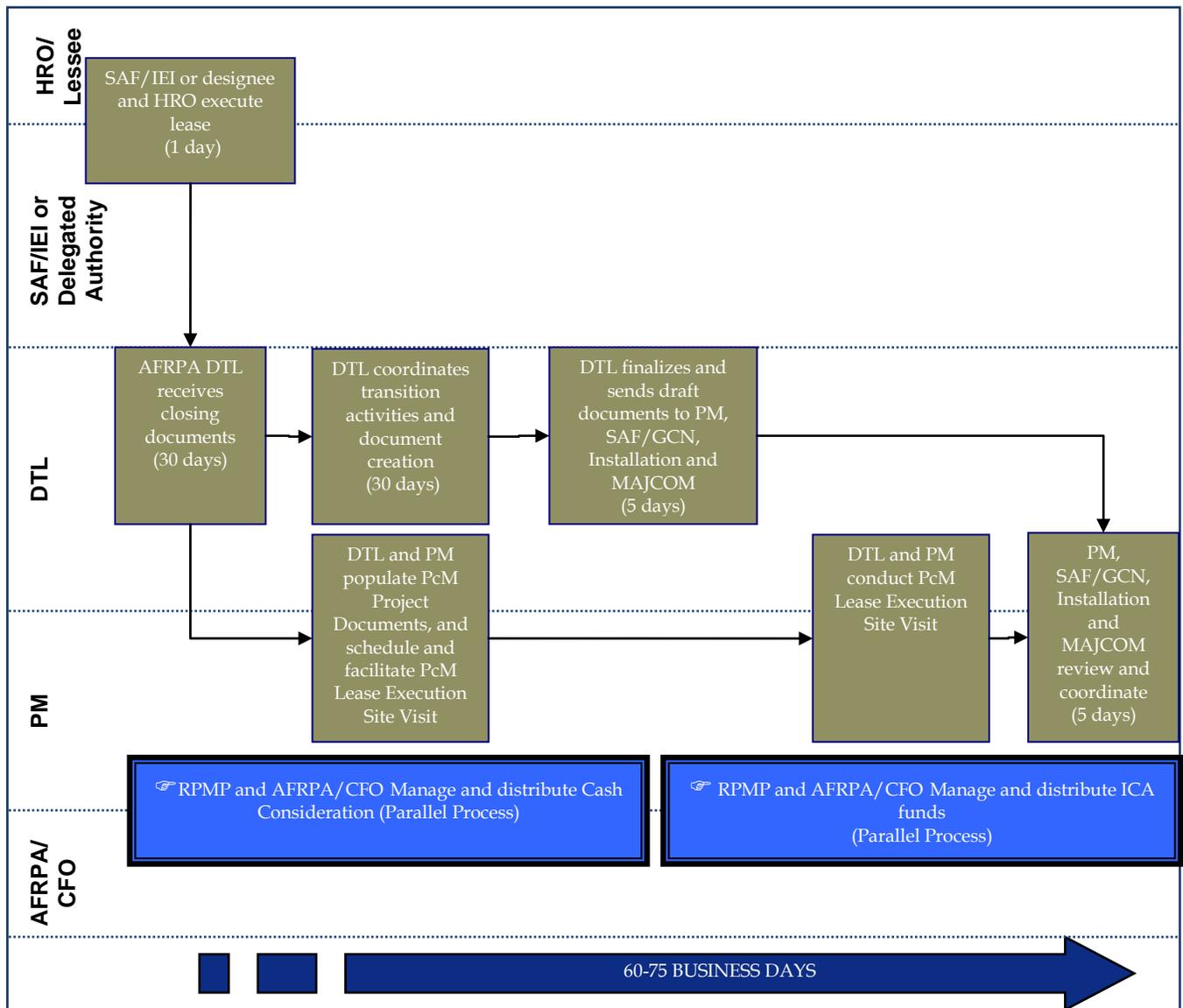
PcM is comprised of multiple activities and forms the foundation for managing an individual EUL project as part of the larger Air Force portfolio of real property.

Prior to Lease Execution, DTL will (where applicable) pre-populate approved PcM Project Documents: Compliance Checklist (Appendix 2.A, Compliance Checklist), Project Fact Sheet (Appendix 2.B, Project Fact Sheet), Project Executive Summary (Appendix 2.C, Project Executive Summary), Schedule of Other Reporting Requirements (Appendix 2.D, Reporting Requirements), and Insurance Review and Summary Report (Appendix 2.E, Insurance Review and Summary Report). These documents can only be finalized once final closing legal documents are received.

Upon lease execution, the DTL (OPR): 1) verifies completeness and accuracy of final closing transcript of legal documents with SAF/GCN (OCR) and PM (OCR), including the PcM Project Documents; and 2) coordinates the receipt of final closing legal documents. Completed documents are forwarded to PM, SAF/GCN, the Installation, and MAJCOM prior to the PcM Lease Execution Site Visit.

Upon lease execution and/or at any time throughout the lease period, cash and/or IKC may be received by the Air Force. RPMP and AFRPA/CFO manage consideration receipt. The path for managing consideration is dependent upon the type of consideration received; either cash or In-kind. The process for receipt of cash consideration can be found in Section 3.1, Receipt and Disbursement of Cash Consideration. The process for receipt of IKC can be found in Section 4.1, Receipt, Management and Disbursement of IKC. The actions required could be a single occurrence, a series of occurrences, or occurrences on a continual basis.

Figure 4: Transition Activities



1.4.2 Transition Activities: Roles and Responsibilities

ROLE	RESPONSIBILITY
PM	<ul style="list-style-type: none"> Schedules, facilitates and conducts PcM Lease Execution site visit Coordinates on PcM documents Manages and distributes Cash and IKC
DTL	<ul style="list-style-type: none"> Perform PcM transition activities Validates drafts of PcM project documents Populates templates; conduct transition activities as required Formulates communication plan or stakeholder engagement strategy, as required Coordinates receipt/distribution of final closing document transcript
AFRPA/CFO	<ul style="list-style-type: none"> Manages and distribute Cash and IKC

ROLE	RESPONSIBILITY
SAF/GCN	<ul style="list-style-type: none"> Performs any required legal actions within PcM scope
Installation POC	<ul style="list-style-type: none"> Reviews and comments on PcM project templates
MAJCOM POC	<ul style="list-style-type: none"> Reviews and comments on PcM project templates
SAF/IEI	<ul style="list-style-type: none"> Executes Lease
Lessee	<ul style="list-style-type: none"> Executes Lease

1.4.3 Best Practices

- Maintain an electronic copy of tools, templates, and project documents, including all signed Lease documents with access for all PcM Team members
- Maintain original signed project documents on file in accordance with Air Force policies and procedures
- Develop project specific key performance indicators (KPIs) to monitor the health of the project and its impact on the IKCFA and overall Air Force return

1.5 PCM LEASE EXECUTION SITE VISIT PROCESS

1.5.1 Background

The PcM Lease Execution Site Visit has three purposes; they are 1) to complete outstanding document requirements; 2) to introduce and define PcM roles and responsibilities and 3) to further develop relationships between stakeholders. The DTL (OPR) and PM (OCR) will schedule and coordinate with the Installation POC (OCR) for the PcM Lease Execution Site Visit. Components of the PcM Lease Execution Site Visit include the following activities:

- Brief Installation leadership;
- Define roles, responsibilities and timelines;
- Populate templates;
- Tour the site;
- Meet with community and Lessee;
- Provide training; and
- Conduct lessons learned surveys.

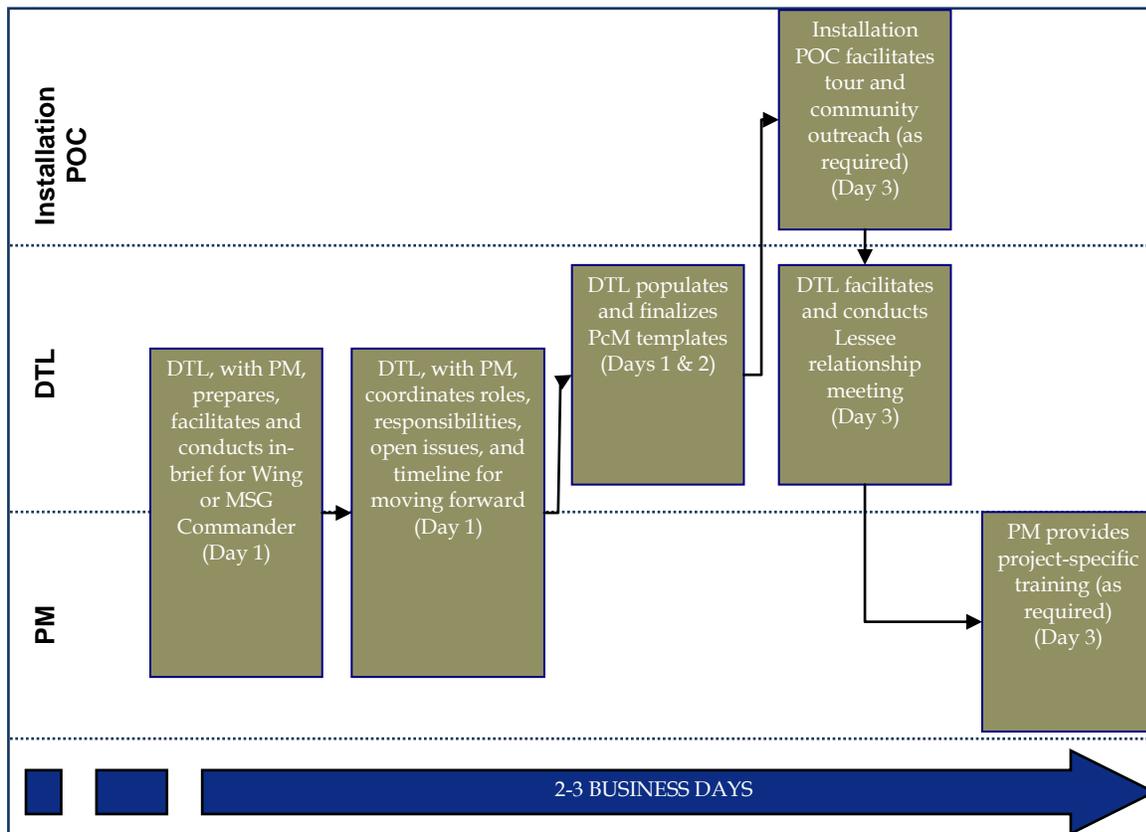
The PcM Lease Execution Site Visit includes several important activities including, but not limited to, the following:

- In-Brief: The site visit is kicked off via an in-brief (Appendix 2.F: In-Brief Template) for the Installation - Wing or MSG Commander. DTL, in coordination with the PM, is responsible for assigning preparation of the brief and determining the appropriate presenter. The Installation and MAJCOM POCs will review the brief and recommend the inclusion of any topics of interest or presentation recommendations for the Installation - Wing or MSG Commander.
- Roles, Responsibilities, Timelines: PM, in coordination with DTL, facilitates meetings with appropriate Installation representatives to coordinate post-closing

roles and responsibilities, discuss open issues and initiatives, assess potential risks and mitigation strategies, and refine timelines for PcM-related activities.

