Welcome to Asset Management-Professional Expectations and Fiscal Realities

Moderator: Col. Stuart Harrison, USA (Ret.), AECOM
Speakers: Ms. Susan Morris, Booz Allen Hamilton, Inc.
          Mr. Dave Bixler, NAVFAC Southwest
          Mr. Jerry Dunaway, NAVFAC Southwest
          Mr. Stacey Hirata, US Army Corps of Engineers
Public-Public and Public-Private (P4) Partnerships

Facility Asset Management (FAM) Educational Session

Speakers:
Ms Susan Morris, Principal, Booz Allen Hamilton

Mr Steve Zander, Program Director, Air Force Community Partnership Program, Office of the Assistant Secretary of the Air Force for Installations, Environment and Logistics

Ms Donna Wilhoit, Chief, Business Transformation Branch, Office of the Assistant Chief of Staff for Installation Management
Agenda

- Definition
- Drivers
- Types
- Vehicles
- Authorities
- Process
- Examples
- Legislative Authorities
- Resources
- Back Up Information
Definitions

- The term “Partnerships” is used broadly to mean agreements between the government and other stakeholders(s) for mutual benefit.

- The terms “Public-Private Partnership” and “Public-Public Partnership” (collectively referred to as P4) refer to opportunities and agreements to share resources and responsibilities among government and private entities to reach common goals or provide mutual support.

- Key outcomes range from cost efficiencies to enhanced services to installation communities.

- Partnerships can be regional or local in scope supporting a broad range of mission and installation related activities such as: depot maintenance; housing; energy; transportation; municipal services (e.g., water, waste management); health services; facilities; work force; education; land use; and morale, welfare and recreation.
Drivers

- **Fiscal Environment.** In the current fiscal environment, P4 partnerships are an important pathway to innovation that reduces the cost of doing business, sustains quality of life and enhances mission effectiveness.

- **Base Realignment and Closure.** In light of future anticipated defense BRAC rounds, installations and surrounding communities are incentivized to conduct studies and analyses around efficiencies and find ways to increase the military value of assets and services in each region.

- **Congressional Legislation.** New partnering authority in FY13 NDAA, Section 331 (10 USC § 2336) allows for State and communities to enter into sole source agreements with the military to provide services.

- **Communities/NGOs.** State, regional and local governments, and NGOs (e.g., Association of Defense Communities, International City/County Management Association, National Council for Public Private Partnerships, American Planning Association, National Governors Association, Environmental Council of the States) are educating their constituents on the why and how of partnering.
Types of Partnerships

**Government Only**
- Government Owned & Operated (For Public Benefit)
  - **Examples:** Fort Bragg, Altus AFB, NAS Oceana, Brooks City-Base, Letterkenny
  - **Vehicle(s):** FAR Contracts
  - **Authorities:** 48 CFR Ch 1
- Government Owned/Management Outsourced (For Public Benefit)
- Government Owned/Contractor Operated (For Public Benefit)

**Public-Public and Public-Private Partnerships**
- Government Owned/Contractor Operated (For Public Benefit & Private Profit)
- Quasi-Governmental (Common Benefit)
  - **Examples:** Vance AFB, Maintenance, Mark Center, Ft Leonard Wood
  - **Vehicle(s):** FAR Contracts
  - **Authorities:** 48 CFR Ch 1

**Private Only**
- Mixed Ownership & Operation (For Public Benefit & Private Profit)
  - **Examples:** Boeing, Ford, Google
  - **Vehicle(s):** Deeds, Leases, Contracts
  - **Authorities:** State-based law
- Privately Owned/Operated (For Profit)

**Examples of Partnerships**

- **Government Only**
  - **Examples:** Fort Bragg, Altus AFB, NAS Oceana, Brooks City-Base, Letterkenny
  - **Vehicle(s):** FAR Contracts
  - **Authorities:** 48 CFR Ch 1

- **Public-Public and Public-Private Partnerships**
  - **Examples:** Vance AFB, Maintenance, Mark Center, Ft Leonard Wood
  - **Vehicle(s):** FAR Contracts
  - **Authorities:** 48 CFR Ch 1

- **Private Only**
  - **Examples:** Boeing, Ford, Google
  - **Vehicle(s):** Deeds, Leases, Contracts
  - **Authorities:** State-based law
## Vehicles for Partnerships

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Key features</th>
<th>When best used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handshake</td>
<td>Informal agreement in principle. Carries moral and ethical commitments</td>
<td>To promote relationships and initiate discussions leading to more formal agreements</td>
</tr>
<tr>
<td>MOU</td>
<td>Describes a bilateral or multilateral agreement between parties; indicates an intended common line of action</td>
<td>Where parties want to memorialize the details of the commitment</td>
</tr>
<tr>
<td>MOA</td>
<td>Used to clarify and/or specify the terms of a cooperative or collaborative arrangement involving two or more organizations.</td>
<td>Where parties wish to commit resources (whether cash or in-kind) to accomplishing the goals of a collaborative arrangement</td>
</tr>
<tr>
<td>Written Contract</td>
<td>A legal document that is enforceable in court; statement of an agreement between or among two or more parties that involves an &quot;exchange of value.&quot;</td>
<td>Usually where one party wishes to pay another party to provide goods or services.</td>
</tr>
<tr>
<td>Cooperative Agreement</td>
<td>Legal instruments that establish a relationship between a Federal agency and a state or local government, tribal government, educational institution, nonprofit organization or other recipient.</td>
<td>Most commonly used for making Federal grants where the government will have substantial involvement, also used to transfer real property assets from Federal to state and local governments and for other purposes. Governed partially by FARs and OMB Circulars</td>
</tr>
<tr>
<td>Intergovernmental Service Support Agreement</td>
<td>Legal instruments that establish a relationship between Federal agencies or between a Federal agency and a state or local government, tribal government, or other recipient.</td>
<td>Often used to “detail” Federal employees with particular expertise from one Federal agency to another; also used to share services between Federal agencies and other parties; may be used to formalize MOUs between Federal agencies and other parties</td>
</tr>
<tr>
<td>Interlocal Agreement</td>
<td>Legal instruments that establish a relationship between a Federal agency and a state or local government, tribal government, or other recipient.</td>
<td>Commonly used to formalize mutual aid agreements between Federal facilities and local emergency services agencies; also used for schools, social services, and for other purposes</td>
</tr>
<tr>
<td>Specialized Agreements (e.g. CRADA, Facilities Use)</td>
<td>Focused for a specific purpose</td>
<td>Used for a variety of purposes according to need; facilities use clauses are often included in Cooperative Agreements and other contracts (e.g. a utility provider needs to use the electrical grid on a military base to provide electricity)</td>
</tr>
</tbody>
</table>
Process Framework -- The P4 process is organized into four steps that lead to “Yes”

Initiation

The Initiation Phase begins by identifying key public and/or private stakeholders and developing initial partnering concepts based on their resources and goals. The Initiation Phase concludes with a list of potential projects for further analysis.

The Analysis Phase

The Analysis Phase conducts a “deep dive” into all facets (operational, mission, financial, legal, political, etc.) to refine the concept, and formally select the partner(s).

The Analysis Phase concludes with a pipeline of vetted deals, and the legal ability to negotiate with each entity.

Negotiation

With partnering concepts vetted, the installation begins the Negotiation Phase. Negotiations will continue until all differences are resolved and identified risks are mitigated to the satisfaction of all parties.

The Negotiation Phase concludes with legal documents memorializing the transaction.

Implementation

Once a deal has been structured, the partnerships must be monitored closely to ensure the intended results are achieved.

The Implementation Phase is NOT the conclusion of the partnership period, the agreement is extended or closed and reported, but partnership continues.

Key to this process is understanding the installation portfolio: (1) what you have (built and natural assets), (2) the capacity, condition, value of your assets, and (3) the true cost of installation services.
Process Schematic

STAKEHOLDERS & OPPORTUNITIES

- Economic Development Agencies
- Local Gov’t
- OSI
- Bases
- Tribes
- NGOs
- Business
- Other Feds

Opportunity Storm & Norm

Implementation and Ongoing Partnership Efforts

- Negotiations & Contract Actions
  - Intergovernmental Support Agreement
  - Contract
  - Cooperative Agreement
  - Power Purchase Agreement
  - MOA/MOU
  - CRADA

Due Diligence

- • Risk Analysis
  - • Business Case Analysis
  - • Legal & Political
  - • Physical Limitations
  - • Intangibles

Vet and Prioritize

- • What’s Possible?
- • What’s Important?

Booz | Allen | Hamilton
Examples
Specific Examples of Existing and Potential P4 Partnerships

- Monterey – Base operating services including fire & emergency services, recreation, maintenance, broadband
- Fort Huachuca – Library service
- Fort Riley – Working group initiatives: Transit, human capital, recreation, public works, emergency services
- Air National Guard – Base operation services, fleet maintenance, higher education, recycling and waste
- Tinker Air Force Base – Jail and Juvenile services
- Air Force Community Partnership Initiative Program Management Office – Policy, guidance, governance, task force, training, tabletop exercises, tracking and reporting
Example: Monterey, CA Municipal Services Partnership

The Partners:
• City of Monterey
• Presidio of Monterey (Army)
• Defense Language Institute (Navy)
• Naval Post Graduate School
• Joint Powers Agency w/ City of Seaside

The Deal:
• Cost + Award Fee Contract (FAR)
• Most Base Operating Support (BOS) outsourced to Monterey Joint Services Agency
• City provides fire and emergency services
• City operates other services (e.g. athletic fields & child care center)