- Template Population: DTL facilitates completion of templates with project-specific data and updates. Ensures Installation provides all necessary project-specific inputs. Gains concurrence of information from all stakeholders.
- Installation Tour: The Installation POC leads a tour of the site. Time permitting; a full Installation tour may be included.
- Meetings with Local Community Officials: Installation POC facilitates all meetings with external stakeholders with support of AFRPA/PA and Installation POC. Meetings need to be coordinated with Installation, MAJCOM, and AFRPA/PA offices before contacting any agency outside of the Air Force. This provides yet another opportunity to ensure that the Stakeholders' concerns are being addressed and that the Air Force is perceived as a responsible steward within the community. This may take the form of a town meeting, forum, or informal meetings. Since the Installation may already have working relationships with these organizations, the Installation POC will provide local contacts and participate in the meetings.
- Lessee Relationship Meeting: DTL coordinates and facilitates any meetings with Lessee representatives to follow up on post-closing roles and responsibilities, validate expectations, discuss open issues and initiatives, assess potential risks and mitigation strategies, and refine timelines. This provides the opportunity to continue the lasting partnership with the project owner and other stakeholders.
- Training: PM assesses further training and resource needs of the Installation and provides options for fulfilling those requirements. PM provides any necessary training.
- After the site visit, PM analyzes results and uses the Lessons Learned Process to capture lessons learned specific to the EUL project and the site visit itself.

Figure 5: PcM Lease Execution Site Visit



1.5.2 PcM Lease Execution Site Visit: Roles and Responsibilities

ROLE	RESPONSIBILITY
PM	<ul style="list-style-type: none"> With DTL, prepares, facilitates and conducts in-brief for Installation - Wing or MSG Commander With DTL, coordinates roles, responsibilities, open issues, and timeline for moving forward Provides training as required
DTL	<ul style="list-style-type: none"> With PM, prepares, facilitates and conducts in-brief for Installation - Wing or MSG Commander With PM, coordinates roles, responsibilities, open issues, and timeline for moving forward Acts as primary AFRPA POC interacting with Air Force personnel and local entities Populates PcM templates Facilitates and conducts meetings with Lessee Ensures site visit objectives are met
SAF/GCN	<ul style="list-style-type: none"> Performs all required legal actions within project scope
Installation POC	<ul style="list-style-type: none"> Coordinates logistics of site visit, including in-brief/out-brief for Installation - Wing or MSG Commander, and Lessee and local government meetings as necessary Leads Installation tour Provides pertinent information/documentation, as requested

ROLE	RESPONSIBILITY
MAJCOM POC	<ul style="list-style-type: none"> Provides insight (from MAJCOM perspective) to accomplish site visit objectives

1.5.3 *Best Practices*

- Schedule meetings with leadership well in advance
- Check with Installation POC for key issues, and preferred presentation templates and/or formats
- Engage with AFRPA/PA and Installation/PA to coordinate on any community or local government activities
- Emphasize the importance of strong Installation leadership and open communications to project sustainability

2.0 PERIODIC PROCESSES

2.1 CONSIDERATION PROCESS, CASH OR IN-KIND

2.1.1 Background

An EUL is a lease (Out-grant) between the Air Force and Lessee for at least fair market value for the use of an Air Force asset. Out-grants in the form of a lease are authorized by the Military Leasing Act (MLA), 10 United States Code (U.S.C.) § 2667 and 12 U.S.C. § 1770 (for federal credit unions), which provides, in part: “Conditions on leases – a lease under subsection (a) -- . . . (4) shall provide for the payment (in cash or In-kind) by the lessee of consideration in an amount that is not less than the fair market value of the lease interest, as determined by the Secretary.”

The MLA provides flexibility in the ways the Air Force may receive Fair Market Value (FMV) from the Lessee by authorizing consideration in the form of cash or In-kind (goods or services). Volume I of the EUL Playbook provides a definition of “Cash Leases”, “In-kind Leases”, deposit guidance, and 10 USC § 2667 acceptable IKC.

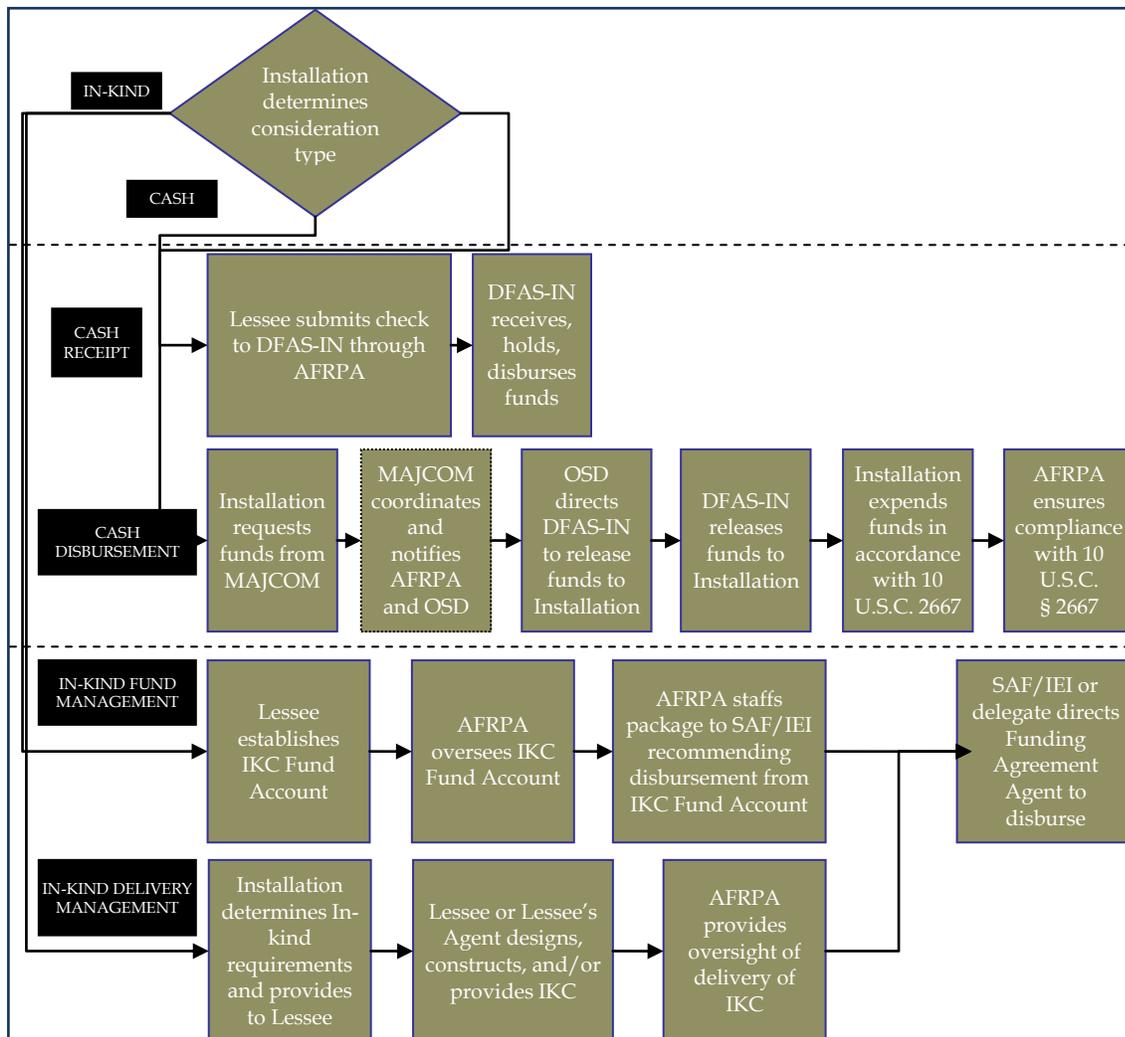
Identification of the type of consideration to be received (Cash or in-Kind) is determined by the Installation. If Cash Consideration is provided to the installation, the process follows Section 3.1, Receipt and Disbursement of Cash Consideration. If IKC is provided to the installation, the process follows Section 4.3, IKC: Project Identification and Approval Process, Section 4.2, IKC: Receipt and Disbursement of Funds, and Section 4.4, Delivery of IKC.

Summary:

- Installation determines what type of consideration to receive, Cash or In-kind
- Cash Consideration
 - Receipt
 - Lessee submits check to AFRPA
 - AFRPA submits check to Defense Finance and Accounting Service-Indiana Service Center (DFAS-IN)
 - Disbursement
 - Installation requests funds from MAJCOM
 - MAJCOM notifies Office of Secretary of Defense (OSD), AFRPA, & SAF/FM
 - OSD funds Installation/FM through MAJCOM
 - Installation expends funds per regulations in contract vehicle
 - AFRPA ensures compliance with 10 USC § 2667
- IKC
 - Funds Management

- Lessee establishes IKC Account
- AFRPA provides oversight of funds in IKC Account
- AFRPA staffs package to SAF/IEI or delegated authority recommending disbursement from IKC Account
- SAF/IEI or delegated authority directs Funding Agreement Agent to disburse
- Delivery Management
 - Installation determines IKC Project requirements and provides to Lessee
 - Lessee or Lessee's Agent designs, constructs and/or provides IKC
 - AFRPA provides oversight of IKC delivery

Figure 6: Consideration Process, Cash or In-kind



2.1.2 Consideration Process, Cash or In-kind: Roles and Responsibilities

ROLE	RESPONSIBILITY
Installation	<ul style="list-style-type: none"> • Determines type of consideration, Cash or In-kind • Cash <ul style="list-style-type: none"> ○ Requests funds from MAJCOM ○ Expends the funds per the regulations in the contract vehicle • In-kind <ul style="list-style-type: none"> ○ Installation determines In-kind requirements ○ Installation provides In-kind requirements to Lessee
Lessee	<ul style="list-style-type: none"> • Cash - Lessee submits check to DFAS-IN through AFRPA • In-kind <ul style="list-style-type: none"> ○ Establishes Funding Agreement Account ○ Lessee designs, constructs or provides In-kind
OSD	<ul style="list-style-type: none"> • Cash - Funds Installation/FM through MAJCOM
AFRPA	<ul style="list-style-type: none"> • AFRPA submits check to DFAS-IN • Cash and In-kind - Provides oversight and ensures compliance
MAJCOM	<ul style="list-style-type: none"> • Notifies Office of Secretary of Defense (OSD), AFRPA, and SAF/FM
DFAS-IN	<ul style="list-style-type: none"> • Receives, holds and disburses Cash as directed