The Results:
• 22% savings for DoD over traditional BOS contracting (Presidio of Monterey internal audit, 2012), approximately $4M/year
• Outstanding problem response and customer satisfaction records
• Enhances military value of the Presidio and DLI
Example: Fort Huachuca Municipal Services Partnership Pilot Project

The Partners:
• City of Sierra Vista
• Fort Huachuca

The Deal:
• City library provides library services to city and Fort residents
• Army provides $60K a year to city to support unique Army requirements

The Results:
• $350K per year savings for Army and better service for soldiers and families
• Approved by Assistant SECARMY January 2007
• Partnership implemented March 2007
• First city/military partnership for library services in DoD
Example: Fort Riley Working Group Initiatives

**Public Works Work Group**
Led by Ft. Riley

- Bulk Salt/Sand/Aggregates;
- Bulk Buy Signage;
- Asphalt Purchase;
- Street Striping;
- Equipment sharing;
- Regional Recycling;
- Transportation Communications;

**Human Capital Work Group**
Led by Manhattan

- Workforce Development/Collective Training Opportunities;
- Bulk Supplies purchase;

**Transit Work Group**
Led by Junction City

- Transportation of bulk services;
- ATA on/off post;
- Inter Urban railway concept;

**Emergency Svcs Work Group**
Led by Ft. Riley

- Signage Co-Use;
- SME Training;
- SRT Training Coalition;
- Fire Equipment;
- Animal Control;

**Finance/Procurement Work Group**
Led by Junction City

- Process Mgt/Cost Sharing or processing;
- Payroll processing;
- Freight Services;

**Recreation Work Group**
Led by Ft. Riley

- Bulk purchase pool chlorine, field prep items & uniforms;
- De-confliction of events;
- Holistic marketing;
- Facility co-use;
Example: Air National Guard

The Partners:
- Klamath Falls, OR
- Ellington Field, TX
- Fairchild AFB, WA
- Other Federal Agencies
- Local Government
- Economic Development Groups

The Deal:
- Tabletop Exercises
- Identify Opportunities
- Conduct Due Diligence
- Implement

The Results:
- Many partnership opportunities identified (Joint Contracting, BOS, Fleet Maintenance, Lawn Maintenance, Lodging, Higher Education, Recycling & Waste Removal)
- Business Case Analyses and Due Diligence in progress
- “A far more diverse set of mutually beneficial partnership opportunities exists than originally envisioned” ANG Client
Example: Tinker Air Force Base

The Partners:
- Tinker AFB
- Midwest City
- Del City
- Oklahoma City
- Oklahoma County
- OKC Chamber of Commerce

The Deal:
- MOAs and Intergovernmental Support Agreements
- Multiple partnerships under development include:
  - Pavements
  - Waste Services
  - Lodging
  - Shared Firing Range

The Results:
- MOAs in place for Jail and Juvenile Services
- Estimating annual cost savings in housing, transport, and support of prisoners (TBD)
- New flexibility in enforcement of juvenile offences can help keep military families in on-base housing
- Estimating savings on waste management (TBD)
- First ever exercise of new 10 USC 2336 under Section 331 of the 2013 NDAA
AF Community Partnership Initiative

Public-Public; Public-Private Partnerships (P4)

“Leveraging military installation and local community capabilities and resources to reduce operating and service costs in support of the AF mission”

May 2013
Shared Environment

- Reduced budgets & fiscal challenges
- Manpower cuts; hiring freezes; realignments; furloughs?
- Force structure changes and defense industry reductions
- Innovative partnerships—sparked by new legislation
- Need to make “Every Dollar Count,” provide quality services, allocate risk, share value

This is NOT business as usual
AF and Local Community Leadership is key!

Bring AF leadership and resource support as Installation and Community leaders develop, prioritize and implement community partnership initiatives

Practice the “Art of the Possible”

Identify ways to get to “Yes” by identifying resource requirements:
Time, Money, Manpower, Authority
When proactive Installation leaders call the AF asking how to become part of the prototype program, they are told they must meet three criteria:

1. Installation leadership must be fully supportive of the concept and willing to partner—Wing leadership is key! (MAJCOMs must be aware of and concur)

2. Community leaders must be fully supportive of the initiative—most installations have a military affairs committee or like group so Installation leaders have a fairly good idea who should be invited to participate and can gauge their commitment

3. The Installation and Community leaders need to use our AF process for identifying potential initiatives which leads to a Table Top Exercise within a 6-8 month timeframe

Information obtained from conducting prototype Initiatives is being used to identify an oversight framework and policy and guidance

People closest to the mission are generating ideas in the “best interests of the Air Force”
AF Community Partnership
Prototype Framework

AF Community Partnership Office
SAF/IEI

AF Community Partnership Task Force
AF Community Partnership PMs
MAJCOMs

MAJCOMs:
- Klamath Falls
- Ellington Field
- Fairchild
- Tinker
- Hill
- Sheppard
- Patrick
- Robins
- Buckley
- Andrews
- Beale
- Maxwell
- Ellsworth
- S-J AFB
- Peterson
- Nellis
- S-J AFB
- peterson
- Moody
- Altus
The AF Community Partnership Process is simple

- Provide a Partnership “Brokering Team” when Installation and Community Leaders commit to using the AF process
- Schedule a series of 6 meetings that enable identifying potential partnership initiatives—this series of meetings helps identify potential initiatives that address mutual need and capacities
- Once initiatives are “fleshed-out” in adequate detail, bring in SMEs to help define the way forward—this will help drive initiative priority (see 6-step meeting slide)
- By the time of the Table Top Exercise, identify exactly, what resources are required, when resources will be needed and who programs

- Execute or program for funding and execution

The process is simple, but gaining efficiency requires hard work
Service Contracts, Intergovernmental Support Agreements, MOAs, Leases, EULs

**The Installation and Communities provide resources to execute most initiatives**
Potential Cross-Functional Initiatives

- Off-base Prisoner Detention (A7S)
- Use of Off-base Firing Ranges (A7S)
- Cooperative Police Training (A7S)
- Many of the AF Services provided Airmen support programs (A1S)
  - Youth Programs (A1S)
  - Base Lodging (A1S)
  - Base Community Educational Center near front gate (A1)
- Many O&M functions already contracted (GCQ/A7C/SB)
  - Waste Management/Recycling (A7C)
  - Snow removal (A7C)
  - Cooperative Fire Training/Support (A7C)
- Chaplain Programs (HC)
- Off-base Pharmacy (SG)
- Data Center Training/Cable Maintenance (A6)
- Expand bus system on base (A4T)
- Airport Operations and Maintenance (A3O)
- University training of critical need interns (All)
- Strategic Sourcing (AQC)

This is not a solution looking for requirements; these are requirements looking for solutions
Keys to Success

- AF Installation and Community Leadership buy-in—with HQs AF and MAJCOM endorsement
- Keep it simple—avoid a cumbersome, costly framework—leverage existing capabilities
- Creatively apply new and existing authorities
- Develop policy, guidance and training to institutionalize and sustain
- Use/modify existing cost accounting framework to document, monitor and validate cost savings

Be responsive to AF Installation and Local Community Leadership requests for support!
Legislative Authorities
Signed by President Obama on January 3, 2013 (10 USC 2336)

Key Provisions:

Secretary may enter into an intergovernmental support agreement if the Secretary determines the agreement will serve the best interests of the department by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs.

Bases may accept payment for services – “credited to the appropriation or account charged with providing installation support”

Bases may not use this authority to revoke, preclude or interfere with existing or proposed mutual aid agreements relating to police or fire protection.

Secretary concerned shall ensure that this authority is not used to circumvent the requirements of OMB Circular A-76.

Intergovernmental Support Agreements may

- Be entered into on a sole source basis
- Be for a term not to exceed five years
- Use wage grades normal for state or local government providing the service
- Only be used when provider already provides such services for its own use
Legal Authorities

Authorities under which partnering (P4) may and has occurred include:

1. 10 U.S.C. 2913 – Allows DoD organizations to enter into agreements for shared energy savings services.
2. 10 U.S.C. 2667 – Allows DoD organizations to lease non-excess property for non-defense uses in return for cash or in-kind services (Enhanced Use Leasing).
5. DoDD 1000.11 – Directive permitting operation of financial institutions on DoD installations.
9. 10 USC 2684a – Permits DoD to enter into agreements to address the use or development of real property in the vicinity of a military installation or military airspace (REPI).
10. 10 USC 2694a – Permits DoD to convey surplus real property for conservation purposes.
11. 10 U.S.C. 18280 – Permits DoD to acquire a facility or addition to an existing facility through an exchange with a State, local government or private entity.
12. 10 U.S.C. 2869 – Permits DoD to convey real property at military installations to support military construction, or land acquisition to limit encroachments.
13. 15 U.S.C. 3715 – Permits federal agency to lend use of its lab facilities to state and local governments, and educational institutions to increase likelihood of success of activities conducted jointly with small businesses.
14. 10 USC 2194 – Permits DoD to loan, or to transfer surplus material and equipment, to educational institutions and certain nonprofits dedicated to improving science, mathematics and engineering education (U.S. locations only).
15. 10 U.S.C. 2539b – Permits DoD to make available to any person or entity, at an appropriate fee, the services of any Government laboratory, or sell, rent, lend or give samples for research purposes.
16. 10 U.S.C. 2681 – Permits DoD to conduct commercial test and evaluation activities at a Major Range and Test Facility Installation, charging at least enough to cover all direct costs incurred in rendering test or evaluation.
17. 10 USC §2474 – Requires Military Services to designate depots as Centers of Industrial and Technical Excellence (CITE) and authorizes and encourages public-private partnerships
18. 15 U.S.C. 3710a – Authorizes Federal laboratories to enter into cooperative research and development agreements (CRADA)
19. 10 U.S.C. 2688: Authorizes conveyance of all types of utility systems
20. 10 U.S.C. 2539(b): Authorizes DoD to sell, rent, or lend information and equipment for independent research
21. 15 U.S.C. 3715: Authorizes Federal agencies to lend their laboratory facilities to schools and state and local governments to foster small business and educational involvement
22. 31 U.S.C. 6305: Requires that a Cooperative Agreement (CA) be created when a federal agency transfers “a thing of value” to a state, local government, or other entity to carry out a public purpose
23. New partnering authority in FY13 NDAA, Section 331 (10 USC §2336) for sole source arrangements between States/Communities and the military
Additional Resources