2.2 MONTHLY ACTIVITIES PROCESS

2.2.1 Background

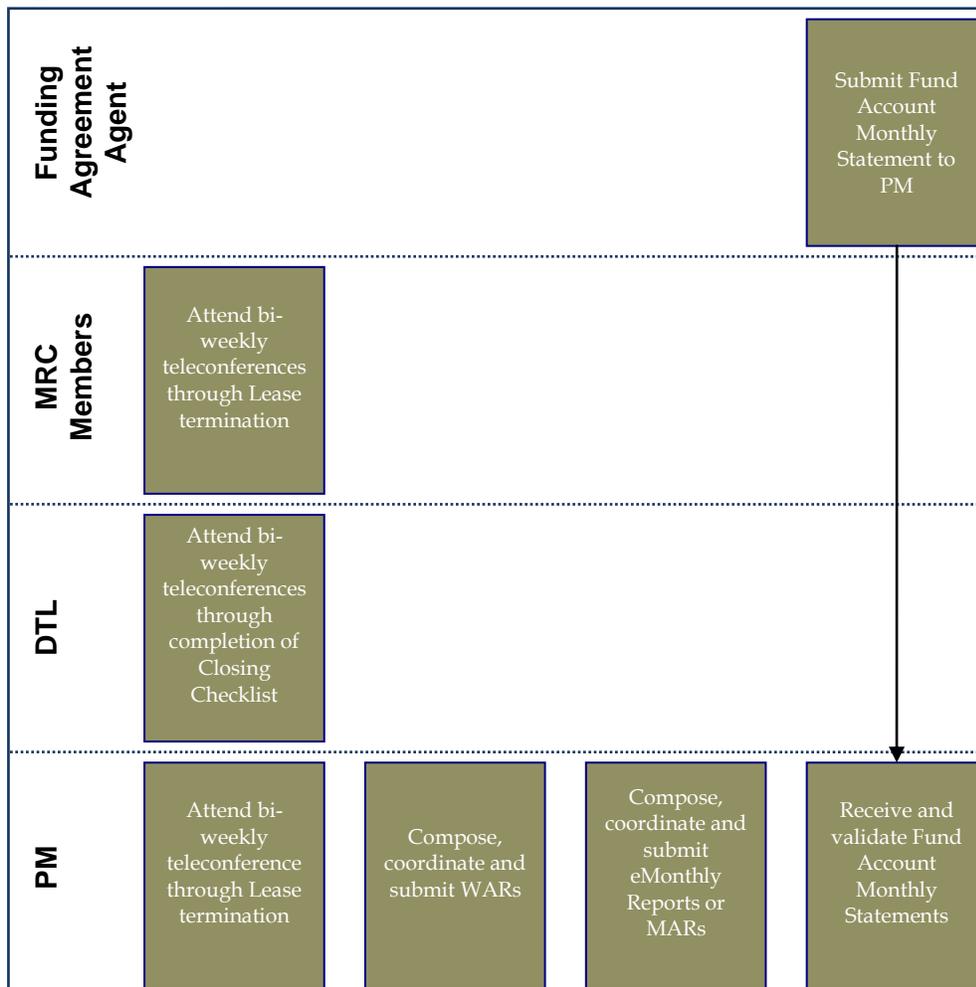
Beginning with Lease Execution, PM conducts bi-weekly teleconferences between Air Force stakeholders and Lessee, submits Weekly Activity Reports (WARs) and electronic Monthly (eMonthly) Reports or Monthly Activity Reports (MARs) as required to SAF/IEI, and reviews Funding Agreement Account Statements.

Bi-weekly teleconferences include Management Review Committee (MRC) members and occur during the transition from Lease Execution to Pcm, typically through completion of tasks on the Closing Checklist and DTL transitioning off the project. After the transition from DTL to PM is complete, teleconferences occur to discuss, resolve or coordinate on specific issues or to supplement regularly scheduled MRC meetings as required.

Various reports are required by SAF/IEI, AFRPA/DR and Air Force leadership, including WARs and eMonthly report submittals. The PM provides relevant submittals to AFRPA/RPM for approval, coordination, and distribution to AFRPA/PA prior to submission to appropriate Air Force leadership.

The Funding Agreement Agent provides Funding Agreement Account Statements to the PM on a monthly basis. The PM utilizes this data to report to Air Force leadership and to verify disbursement requests.

Figure 7: Monthly Activities



2.2.2 Monthly Activities: Roles and Responsibilities

ROLE	RESPONSIBILITY
PM	<ul style="list-style-type: none"> Coordinates and conducts bi-weekly teleconference Composes, coordinates and submits WARs Composes, coordinates and submits eMonthly Reports Receives and validates Funding Agreement Account Statement
DTL	<ul style="list-style-type: none"> Participates in bi-weekly teleconference meetings
SAF/GCN	<ul style="list-style-type: none"> Participates in bi-weekly teleconference meetings, as required
Installation POC	<ul style="list-style-type: none"> Participates in bi-weekly teleconference meetings
MAJCOM POC	<ul style="list-style-type: none"> Participate in bi-weekly teleconference meetings
HAF/A7C POC	<ul style="list-style-type: none"> Participates in bi-weekly teleconference meetings, as required
AFCEE	<ul style="list-style-type: none"> Participates in bi-weekly teleconference meetings, as required
Funding Agreement Agent	<ul style="list-style-type: none"> Submits Funding Agreement Account Statement to PM
Lessee	<ul style="list-style-type: none"> Participates in bi-weekly teleconference meetings Complete and submit required reports
SAF/IEI	<ul style="list-style-type: none"> As required

2.2.3 Best Practices

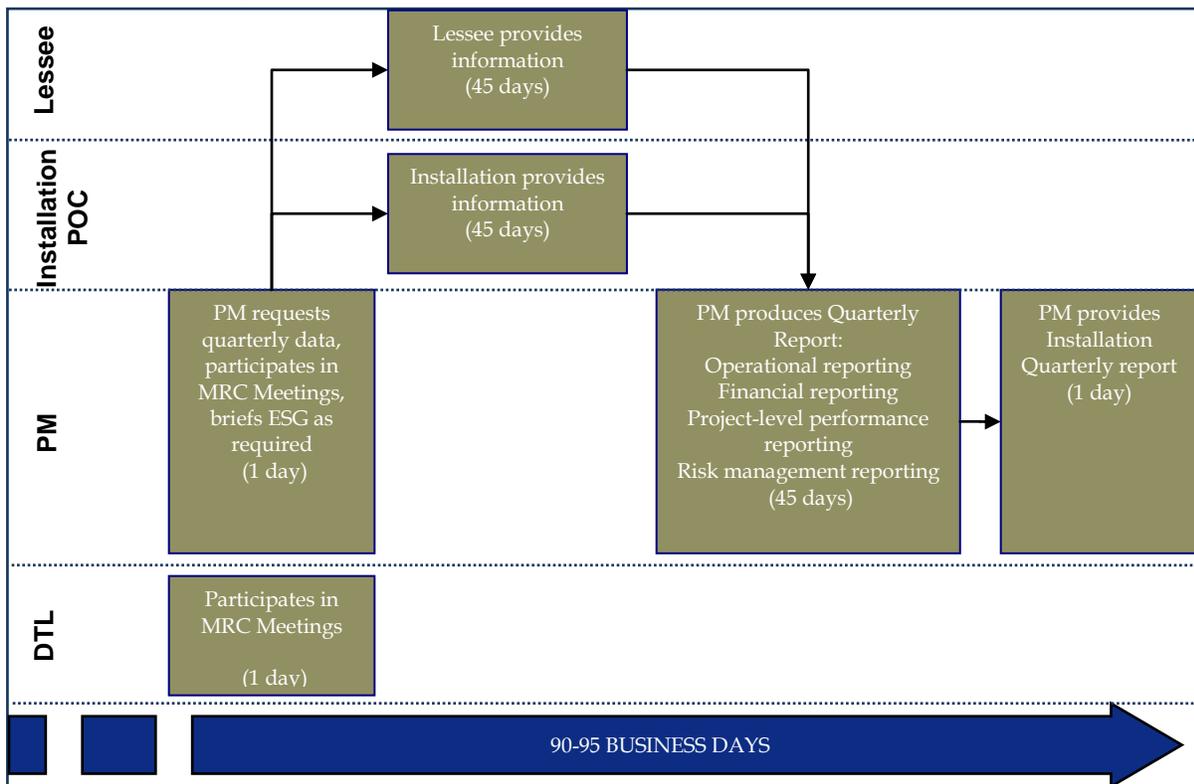
- Conduct bi-weekly teleconferences to discuss project status and resolve and outstanding issues, and to promote collaboration and cooperation
- PM should consult with Lessee, Installation, MAJCOM or others as required prior to submission of potentially sensitive material

2.3 QUARTERLY ACTIVITIES PROCESS

2.3.1 Background

Beginning with the first quarter after Lease execution, PM prepares quarterly reports based on data reported by the Installation and the Lessee in accordance with the Lease documents and Compliance Checklist. This data will be consolidated into a Quarterly Report and will include operational, financial, project level, and risk management information to ensure that the project is tracking as intended, and that it remains in the best interest of the Air Force. Additionally, the PM and DTL (through handoff to PM) will participate in periodic MRC meetings with Installation, MAJCOM and Lessee.

Figure 8: Quarterly Activities



2.3.2 Quarterly Activities: Roles and Responsibilities

ROLE	RESPONSIBILITY
PM	<ul style="list-style-type: none"> Briefs Air Force leadership on quarterly portfolio performance Requests quarterly data from Installation and Lessee Produces and provides quarterly reports
DTL	<ul style="list-style-type: none"> Participates in MRC Meetings
SAF/GCN	<ul style="list-style-type: none"> Performs all required legal actions within PcM scope
Installation POC	<ul style="list-style-type: none"> Completes and submits Compliance Checklist
MAJCOM POC	<ul style="list-style-type: none"> Receives quarterly report
HAF/A7C POC	<ul style="list-style-type: none"> As required
AFCEE	<ul style="list-style-type: none"> As required
AFRPA/DR	<ul style="list-style-type: none"> Receives quarterly report
ESG	<ul style="list-style-type: none"> Receives quarterly report
SAF/IEI	<ul style="list-style-type: none"> Receives quarterly report
Lessee	<ul style="list-style-type: none"> Completes and submits required reports

2.3.3 Best Practices

- Set up a suspense/automatic reminder system to alert responsible parties for upcoming activities
- Standardize reports received from Lessee for consistency
- Conduct a teleconference with stakeholders to discuss reporting requirements prior to end of period

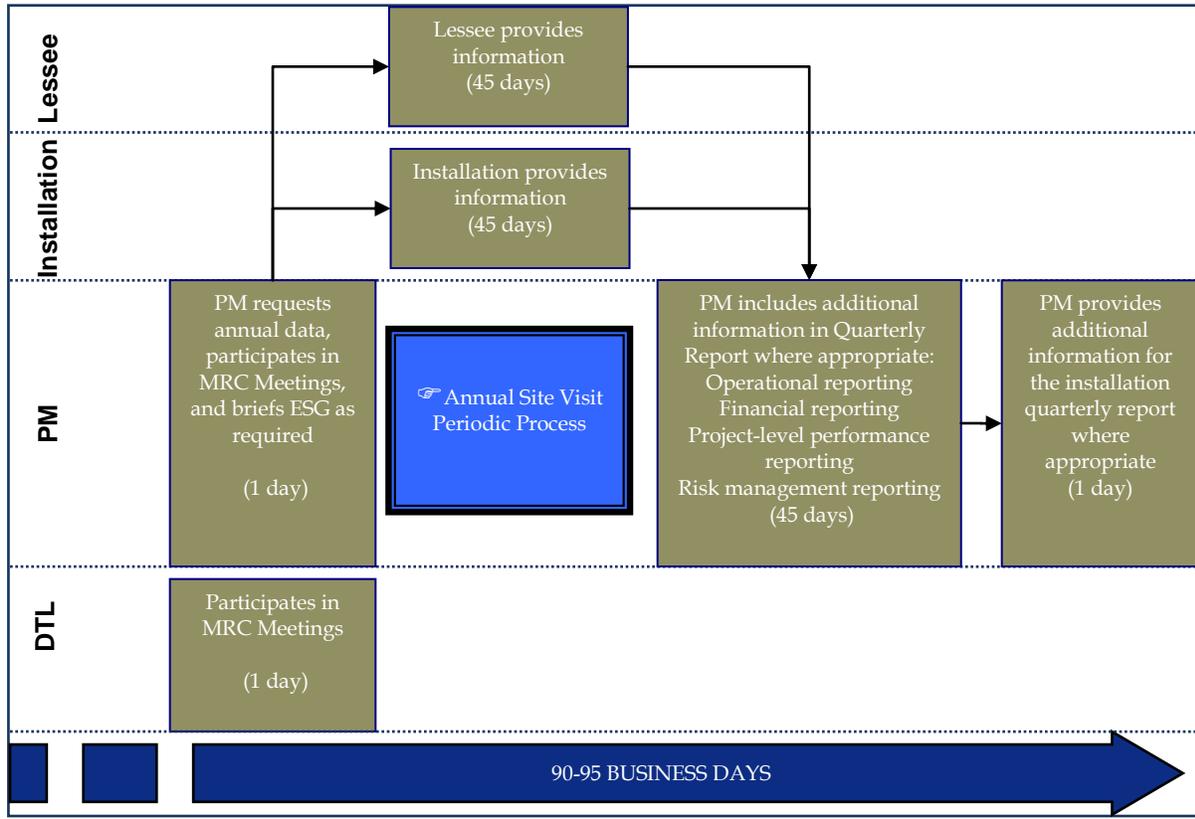
2.4 ANNUAL ACTIVITIES PROCESS

2.4.1 Background

Annual activities include all quarterly activities and include the following activities:

- Review and update templates;
- Recommend policy updates and changes;
- Review and approve budgets;
- Conduct Annual Site Visit;
- Reforecast and calculate Air Force return;
- Conduct internal audit (self-audit);
- Review IKC and applicable Treasury accounts;
- Conduct stakeholder surveys to obtain feedback; and
- Perform annual review of the insurance requirements and certifications.