  - Innovative Installation Forum – Jan 2013/San Antonio
  - Publications & conferences
  - Defense communities

  - Publications
  - Case studies
  - Legislative information


  - BRAC information and assistance for communities
  - Compatible Use Program
Public Private Venture Housing
Program Overview

SAME (Society of American Military Engineers)
2013 Joint Engineering Training Conference & Expo

Naval Facilities Engineering Command Southwest
Asset Management Business Line
Public Private Venture Branch
22 May 2013
Presentation Overview

- PPV Program Overview
- PPV Sustainment
- Before and After Photos
- Closing
Public Private Venture Overview
Why Privatization, Purpose and How?

- Why Housing Privatization?
  - Key component to military readiness
  - The Nation has a responsibility to care of its Service members and their families
  - *Yesterday’s military housing could not be financially sustained*
  - DoD directed Services to “privatize” housing for today’s military

- Projects executed under the authorities of the Military Housing Privatization Initiative (MHPI) of 1996
  - Non-FAR based business agreements
  - NAVFAC is delegated procurement official for DoN
  - Supported commands are CNIC and HQMC
Public Private Venture Overview
Typical Business Model

**Department of the Navy**
- LLC Member via S 2875
- Contributes Equity (when necessary)
- Contributes Land & Facilities via Ground Lease
- Government Loan (when necessary)

**Private Partner**
- Establishes the Business Entity – LLC
- Secures 1st Mortgage Debt
- Contributes Equity

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**Limited Liability Company**

<table>
<thead>
<tr>
<th>DoN (Member)</th>
<th>PPV Partner, LLC (Managing Member)</th>
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</thead>
<tbody>
<tr>
<td><strong>PURPOSE</strong></td>
<td>Finance, Design, Construct, Acquire, Own, Lease, Convey, Operate, Manage, Maintain, and/or Renovate Housing for Military Members</td>
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</tbody>
</table>

**OPERATING AGREEMENT**

- Design/Build Contract
- Property Management Agreement
- Asset Management Agreement
- Consulting Architect Contract
- Independent Architect/Engineer
- Contractor
- Property Management Company
- Asset Management Company
Public Private Venture Overview
Terms of Partnership

- Basis Terms of PPV Partnership
  - The Department of the Navy (DoN) enters into Business Agreements with a private business entity to form a Limited Liability Company (LLC)
  - Agreements are tied to the Ground Lease, which is for a period of 50 years
  - The Navy invests in the LLC by providing land and existing housing and/or DoN equity.
  - Housing and other improvements are deed transferred off Navy books to LLC
  - The Private Partner (Managing Member) owns and operates the project
  - The DoN Member is a minority partner; retains approval rights for key functions
  - Managing Member responsible for day-to-day operations
  - Military families choose to live in PPV housing, where BAH (Basic Allowance for Housing) becomes the revenue stream for the LLC
PUBLIC PRIVATE VENTURE OVERVIEW
NAVY - San Diego Family Housing (SDFH); Unaccompanied Housing (Pacific Beacon, LLC)

San Diego Family Housing, LLC (12,913 Housing Units)
- Phase I executed Aug 2001 3,248 homes 20 locations (SD Metro Off-Base)
- Phase II executed May 2003 3,217 homes 4 locations (SD Metro On & Off Base)
- Phase III executed May 2006 2,668 homes 12 locations (SD Metro On & Off Base)
- Phase IV executed Oct 2007 3,523 homes 6 locations (OTH Installations)
- Phase V executed Feb 2010 257 homes 4 locations (Naval District Washington)

*Includes authorization for 1,600 homes at MCAS Miramar

Pacific Beacon, LLC
- Pacific Beacon executed Dec 2006 2,914 beds Naval Base San Diego (includes Palmer Hall)

MARINE CORPS - Family Housing (De Luz Housing, LLC; Camp Pendleton & Quantico (CPQH))