Figure 9: Annual Activities



2.4.2 Annual Activities: Roles and Responsibilities

ROLE	RESPONSIBILITY
PM	<ul style="list-style-type: none"> Reviews and updates templates Recommends policy updates and changes Reviews and approves budgets Conducts Annual Site Visit Reforecasts and calculates Air Force return Conducts internal audit (self-audit) Reviews IKC and applicable Treasury accounts Conducts stakeholder surveys to obtain feedback Performs annual review of insurance requirements and certifications
DTL	<ul style="list-style-type: none"> As required
SAF/GCN	<ul style="list-style-type: none"> As required
Installation POC	<ul style="list-style-type: none"> Completes and submits all required documents
MAJCOM POC	<ul style="list-style-type: none"> As required
HAF/A7C POC	<ul style="list-style-type: none"> As required
AFCEE	<ul style="list-style-type: none"> As required
AFRPA/DR	<ul style="list-style-type: none"> Approves budgets
ESG	<ul style="list-style-type: none"> As required
SAF/IEI	<ul style="list-style-type: none"> As required
Lessee	<ul style="list-style-type: none"> Completes and submits required reports

2.4.3 *Best Practices*

- Create and establish a suspense/reminder system to alert responsible parties for upcoming activities
- Standardize reports received from Lessee for consistency
- Conduct a teleconference with stakeholders to discuss reporting requirements prior to end of period

2.5 ANNUAL SITE VISIT PROCESS

2.5.1 *Background*

PM (OPR) and installation POC (OCR) will schedule the Annual Site Visit (ASV). The purpose of the ASV is to:

- Provide program continuity;
- Provide training and program updates;
- Brief new Installation leadership;
- Provide community outreach;
- Conduct Lessee relationship meeting;
- Visit leased property; and
- Conduct lessons learned surveys.

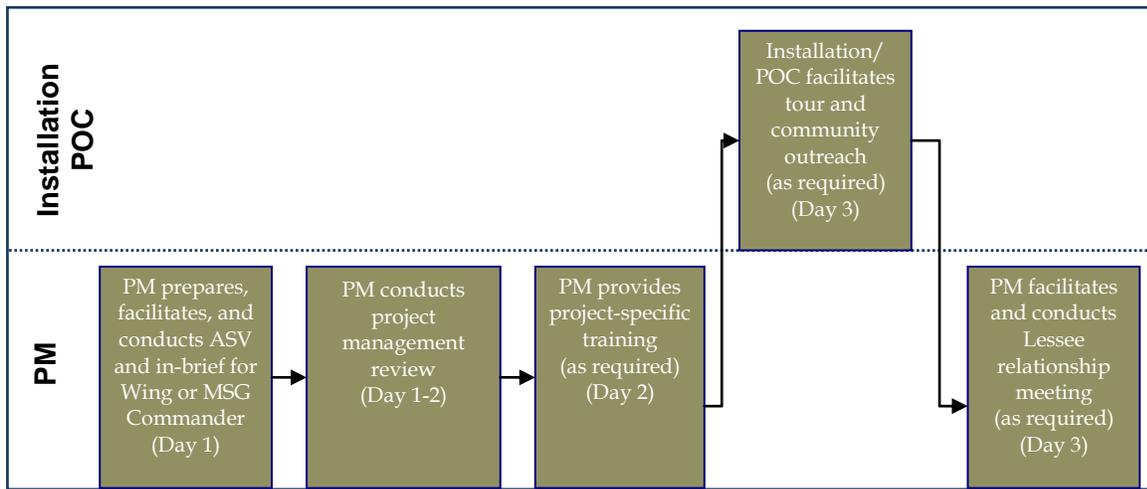
After the site visit, the PM analyzes results, and incorporates lessons learned specific to the EUL project and the site visit itself. The ASV generally includes several important activities, typically occurring in the following order:

- In-Brief: The site visit is kicked off via an in-brief for the Installation - Wing or MSG Commander, or delegate. The PM is responsible for assigning preparation of the brief and determining the presenter. The Installation and MAJCOM POCs will review the brief and recommend the inclusion of any topics of interest or presentation recommendations for the Installation - Wing or MSG Commander.
- Project Management Review (PMR): The PMR includes Installation decision-makers and other stakeholders. It provides an opportunity in person, as well as electronically, for stakeholders to reflect on the processes and performance of the project.
- Site/Installation Tour: The Installation POC leads a tour of the site to observe progress and any obvious compliance issues.
- Meetings with Local Community Officials: All meetings need to be coordinated with Installation, MAJCOM, and PA offices before contacting any agency outside of the Air Force. This provides an additional opportunity to ensure that the stakeholders' concerns are being addressed and that the Air Force is perceived as a responsible steward within the community. This may take the form of a town hall meeting, forum, or informal meeting. Since the Installation may already

have working relationships with these organizations, the Installation POC will provide local contacts and will participate in the meetings.

- **Lessee Relationship Meeting:** The PM meets with Lessee representatives to follow up on post-closing roles and responsibilities, validate expectations, discuss open issues and initiatives, assess potential risks and mitigation strategies, and refine timelines. This provides an opportunity to continue the lasting partnership with the project owner and other stakeholders.
- **Training:** The PM assesses further training and resource needs of the Installation and provides options for fulfilling those requirements (the PM will provide any necessary training).

Figure 10: Annual Site Visit



2.5.2 Annual Site Visit: Roles and Responsibilities

ROLE	RESPONSIBILITY
PM	<ul style="list-style-type: none"> • Prepares and conducts ASV and in-brief for Wing or MSG Commander • Conducts project management review • Provides project-specific training (as required) • Facilitates and conducts Lessee relationship meeting (as required) • Acts as AFRPA POC interacting with local Air Force personnel and entities • Ensures site visit objectives are met (updates leadership, provides continuity and training, views site, captures lessons learned, and builds relationships)
Installation POC	<ul style="list-style-type: none"> • Coordinates logistics of site visit including in-brief/ out-brief for Installation - Wing or MSG Commander, lessee site visit, and local government meetings, as necessary • Leads Installation tour with input from PM • Provides pertinent information/ documentation, as requested
MAJCOM POC	<ul style="list-style-type: none"> • Provides insight from MAJCOM perspective to accomplish site visit objectives (e.g., development issues, stakeholder issues, lessons learned)

2.5.3 *Best Practices*

- Schedule meetings with leadership well in advance
- Check with Installation POC for key issues and preferred presentation templates and/or formats
- Engage with Installation/PA and AFRPA/PA to coordinate on any community or local government activities
- Review all past quarterly reports and compliance checklists to identify negative trends

2.6 AIR FORCE OVERSIGHT OF PRIVATE/COMMERCIAL CONSTRUCTION PROCESS

2.6.1 *Background*

With regard to design and construction oversight of private/commercial construction, the Air Force has a fee simple interest in the land and, therefore, a vested interest in any improvements constructed on Air Force property. Although Air Force oversight on private commercial construction oversight is more limited than on Air Force In-kind construction, the Air Force must put forth a level of effort for construction oversight commensurate to the complexity of the project. Commercial construction oversight involves the Lessee, local municipalities, Installation - BCE, MAJCOM, and PM.

2.6.2 *Pre-construction Responsibilities*

- Lessee
 - Secures and provides required permits
 - Notifies Installation - BCE when required tests are to be performed and when outages will occur
 - Maintains utility line marks
 - Provides environmental protection plan to Installation EUL POC, and develops quality control system
 - Provides design documents for review and approval by Installation-BCE, MAJCOM, and AFRPA
- Installation
 - Marks utility lines
 - Supplies a designated representative to provide periodic oversight inspections, process submittals, coordinate with the developer, and other activities required during construction
 - BCE provides Lessee with Air Force requirements and performs limited design review with regard to the following topics:
 - Impact on government facilities
 - Elevation
 - Site plans

- Outside Active Range Clearance (ARC)
 - Personnel relocation
 - Demolition of existing structures/facilities
 - Fence relocation
- Applicable Air Force Instructions (AFIs)
- Construction plan, phasing plan and schedule from conceptual design through final acceptance
- Material staging area, delivery routes, site trailer requirements, waste disposal and traffic flow
- Environmental Protection Agency compliance
- Clear understanding of utility requirements, including tie-in criteria
- Metering (if Lessee is utilizing Installation utility systems)
- If installation is to occupy new facility
 - Anti-Terrorism/Force Plan determination and compliance
 - Impact on adjacent properties and design criteria
 - Compliance with architectural compatibility guide
 - Leadership in Environmental Engineering Design (LEED) requirements
- SAF/IEI or delegated authority issues Notice to Proceed