De Luz Housing, LLC (712 Homes)
- Executed Nov 2000 712 homes MCB Camp Pendleton

Camp Pendleton & Quantico Housing (CPQH) LLC (11,909 Housing Units)
- Phase I executed Sep 2003 4,534 homes MCB Quantico; MCB Camp Pendleton; MCMWTC Bridgeport; MCRD SD
- Phase II executed Sept 2004 897 homes MCAS Yuma, AZ (On & Off Base) & MCB Camp Pendleton
- Phase III executed Sept 2005 1,488 homes MFR Kansas City, MO (Off Base) & MCAGCC 29 Palms
- Phase IV executed Sep 2006 3,162 homes MCB Camp Pendleton
- Phase V executed Sep 2007 917 homes MCB Camp Pendleton & MCLB Albany, GA
- Phase VI executed Jan 2010 139 homes MCAGCC 29 Palms
- Phase VI executed Jan 2010 172 homes MCB Camp Pendleton
- Phase VIII executed Sep 2010 600 homes MCAGCC 29 Palms (Vista Del Sol Off Base)
Public Private Venture Overview
DoN PPV Locations Across the Nation

17 Projects
73 Installations Served
337 Neighborhoods

PPV Projects
1) Kingsville Townhomes, LP (K1)
2) Kingsville II, Family Housing Ltd, LP (K2)
3) De Luz Housing, LLC (CP1)
4) Gateway Trident, LLC (E2)
5) San Diego Family Housing, LLC (SD)
6) New Orleans Navy Housing, LLC (NO)
7) South Texas Military Housing, LP (ST)
8) Camp Pendleton & Quantico Housing, LLC (CPQH)
9) Ohana Military Communities LLC (HI)
10) Northeast Housing, LLC (NE)
11) Pacific Northwest Communities, LLC (NW)
12) Mid-Atlantic Military Family Communities LLC (MA)
13) Atlantic Marine Corps Communities, LLC (CLCPS)
14) Midwest Family Housing, LLC (MW)
15) Southeast Housing LLC (SE)
16) Hampton Roads PPV, LLC (HRUH)
17) Pacific Beacon LLC (SDUH)

Data as of Dec 2011
Financial Oversight Purpose

- To protect the DoN’s Investment in the LLC
- Effectively manage and oversee the financial health of the LLCs
- To track and manage resources for housing improvements where needed
- To track expenses to stay within reasonable costs for both short term and long term financial health
- To ensure quality housing for military families
The Property Manager annually surveys housing residents to assess their satisfaction, which is known as the annual “Resident Satisfaction Survey”.

Residents score their satisfaction with the property condition as well as management services.

Scores determine Partner’s Incentive Fees; thus, the Partner is incentivized to perform well.

CEL, Inc. is the 3rd party firm that administers the resident satisfaction surveys.
Pre-PPV Military Housing
PPV Military Housing – Family Housing

Catalina Heights, Naval Base Ventura County
SDFH

Kansas City
CPQH
PPV Military Housing – Family Housing

MCB Quantico
Camp Pendleton/Quantico Housing, LLC (CPQH)

Copper Canyon, 29 Palms
CPQH

The Village at NTC, Naval Base Pt Loma
San Diego Family Housing, LLC (SDFH)
PPV Military Housing – Flag Homes

Silvergate Flags
SDFH
PPV Military Housing – Bachelor Housing

Pacific Beacon, LLC
Naval Base San Diego
Closing

- Provides Sailors/Marines and their families quality housing
- Frees up MILCON funding for other requirements
- Accelerates facilities construction and renovation
- Maintains high-quality operations/maintenance over long-term regardless of Navy’s O&M budgeting/programming outcomes
- Capital cost avoidance
- PPV Program is an evolving program; evolution from development to current sustainment oversight
PPV Websites to Visit:

**NAVFAC Southwest PPV Portal Page**
https://portal.navfac.navy.mil/portal/page/portal/am/navfac_sw_am/am5-ppv

**Department of Defense Military Housing Privatization Homepage**
http://www.acq.osd.mil/housing
Federal Buildings Personnel Training Act (FBPTA)

Overview & Status

May 23, 2013
SAME Joint Engineer Training Conference

Stacey K. Hirata, P.E., SES
Chief, Installation Support Division
HQ USACE
Agenda

• Overview
• Program Update
• Agency Implementation
• Application to Contractors
• Way Ahead
Purpose of FBPTA

To create a high-performance workforce with the core competencies required to employ industry best practices and standards to – build, operate and maintain our federal facilities in the most cost, and resource, effective manner possible.
**Legislative Drivers**

- 2010 GAO report identified agencies face a number of challenges in meeting their energy management goals (GAO 10–22).
  - One of those challenges is the rapid building and retrofitting of federal facilities, without a focus on the individuals whose responsibility it is to operate and maintain these facilities.
- A study by the International Facilities Management Association (IFMA) showed that for every $1 spent on facility management training, organizations reported receiving an average of $3.95 in return.

<table>
<thead>
<tr>
<th>GAO Report</th>
<th>October 2009</th>
<th>FEDERAL ENERGY MANAGEMENT</th>
<th>Agencies Are Taking Steps to Meet High-Performance Federal Building Requirements, but Face Challenges</th>
</tr>
</thead>
</table>
FBPTA Legislation Overview

- Sponsored by Senators Carper (DE), Boxer (CA), and Collins (ME).
- Federal Buildings Personnel Training Act of 2010
- Senate Report 111–212, Jun 21, 2010
- PL 111–308, signed Dec 14, 2010
- Applies to all Federal personnel for Fed personnel performing building O&M, energy management, design, and safety.
- Affects over 40,000 federal employees, plus thousands of contractor personnel.
Public Law

• Public Law 111-308 enacted 15 December 2010.

• Requires:
  • Federal and contractor personnel performing building operations and maintenance, energy management, safety, and design functions to comply with requirements under the Public Law.
  • Identification of course(s), certification, degree, license, or registration for core competencies and for ongoing training.
Lead Agency

• The Act identifies General Services Administration (GSA) as the lead agency with help from Energy Efficiency & Renewable Energy (EERE) in the sustainability area.
FBPTA Program Manager & Stakeholders

• Program to be managed and developed by the General Services Administration (GSA) through the Office of Federal High-Performance Green Buildings (OFHPGB)

• Assisted by Department of Energy, through the head of the Office of Commercial High-Performance Green Buildings (OCHPGB).

• All major actions done in consultation with other federal agencies (including DoD) and representatives of relevant professional societies, industry associations, and apprenticeship training providers.
FBPTA 6 Requirements

1. Identify Core Competencies
   – By Jun 2012, and updated annually, identify core competencies for the above, and water efficiency, and building performance measures.

2. Designate Relevant Courses, Certifications, Degrees, Licenses & Registrations
   – Identify one or more courses, certifications, degrees, licenses, or registrations to demonstrate each core competency, identified for a specific category of personnel.

3. Demonstrate Identified Competencies
   – By Jun 2013, An individual shall demonstrate each core competency through the means identified under requirement #2
4. **Identify Continuing Education**
   – Develop or identify comprehensive continuing education courses to ensure the operation of Federal buildings in accordance with industry best practices and standards.

5. **Develop Curriculum for Facility Management and Operation of High-Performance Buildings**
   – Develop a recommended curriculum relating to facility management and the operation of high-performance buildings.

6. **Applies to Contractor Personnel**
   – Demonstration of core competencies and training requirements shall apply to contractor personnel performing building O&M, energy design & management, and safety.
Key Milestones

• 18 months (June 2012) after the enactment of the Law, General Services Administration (GSA) shall identify the core competencies necessary for personnel.

• 12 months (June 2013) after the identification of the core competencies individuals shall demonstrate each competency.
1. Identify Core Competencies – By Jun 2012, and updated annually, identify core competencies for the above, and water efficiency, and building performance measures.

**Starting Point for FBPTA Competencies**

- 2008 Report by the National Research Council

Core Competencies for Federal Facilities Asset Management through 2020

*Transformational Strategies*

**OUTSTANDING STUDY!**

- Replicable process
- Findings identified significant risks
- Recommendations identified clear opportunities
Core Competencies

• The Public Law identified the following core competencies:
  • Building Operations and Maintenance
  • Energy Management
  • Sustainability
  • Water Efficiency
  • Safety (including electrical safety)
  • Building Performance Measures

• GSA may identify additional competencies
FBPTA Competencies

- Consider three functions:
  - Facility / building managers
  - Bld / equipment operators
  - Energy managers

- Align competencies
  - Consider “awareness”

- Remain agnostic to series
  - Give broad guidance
  - Maintain required flexibility
Core Competencies

• Visit website document that identifies core competencies
  • As of 14 June 2012
  • 24 page document
Evaluating Training Resources

Accreditation
FBPTA or 3rd Party

Vendor Evaluation Criteria
- Near-term: Process to confirm alignment
- Long-term goal: Formal conformity model

Provider Program Requirements
- JTA-based learning objectives
- Systematic program plan
- Learning outcomes assessed
- Adequate staff / facilities

FBPTA “Qualifications”
Certificate Programs / Certifications
Professional Registrations / Licenses

Accreditation: Given to a program or institution by an objective evaluating body as meeting a set of standards.

Competencies
- FBPTA
- Agency-specific

FBPTA Competency Model
Core Competencies and performances
Based on Job Task Analyses and community review

Individual Credential: Given to an individual by an objective evaluating body as meeting a set of standards.