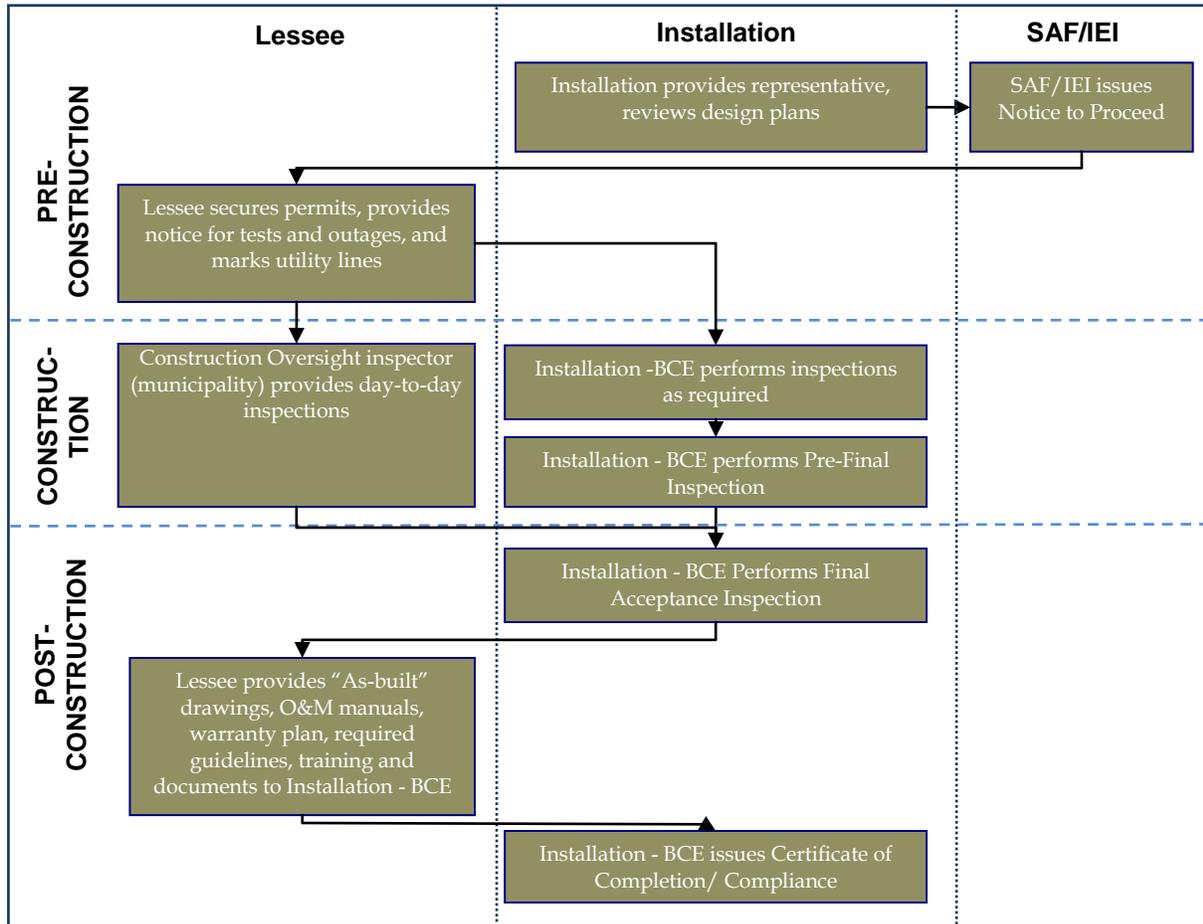
2.6.3 *Construction*

- Lessee
 - Constructs projects per approved design documents
 - Conducts inspections up to and including Pre-Final Inspection with Installation-BCE
 - Conducts Final Acceptance Inspection with Installation-BCE
- Installation - BCE (MAJCOM, AFRPA as required)
 - Performs inspections as required, per normal project procedures
 - Attends major inspections
 - Attends Final Acceptance Inspection and commissioning of systems

2.6.4 *Post-Construction*

- Lessee
 - Provides "As-Built" drawings to Installation - BCE
 - Provides O&M manuals to Installation - BCE
 - Provides warranty plan, required guidelines, required training, and other completion documents to Installation - BCE
- Installation - BCE
 - Issues Certificate of Completion/Beneficial Occupancy, etc.

Figure 11: Air Force Oversight of Private/Commercial Construction Process



2.6.5 Air Force Oversight of Private/Commercial Construction: Roles and Responsibilities

ROLE	RESPONSIBILITY
Installation - BCE	<ul style="list-style-type: none"> Provides representative to provide periodic oversight Reviews design plans Issues Notice to Proceed with signature of SAF/IEI or delegated authority Performs inspections as required and Final Acceptance Inspection Provide oversight (as required)

ROLE	RESPONSIBILITY
Lessee	<ul style="list-style-type: none"> • Secures and provides required permits • Notifies Base CE when required tests are to be performed • Notifies Base CE when outages will occur • Marks utility lines • Provides environmental protection plan to Installation POC • Develops quality control system • Lessee provides "As-built" drawings to Installation - BCE • Provides O&M manuals to Installation - BCE • Provides warranty plan, required guidelines, training and documents
SAF/IEI	<ul style="list-style-type: none"> • Issues Notice to Proceed (or delegates authority)

2.6.6 *Best Practices*

- As early as possible, ensure Installation identifies preferred construction oversight option process and secures resources as necessary
- Modify requirements for inside the fence (MILCON-like standards should apply)
- Ensure oversight inspector understands lease compliance provisions in addition to typical construction inspection
- Bi-weekly meetings should occur with PM to facilitate communication and issue resolution

3.0 CASH CONSIDERATION

3.1 RECEIPT AND DISBURSEMENT OF CASH CONSIDERATION PROCESS

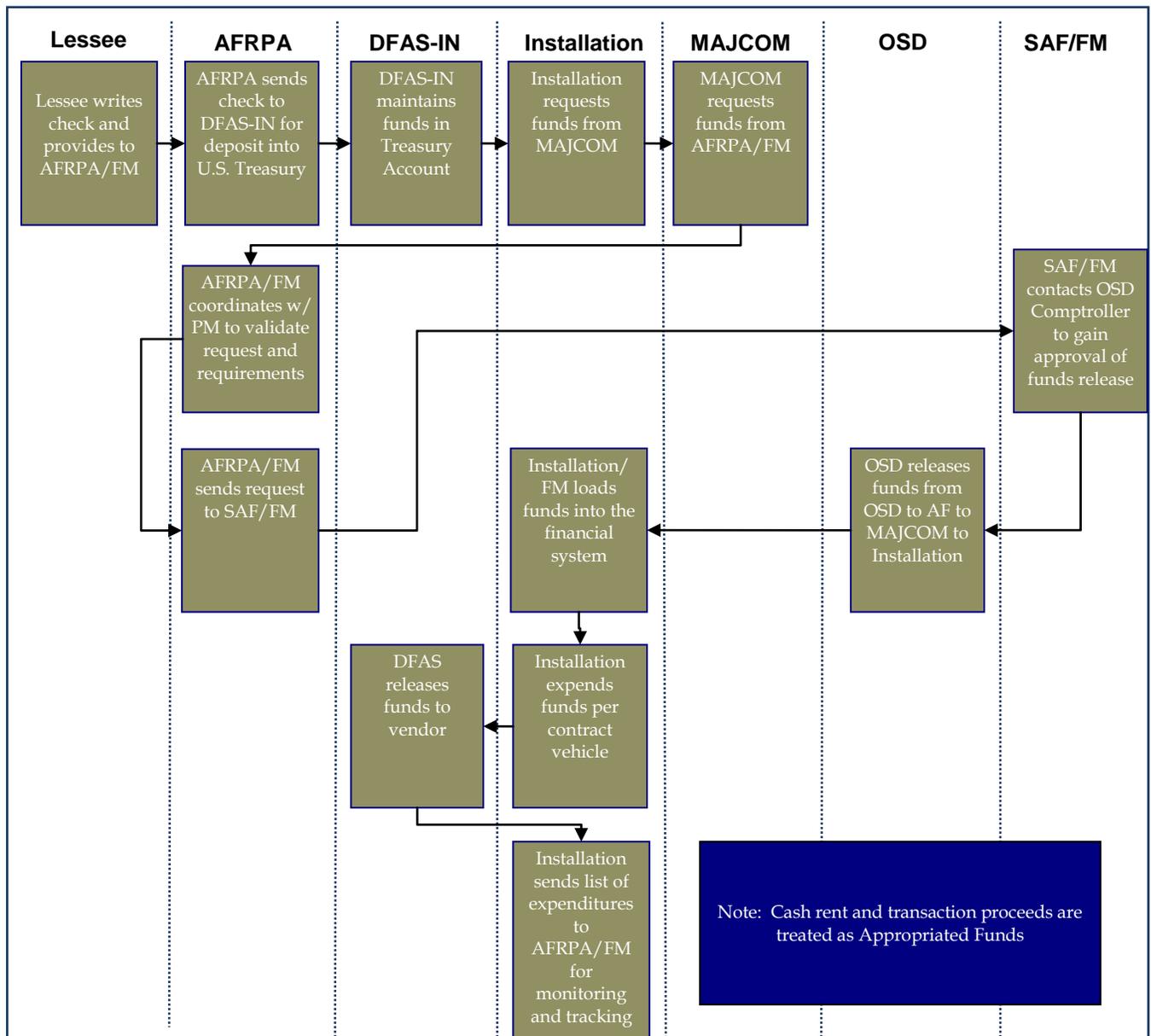
3.1.1 *Background*

This process details the steps associated with the management of Cash consideration; specifically, the receipt and deposit into an appropriate Treasury account and the disbursement of cash from the Treasury account to the Installation. Cash rent and transaction proceeds remitted to the Treasury are treated as Appropriated Funds and all applicable rules, thresholds, and regulations will apply when funds are requested by AFRPA, MAJCOMs, or the Installation for use.

Summary:

- Lessee submits a check to AFRPA/Financial Management (AFRPA/FM)
- AFRPA/FM forwards the check to DFAS-IN for deposit into the appropriate U.S. Treasury account
- Installation requests funds from MAJCOM for pre-approved requirements
- MAJCOM pushes the request for funds up to the AFRPA/FM
- PM coordinates on request
- AFRPA/FM sends requests to SAF/FM
- SAF/FM contacts OSD Comptroller to gain approval of funds release
- OSD releases the funds to the Air Force; it passes them down to the MAJCOM and from the MAJCOM to the Installation
- Installation/FM loads funds into the financial system
- Installation expends the funds per the regulations in the contract vehicle
- DFAS releases the requested funds to the vendor
- Installation sends a list of expenditures to the AFRPA/FM for monitoring and tracking

Figure 12: Receipt and Distribution of Cash Considerations



3.1.2 Receipt and Distribution of Cash Considerations: Roles and Responsibilities

ROLE	RESPONSIBILITY
AFRPA/FM	<ul style="list-style-type: none"> • Works with OSD Comptroller for release of funds • Facilitates cash distribution • Works with SAF/FM and Installation/MAJCOM to move funds
PM	<ul style="list-style-type: none"> • Coordinates with AFRPA/FM
Installation POC	<ul style="list-style-type: none"> • Submits request for funds to MAJCOM • Loads funds into the financial system • Expends funds per contract vehicle • Sends list of expenditures to AFRPA/FM for monitoring and tracking
MAJCOM	<ul style="list-style-type: none"> • Submits requests for funds to AFRPA/FM • Coordinates on disbursement
Lessee	<ul style="list-style-type: none"> • Writes check and provide to AFRPA/FM
SAF/FM	<ul style="list-style-type: none"> • SAF/FM contacts OSD Comptroller to gain approval of funds release • Coordinates on disbursement
OSD	<ul style="list-style-type: none"> • OSD releases funds from OSD to Air Force, Air Force to MAJCOM, and MAJCOM to Installation

3.1.3 Best Practice

- In order to facilitate and expedite the process and track and reconcile transfer of funds, e-checks/electronic distribution of funds should be used

4.0 IN-KIND CONSIDERATION

4.1 FUNDS AND DELIVERY MANAGEMENT OF IKC OVERVIEW

4.1.1 Background

This section provides an overview of the processes associated with the management of IKC; specifically, the management of funds in the IKCFA and the determination and delivery of IKC to the Installation. SAF/IEI or delegated authority is the party responsible for 1) management of funds in the IKCFA; and 2) oversight and governance of the delivery of the IKC.

Figure 13: Fund and Delivery Management of IKC Overview



4.1.2 Funds Management - Five Key Concepts

First, the funds in the account are owned by the Lessee or Funding Agreement Agent for the exclusive use of delivering IKC to the Air Force.

Second, the only Air Force entity that can authorize disbursement out of the IKCFA is SAF/IEI, unless otherwise delegated.

Third, the IKCFA outlines the specific requirements before the Funding Agreement Agent can disburse the funds with SAF/IEI or delegated authority.

Fourth, all costs, including but not limited to design, construction, oversight, and management services (associated with the delivery of IKC) come from the IKCFA. Appropriated funds, whether O&M and/or MILCON, cannot be used to supplement, complete, or modify IKC-funded delivery.