2. Designate Relevant Courses, Certifications, Degrees, Licenses & Registrations
4. Identify Continuing Education
5. Develop Curriculum for FM and Ops of High-Performance Buildings
Challenges

• There are a number of certifications currently available.
Agency Implementation
FBPTA Current Status @ GSA

June 2013
• GSA Assess all their GS-1176 employees, post results
• Annual update to Competency Model, Curriculum
• Provide data to agencies using GSA’s Web Tool

September 2013
• Award contract to review training resources
• Develop initial cost and strategy for 1176 compliance
Program Tool Improvements

• Web tool contract now through OPM eLearning
• Near-term web tool improvements
  • Improved program reporting
  • Agency-specific competency assignment
  • Customized facility organization drop-downs
  • Organizational coverage visualization
• OPM can work directly with agency stakeholders on PD and Performance Plan Development
GSA Employee-Based Approach

• Demonstrate compliance at “performance” level
  – Core Competency Areas – 12
  – Core Competencies – 43
  – Performances – 232

• Decide which Competency Areas relevant to position

• Select qualifications held from a pre-approved list

• Supervisors review qualifications, remove non-relevant performances, and input performances met by OJT

• New qualifications may be proposed!
DOE Office of Engineering & Construction Management Role

• Advocate for the DOE professionals and identify skills that a Government Facility Manager needs in today’s working environment.

• Engage DOE stakeholders.

• Implement a program at DOE.
DoD Workforce Legislation

- Defense Acquisition Workforce Improvement Act, 1990:
  - Education and training standards, requirements, and courses
  - Defense Acquisition University

  - DoD Strategic Workforce Planning
  - Identify critical skills, competencies, and training

- Federal Buildings Personnel Training Act, 2010

  - DoD Energy Manager Training
  - Improve knowledge, skills, abilities, and lessons learned
Overlap with Sec 2829 of FY 2012 Defense Authorization Act

- PL112–81, Dec 31, 2011
- Section 2829. “Training Policy for Department of Defense Energy Managers” requires establishment of a training policy for DoD Energy Managers to:
  - Improve knowledge, skills and abilities
  - Improve consistency
  - Create opportunities for exchanging ideas
  - Collaborate with Department of Energy (DoE) for training

- USD(AT&L) letters to Congress on Jan 13, 2013 stated Sec 2829 requirements will be handled through implementation of FBPTA.
Overlap with Sec 1108 of FY 2010 Defense Authorization Act

- PL 111–84, Oct 28, 2009
- Section 1108. “DoD Strategic Workforce Planning” requires DoD for Mission Critical Occupations (MCOs) to identify:
  - Skills
  - Competencies
  - Training

- MCOs are continually being identified, so some FBPTA targeted groups could become MCOs such as Energy Managers.
DoD FBPTA Chronology

- Fall 2011 - Kickoff meeting with GSA at Pentagon; evaluated union impacts
- Spring 2012 - Commented on draft core competencies and provided lists of DoD training
- Fall 2012 - Components express concerns with FBPTA webtool developed by GSA
- Feb 2013 - Webtool pilot tests by DoD Components
- Mar 2013 - Meeting with GSA & Federal Agencies on contractor compliance with FBPTA
GSA Webtool Pilot Tests by DoD

- Redundant with DoD workforce management systems
- Need separate tools for blue and white collar (it can be argued many DoD white collar positions already meet intent of FBPTA)
- Competencies appear well defined but too broad
- Little benefit if not customized for DoD requirements
- Confusion on the population impacted by FBPTA such as applicability to design professionals (House Report said “design” only applies to energy management, and not building O&M)
- Relating competency to energy and water savings is impractical
- Training plans currently limited to industry certifications
- Significant burden on employees and supervisors in a severely constrained budget and staffing environment
DoD Implementation Plan

- Near term focus on Energy Managers (GS series):
  - Maximizes “return”
  - Complies with DoD Energy Manager Training legislation
  - Starting in summer 2013, integrate FBPTA webtool, and similar existing DoD systems, into the new Defense Competency Assessment Tool (DCAT) developed in response to DoD Strategic Workforce Planning legislation
  - Customize webtool requirements for DoD use, and work with GSA to review existing DoD training resources for inclusion as approved qualifications
  - Due to resource constraints, using DCAT for other FBPTA impacted occupational series (e.g., wage grade building O&M) will be deferred until after 2016
Contractor Certification OF Compliance
Contractor Compliance - Options Framed for Future

- **Self-Certification**
  - Least burden, quickly and consistently applied
  - Little oversight or control, no comparable data
- **Performance – Training plan or 3rd Party Certs**
  - Allows some control with room for innovation
  - Burden on contracts, may not give comparable data
- **Prescriptive – Follow agency requirements**
  - Significant control, most comparable data
  - Significant burden, too much for smaller contracts
Working Group Discussion

• Flesh out requirements for civil servants first
• Larger, broader scope contracts first
• Develop a FAR clause(s) for consistency
• Balance needed between:
  – Quality of oversight and ability to track data
  – Burden on contractor and contracting communities
• 3rd Party Certification consistently stressed
  – GSA O&M contracts require choice between 3 industry certifications for HVAC technicians
Way Ahead
FBPTA Challenges

• Limited resources for Program development
• Shrinking budgets at agencies for training
• Competing priorities for time
• Lack of enforcement clause
QUESTIONS

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