Fifth, management of IKCFA by AFRPA occurs throughout the term of the Lease and includes the following activities:

- Monitoring funds in the IKCFA;
- Creating and providing financial reports to Air Force leadership and stakeholders;
- Validating IKC project budgets;
- Validating availability of funds in the IKCFA; and
- Authorizing disbursement of funds from the IKCFA, as delegated by SAF/IEI.

4.1.3 *Delivery Management - Four Key Concepts*

First, determination of the required type of IKC is the responsibility of the Air Force.

Second, depending on the use of IKC funds (MILCON-like, O&M-like, or Sustainment, Repairs and Maintenance (SRM)-like, payment or provision of utilities), all applicable rules, thresholds, and regulations for that type of project will apply.

Third, delivery of IKC occurs after funds are deposited into the IKCFA by the Lessee in accordance with Lease terms and after the Installation has identified specific IKC Projects to be delivered.

Fourth, management of delivery of IKC occurs throughout the term of the Lease and includes the following activities:

- Identification of projects (determination of requirements) by Installation with approval by MAJCOM, A7C, AFRPA and other appropriate Air Force offices;
- Provision of In-kind project description, project requirements, and site access by Installation to Lessee; and
- Timely review and response to submittals by lessee or lessee’s agent by Installation, MAJCOM and AFRPA.

4.1.4 *Fund and Delivery Management of IKC: Roles and Responsibilities*

ROLE	RESPONSIBILITY
Installation	<ul style="list-style-type: none"> • Identifies IKC projects (determination of requirements) • Provides IKC project description, requirements, and site access • Reviews IKC project submittals
MAJCOM	<ul style="list-style-type: none"> • Approves/coordinates (as appropriate)
A7C	<ul style="list-style-type: none"> • Approves/coordinates (as appropriate)
AFRPA	<ul style="list-style-type: none"> • Receives funds into the IKCFA • Oversees funds in the IKCFA • Creates and provides financial reports to Air Force leadership • Validates IKC project budgets • Validates availability of funds in the IKCFA • Disburses funds from the IKCFA (with SAF/IEI delegation)
Lessee	<ul style="list-style-type: none"> • Funds IKCFA • Provides services to deliver identified projects

4.1.5 *Best Practice*

- Concurrent distribution of submittals to Installation, MAJCOM, and AFRPA reduces approval/coordination time

4.2 **IKC: RECEIPT AND DISBURSEMENT OF FUNDS PROCESS**

4.2.1 *Background*

This section details the financial management of IKC Funds. Specific topics include 1) the receipt of IKC funds; and 2) the disbursement of funds from the IKCFA.

SAF/IEI (or delegated authority) approval and signature for the disbursement of any funds from the IKCFA for the payment of services performed, results in instructions to the Funding Agreement Agent following the processes outlined in this section and the Delivery of IKC Process sections.

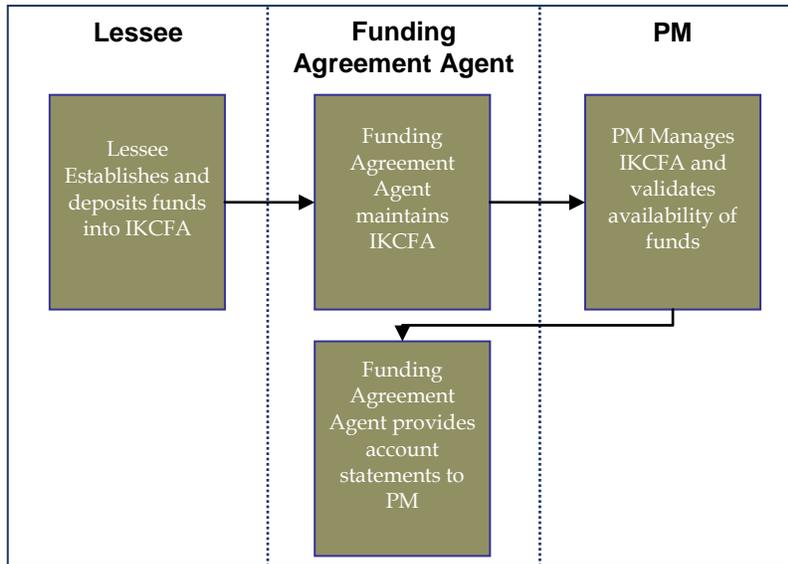
Management of the IKCFA involves the coordination of the Installation, MAJCOM, Lessee, and AFRPA. AFRPA acts on behalf of SAF/IEI to provide financial management of the IKCFA.

4.2.2 *IKC: Receipt of Funds Process*

The receipt of IKC funds process includes the establishment of the Funding Agreement Account by the Lessee for the exclusive use of delivering IKC to the Air Force, the deposit of funds into the Funding Agreement Account by the Lessee, the validation of receipt of funds by the PM on behalf of SAF/IEI and regular reporting by the Funding Agreement Agent to the PM regarding Funding Agreement Account balance and activity.

- Lessee Establishes IKCFA
- Funding Agreement Agent maintains IKCFA in accordance with Lease documents and Funding Agreement
- PM validates the receipt of funds into the IKCFA
- Funding Agreement Agent provides account statements to PM on a monthly basis

Figure 14: IKC: Receipt of Funds



4.2.3 IKC: Receipt of Funds: Roles and Responsibilities

ROLE	RESPONSIBILITY
Lessee	<ul style="list-style-type: none"> • Deposits funds into IKCFA • Establishes Funding Agreement Account
PM	<ul style="list-style-type: none"> • Validates statements from Funding Agreement Account • Verifies availability of funds in Funding Agreement Account
Funding Agreement Agent	<ul style="list-style-type: none"> • Maintains Funding Agreement Account • Provides account statements to PM on a monthly basis

4.2.4 IKC: Disbursement of Funds Process

Disbursements from the Funding Agreement Account occur, as required, to fulfill financial obligations associated with the delivery of IKC in accordance with defined Lease and associated legal document requirements.

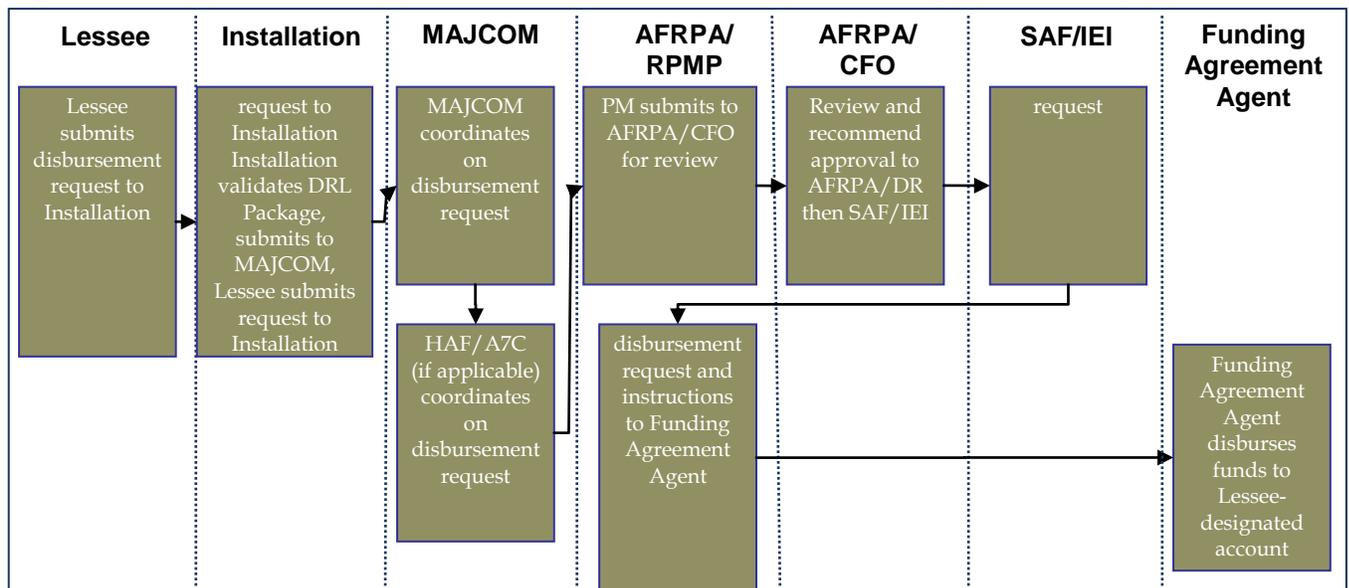
The Project Management Plan (PMP), referenced in the Lease transaction documents, outlines specific supporting documentation (invoices, bills, contract, release of lien, etc.) that the Lessee must provide to request disbursement of funds from the IKCFA. The PMP will include construction management plan requirements.

SAF/IEI delegated authority determines the appropriate disbursement process. If authority to disburse is delegated to Installation or MAJCOM, then the Installation or MAJCOM has disbursement authority with coordination from AFRPA. If SAF/IEI delegated authority is AFRPA, AFRPA has disbursement authority with coordination from Installation and MAJCOM. If SAF/IEI retains delegated authority, Installation, MAJCOM, and AFRPA coordinate on disbursement requests.

SAF/IEI retains delegated authority

- Lessee validates contractor invoices and supporting documentation (if Lessee hires contractor), prepares DRL, Appendix 2.G: Disbursement Request Letter, and forwards Invoice, DRL, and supporting documentation (collectively, “DRL Package”, Appendix 2.H: DRL Package) to Installation
- Installation Wing or MSG Commander submits DRL Package to MAJCOM for coordination
- MAJCOM coordinates and submits to PM
- PM submits to AFRPA/ CFO
- AFRPA/CFO validates requested disbursement account against previously approved budget, validation ensures:
 - Requested amounts have proper supporting documentation,
 - Disbursement requests fall within 10 USC § 2667, and
 - Requested amount is within approved budget
- AFRPA/CFO enters requested amount into Project Financial Tracking Spreadsheet
- CFO reconciles Project Financial Tracking Spreadsheet with Funding Agreement Account Bank Statements
- AFRPA/CFO incorporates Project Budget Summary, Funding Agreement Account Summary, and any Interest Earned Reports into DRL Package and submits to PM
- PM staffs package to SAF/IEI
- SAF/IEI approves and notifies PM
- PM staffs Funding Agreement Instruction Letter through AFRPA/DR to Funding Agreement Agent
- Funding Agreement Agent Disburses funds from Funding Agreement Account to Lessee-designated account

Figure 15: IKC: Disbursement of Funds Process – SAF/IEI retains delegated authority

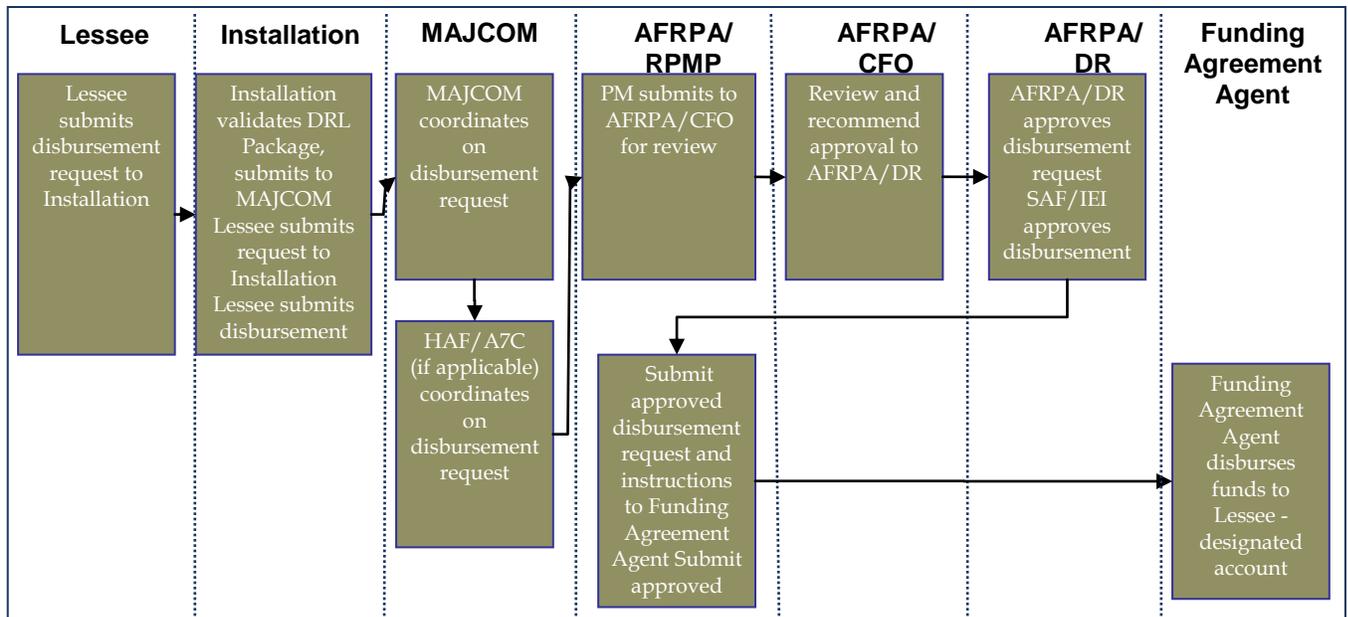


SAF/IEI delegates authority to AFRPA

- Lessee validates contractor invoices and supporting documentation (if Lessee hires contractor), prepares Disbursement Request Letter (DRL), Appendix 2.G: Disbursement Request Letter, and forwards Invoice, DRL, and supporting documentation (collectively, “DRL Package”, Appendix 2.H: DRL Package) to Installation
- Installation Wing or MSG Commander submits DRL Package to MAJCOM for coordination
- MAJCOM coordinates and submits to PM
- PM submits to AFRPA/Chief Financial Officer (CFO)
- AFRPA/CFO validates requested disbursement account against previously approved budget, validation ensures:
 - Requested amounts have proper supporting documentation,
 - Disbursement requests fall within 10 USC § 2667, and
 - Requested amount is within approved budget.
- AFRPA/CFO enters requested amount into Project Financial Tracking Spreadsheet
- CFO reconciles Project Financial Tracking Spreadsheet with Funding Agreement Account Bank Statements
- AFRPA/CFO incorporates Project Budget Summary, Funding Agreement Account Summary, and any Interest Earned Reports into DRL Package and submits to PM
- PM staffs package to AFRPA/DR
- AFRPA/DR approves and notifies PM
- PM staffs Funding Agreement Instruction Letter through AFRPA/DR to Funding Agreement Agent

- Funding Agreement Agent Disburses funds from Funding Agreement Account to Lessee-designated account

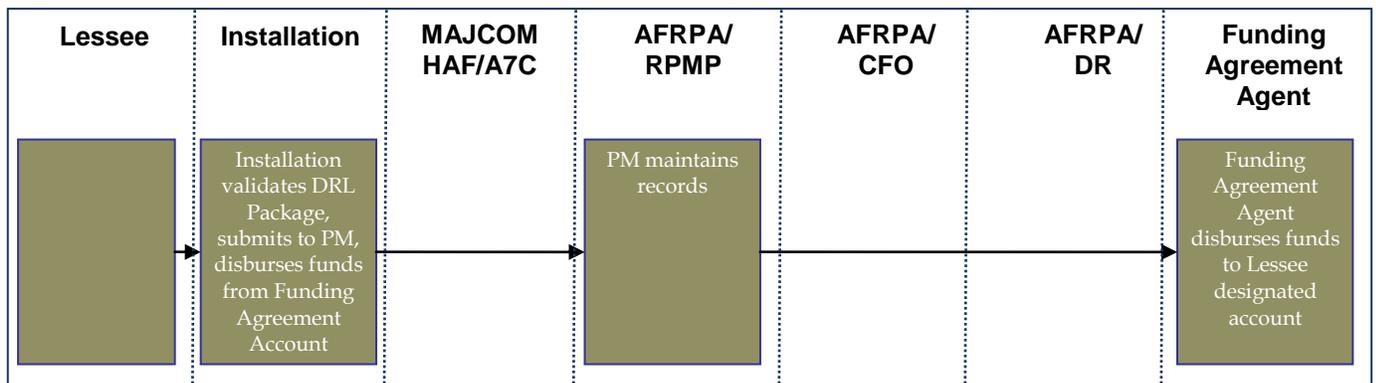
Figure 16: IKC: Disbursement of Funds – SAF/IEI delegation to AFRPA



SAF/IEI delegates authority to Installation/MAJCOM

- Lessee validates contractor invoices and supporting documentation (if Lessee hires contractor), prepares Disbursement Request Letter (DRL), Appendix 2.G: Disbursement Request Letter) and forwards Invoice, DRL, and supporting documentation (collectively, “DRL Package”, Appendix 2.H: DRL Package) to Installation
- Installation validates DRL Package
- Installation submits to PM for coordination
- Installation submits Funding Agreement Instruction Letter to Funding Agreement Agent
- Funding Agreement Agent Disburses funds from Funding Agreement Account to Lessee designated account

Figure 17: IKC: Disbursement of Funds – SAF/IEI delegation to Installation



4.2.5 IKC: Disbursement of Funds Process: Roles and Responsibilities

ROLE	RESPONSIBILITY
Lessee	<ul style="list-style-type: none"> Submits disbursement request to Installation
Installation	<ul style="list-style-type: none"> Validates disbursement request Submits disbursement request to PM (<u>without</u> SAF/IEI-delegated authority) Submits disbursement notification to PM (with SAF/IEI-delegated authority)
PM	<ul style="list-style-type: none"> Submits disbursement request to AFRPA/CFO Submits approved disbursement request and instructions to Funding Agreement Agent Maintains records
AFRPA/CFO	<ul style="list-style-type: none"> Reviews disbursement request and recommend approval
AFRPA/DR	<ul style="list-style-type: none"> Approves disbursement request
SAF/GCN	<ul style="list-style-type: none"> As required
MAJCOM POC	<ul style="list-style-type: none"> Coordinates disbursement request
HAF/A7C POC	<ul style="list-style-type: none"> Coordinates disbursement request (if applicable)
Funding Agreement Agent	<ul style="list-style-type: none"> Disburses fund to Lessee, per instructions

4.2.6 Best Practices

- Concurrent distribution of payment submittals to Installation, MAJCOM, and AFRPA reduces approval/coordination time
- Full transparency and communication with stakeholders is critical at all steps in the disbursement of IKC Funds

4.3 IKC: PROJECT IDENTIFICATION AND APPROVAL PROCESS

4.3.1 Background

10 USC § 2667 allows for the following types of IKC:

1. Alteration, repair, or improvement, by the lessee, of the property leased as the payment of part or all of the consideration for the lease

2. Maintenance, protection, alteration, repair, improvement, or restoration (including environmental restoration) of property or facilities under the control of the Secretary concerned
3. Construction of new facilities for the Secretary concerned
4. Provision of facilities for use by the Secretary concerned
5. Provision or payment of utility services for the Secretary concerned
6. Provision of real property maintenance services for the Secretary concerned
7. Provision of such other services relating to activities that will occur on the leased property as the Secretary concerned considers appropriate.

Types 1, 2, and 3 typically require construction and follow established Air Force MILCON, O&M, or SRM procedures as applicable for the project to be delivered. Types 4, 5, 6, and 7 follow established and applicable Air Force procedures for the type of provision or services to be delivered.

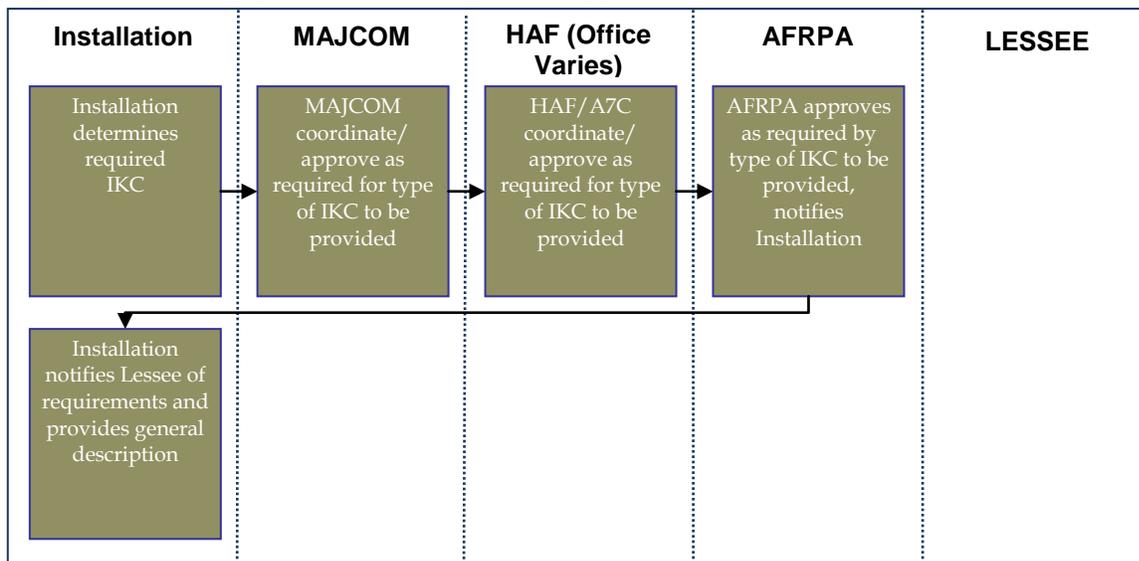
General preferences for the IKC to be delivered should be discussed by Air Force stakeholders, Installation, MAJCOM, and AFRPA prior to creation and posting of the RFQ during Phase II of the EUL Process. These preferences may change over time. This section outlines the process of identification and approval of the IKC to be delivered.

The Installation is responsible for identifying the type of IKC and all established Air Force approval/coordination processes for the type of IKC identified must follow established Air Force approval/coordination processes. Similarly, project management follows established Air Force instructions, standards, guidelines, approval thresholds and regulations for the type of IKC being provided.

It is highly recommended that the Installation utilize either the Air Force approved Integrated Priority List (IPL), the Unfunded Requirement List (UFR) or the Future Years Defense Plan (FYDP) to identify IKC Projects. The projects identified on the IPL, UFR, and/or FYDP will be coordinated and approved through normal Air Force processes and will include AF Form 332, DoD Form 1391, Requirements Documents (RD), and Economic Analysis as applicable. Approved copies of all documents will be supplied to AFRPA as requested.

After the Installation's identified project receives appropriate Air Force approval, the Installation prepares and provides a general description of the project and project requirements to the Lessee. AF Form 332, DoD Form 1391 and/or RD may be provided to the Lessee to meet this requirement and provide detailed project requirements, including statement of work and/or statement of need.

Figure 18: IKC: Project Identification and Approval



4.3.2 IKC: Project Identification and Approval: Roles and Responsibilities

ROLE	RESPONSIBILITY
Installation	<ul style="list-style-type: none"> Identifies requirements Prepares and provides supporting Project Documents to Lessee Provides approved requirements to Lessee
MAJCOM	<ul style="list-style-type: none"> Coordinates/approves as required
AFRPA	<ul style="list-style-type: none"> Coordinates/approves as required Notifies Installation
HAF	<ul style="list-style-type: none"> Coordinates/approves as required

4.3.3 Best Practices

- Concurrent distribution of payment submittals to Installation, MAJCOM, and AFRPA reduce approval/coordination time
- Use of pre-approved IPL, UFR, or FYDP will facilitate faster project initiation

4.4 DELIVERY OF IKC

4.4.1 Background

After the Installations provide IKC Project requirements to the Lessee, the responsibility to deliver IKC rests with the Lessee. The Lessee may hire an Independent Project Manager (IPM) to provide IKC project delivery on behalf of the Lessee. The Air Force reserves the right to direct the Lessee to hire a qualified and Air Force-approved IPM based on the complexity of the IKC Project requirements.

If Air Force determines that on-site oversight of the project is required, AFRPA may direct the Lessee or IPM to hire an Independent Project Consultant (IPC). The Lessee or

IPM retains the IPC to administer any required quality control programs. The IPC is a certified professional who works on behalf of the Air Force, is paid with funds from the IKCFA, and who is independent of the Lessee or IPM.

4.4.2 *Lessee Responsibilities*

The Lessee or IPM:

- Is responsible for providing all necessary services as reasonable to execute and deliver identified IKC projects within the standards established by the Lease, including:
 - Design,
 - Engineering,
 - Contract management,
 - Procurement management,
 - Construction management,
 - Commissioning management, and
 - Others as required
- Performs the services for each project according to the IKC Project requirements and follows established standards, including:
 - All federal, state, and local laws, rules, regulations, ordinances, codes, orders, and other administratively or judicially enforceable governmental standards and requirements,
 - All written policies, procedures, instructions, directives, plans, specifications and other requirements as provide in the Project Requirements
 - Project Documents,
 - All normally practiced principles, practices and standards of due care, skill and diligence
- Supervises and directs the work on the project and is responsible for the coordination of all portions of the project to include construction, if applicable
- Is responsible for maintaining the project site until it is returned to the Air Force
- Attends required project site visits, meetings, and conferences
- Prepares IKC project documents, including:
 - Project description,
 - Scope of services/services timetable,
 - Site plans,
 - Project management plans,
 - Security plans,
 - Quality control programs,
 - Health, safety and environmental management plans,
 - Historic preservation plans,
 - Project schedules,
 - Project budgets,
 - Technical plans, drawings, specifications, and

- Any other required documents
- Obtains permits, approvals, and payment and performance bonds (as required)

4.4.3 *Independent Project Consultant Responsibilities*

IPC is responsible for:

- Reviewing Project documents;
- Performing daily or periodic site visits to verify all processes, procedures, cover-up inspections, and material tests;
- Reviewing and recommending approval of as-built plans;
- Providing reports to stakeholders as defined in the IKC Project documents; and
- Certifying to AFRPA that a project, or any portion of the project, is progressing or completed in accordance with standards as defined by the IKC Project documents.

4.4.4 *Air Force Responsibilities*

Installation:

- Provides a general description and approved project requirements to the Lessee,
- Provides reasonable access to the project site;
- Participates in any of the Lessee or IPM's meetings with the IPC through the life of the project;
- Reviews and responds in a timely manner to Lessee, IPM, or IPC submittals regarding project documents or payment applications;
- Coordinates disbursement from the IKCFA through AFRPA;
- Coordinates documents through AFRPA; and
- Ensures project is entered and updated in ACES/Next Gen IT database throughout the life of the project from planning through project close-out.

MAJCOM:

- Participates in any of the Lessee or IPM's meetings with the IPC through the life of the project;
- Reviews and responds in a timely manner to Lessee, IPM, or IPC submittals regarding project documents or payment applications;
- Coordinates disbursement from the IKCFA through AFRPA; and
- Coordinates documents through AFRPA.

AFRPA/RPMP:

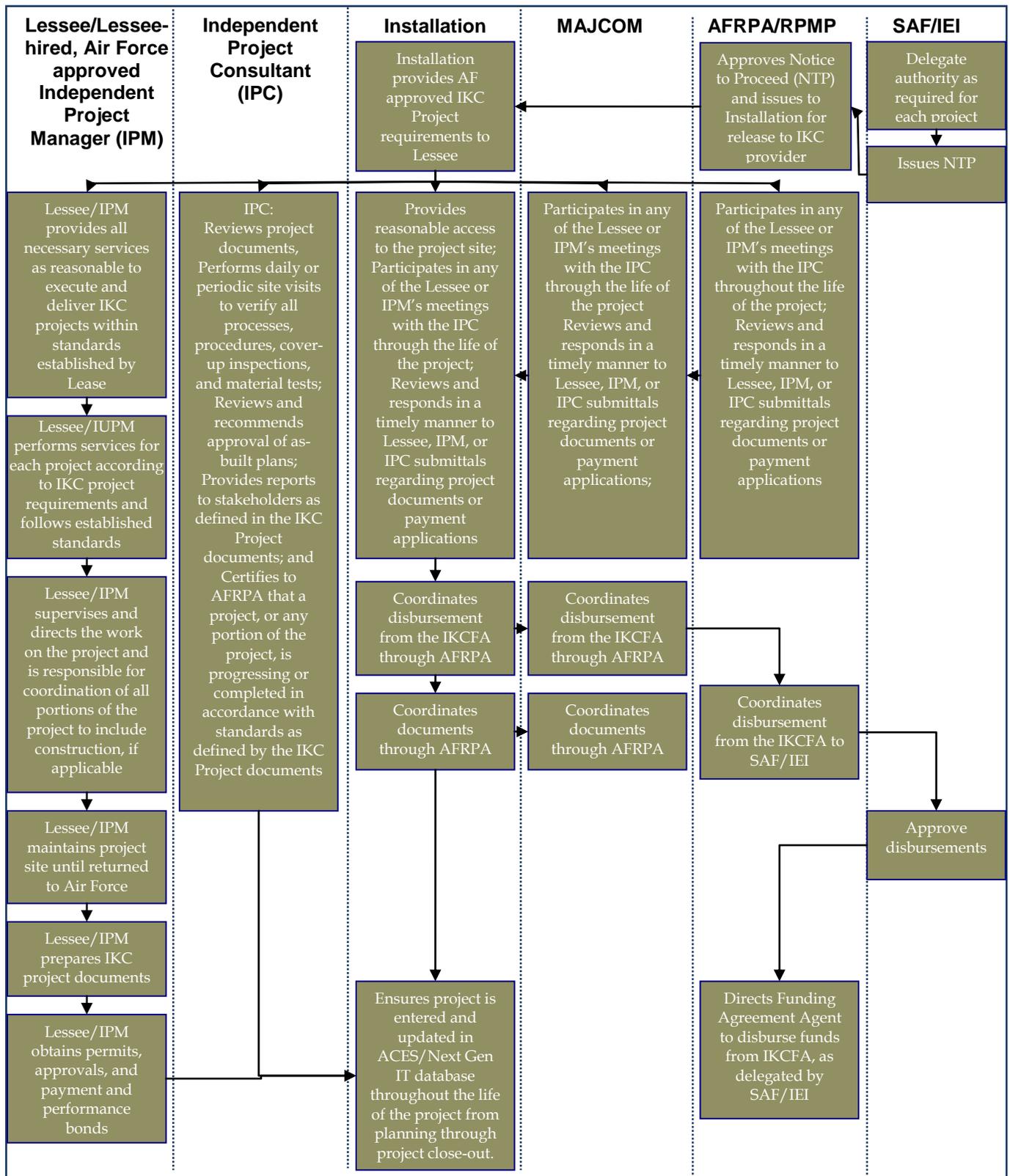
- Approves selected IPM, IPC, contractors, subcontractors, or other agents in advance of project initiation;
- Approves Notice to Proceed (NTP) and issues to Installation for release to IKC provider;
- Participates in any of the Lessee or IPM's meetings with the IPC throughout the life of the project;

- Reviews and responds in a timely manner to Lessee, IPM, or IPC submittals regarding project documents or payment applications; and
- Directs Funding Agreement Agent to disburse funds from IKCFA, as delegated by SAF/IEI.

SAF/IEI:

- Delegates authority as required for each project; and
- Issues NTP and approved disbursements (unless otherwise delegated).

Figure 19: Delivery of IKC



4.4.5 Delivery of IKC: Roles and Responsibilities

ROLE	RESPONSIBILITY
Lessee or IPM	<ul style="list-style-type: none"> • Is responsible for providing all necessary services as reasonable to execute and deliver identified IKC projects within the standards established by the Lease • Performs the services for each project according to the IKC Project requirements and follows established standards • Supervises and directs the work on the project and is responsible for the coordination of all portions of the project to include construction, if applicable • Is responsible for maintaining the project site until it is returned to the Air Force • Attends required project site visits, meetings, and conferences • Prepares IKC project documents • Obtains permits, approvals, and payment and performance bonds (as required)
IPC	<ul style="list-style-type: none"> • Reviewing Project documents • Performing daily or periodic site visits to verify all processes, procedures, cover-up inspections, and material tests • Reviewing and recommending approval of as-built plans • Providing reports to stakeholders as defined in the IKC Project documents • Certifying to AFRPA that a project, or any portion of the project, is progressing or completed in accordance with standards as defined by the IKC Project documents
Installation	<ul style="list-style-type: none"> • Provides a general description and approved project requirements to the Lessee • Provides reasonable access to the project site • Participates in any of the Lessee or IPM's meetings with the IPC through the life of the project • Reviews and responds in a timely manner to Lessee, IPM, or IPC submittals regarding project documents or payment applications • Coordinates disbursement from the IKCFA through AFRPA • Coordinates documents through AFRPA • Ensures project is entered and updated in ACES/Next Gen IT database throughout the life of the project from planning through project close-out
MAJCOM	<ul style="list-style-type: none"> • Participates in any of the Lessee or IPM's meetings with the IPC through the life of the project • Reviews and responds in a timely manner to Lessee, IPM, or IPC submittals regarding project documents or payment applications • Coordinates disbursement from the IKCFA through AFRPA • Coordinates documents through AFRPA

ROLE	RESPONSIBILITY
AFRPA	<ul style="list-style-type: none"> • Approves selected IPM, IPC, contractors, subcontractors, or other agents in advance of project initiation • Approves Notice to Proceed (NTP) and issues to Installation for release to IKC provider • Participates in any of the Lessee or IPM's meetings with the IPC throughout the life of the project • Reviews and responds in a timely manner to Lessee, IPM, or IPC submittals regarding project documents or payment applications • Directs Funding Agreement Agent to disburse funds from IKCFA, as delegated by SAF/IEI
SAF/IEI	<ul style="list-style-type: none"> • Delegates authority as required for each project • Issues NTP and approved disbursements (unless otherwise delegated)

4.4.6 *Best Practices*

- Establish Configuration Control Board to manage change orders impacting IKCFA
- Conduct quarterly/annual MRC meetings (annual held at Installation)
- Conduct bi-weekly teleconferences with Lessee, Installation, MAJCOM, and AFRPA
- Conduct weekly IKC Project meetings with Installation and Lessee
- Require estimates with each design submittal for construction projects
- Require 'as-builts' to be submitted with milestone payment requests