

Headquarters U.S. Air Force

Fly - Fight - Win

Overview of EUL Solicitation & Selection Process



U.S. AIR FORCE

Ms. Brenda Roesch
Program Mgr Base Conversion
Brenda.roesch@brooks.af.mil
Comm. 210-536-1908





U.S. AIR FORCE

Overview

- Notes on EUL Acquisitions
- Listing of Solicitation Steps
- Listing of Evaluation Steps
- Sample Summary and Associated Elements





U.S. AIR FORCE

Notes on “the Deal”

■ Enhanced Use Leases

- AF is the “seller”
- Non-F.A.R. transactions commercial(like)
- Competition is the norm
 - Looking for the “Best Value” to the AF
 - \$\$\$\$\$ + *right development*
 - We will not “level the playing field” (share an aspect of your proposal with others)
- Ends in a negotiated lease of 5 to 50 years





U.S. AIR FORCE

Typical Solicitation Steps

- **Preliminary actions**
 - **Establish solicitation website**
 - **Define the evaluation factors**
 - **Strategic approach to financing, developing, and managing the EUL project(s)**
 - **Demonstrated organizational and financial capabilities**
 - **Past performance on similar projects**
 - **Value offered to the Air Force**
 - **Invite industry to comment on the draft Request For Qualifications (RFQ)**
 - **Refines & optimizes the pending action**
 - **Obtains industry buy-in**
 - **Finalize RFQ & solicit offers**





U.S. AIR FORCE

The Goal ...

A Lease





U.S. AIR FORCE

Evaluation Steps

■ Receive & evaluate offers

■ Potential evaluation factors

- Business Plan
- Development Plan
- Property Management Plan
- Qualifications
- Past Performance
- Value offered





U.S. AIR FORCE

Evaluation Steps

(cont.)

■ Source Selection Process

■ Source Selection Authority (SSA) Briefing

■ Briefing includes:

- Overview of each offeror's EUL project concept
- Evaluation of each offeror's proposal
- Comparison between the anticipated values to the Air Force of the proposals & Fair Market Value
- Scoring analysis if the in-kind consideration could be scored as a lease/purchase or capital lease
- Overview of Highest Ranking Offer's (HRO) qualifications & evaluation teams' basis for this designation





U.S. AIR FORCE

Evaluation Steps

(cont.)

- **Source Selection Process** (cont.)
 - **Senior advisors review briefing**
 - Review all aspects of the briefing including HRO designations
 - Recommend presenting the brief to SSA
 - **Source Selection Authority (SSA)**
 - Receives evaluation briefing
 - Receives advisors' comments and recommendations
 - Considers any recommendations
 - Selects the Highest Ranking Offer (HRO)
 - **Debrief offerors not selected**





U.S. AIR FORCE

The HRO Milestone

		Offeror A	Offeror B	Offeror C
Business Plan	Factor 1A	L	L	L
	Factor 1B	L	M	L
Development Plan	Factor 2A	M	M	M
	Factor 2B	M	M	L
Property Management Plan	Factor 3A	L	M	M
	Factor 3B	M	L	M
Qualifications	Factor 4A	HQ	Q	Q
	Factor 4B	Q	Q	HQ
Past Performance		HC	C	SC
Net Present Value Return		\$75.3M	\$25.0M	\$17.9M

- B** Exceptional
- G** Acceptable
- Y** Marginal
- R** Unacceptable

- L** Low Risk
- M** Moderate Risk
- H** High Risk

- HQ** Highly Qualified
- Q** Qualified
- UQ** Unqualified

- HC** High Confidence
- SC** Significant Confidence
- C** Confidence
- LC** Little Confidence
- NC** No Confidence





U.S. AIR FORCE

Sample Proposal Summary

<u>Description</u>	<u>Offeror A</u>	<u>Offeror B</u>	<u>Offeror C</u>
Total Development Costs	\$408.7M	\$403.5M	\$401.5M
Private Debt	\$398.7M	\$297.9M	\$305.9M
Developer Equity	\$52.0M	\$105.6M	\$95.6M
Developer Equity %	2.4%	26.2%	23.8%
Assumed Fair Market Value (FMV)	\$10.0M	\$10.0M	\$10.0M
Scoring	None	None	None
Transaction Fee	\$52.0M	\$2.9M	\$2.0M
Transaction Fee as % of FMV	100.0%	29.0%	20.0%
Proposed Return to the Air Force	\$75.3M	\$25.0M	\$17.9M
How Air Force Return is received	\$52M upfront plus 12% of project's net cash flow after payment of 10% preferred return	\$2.9M upfront plus fixed monthly lease payment by phase (total of \$656K/yr) plus 5% of project's net cash flow after 25% IRR	\$2.0M upfront plus upfront one time lease payment by phase plus 8% of project's net cash flow after 28% IRR





U.S. AIR FORCE

Color Ratings Definitions

Color	Rating	Definition
Blue	Exceptional	Addresses the elements of this subfactor in a manner that demonstrates overall added value to the Government above a satisfactory response for the subfactor, and has addressed all of the individual elements in this subfactor in a manner that demonstrates no less than a satisfactory response to any element, and added value for some or all elements.
Green	Acceptable	Addresses all of the elements in this subfactor in a satisfactory manner.
Yellow	Marginal	Fails to address all of the elements in this subfactor in a satisfactory manner, or has simply failed to address clearly all of the elements in this subfactor; however, any such failures are susceptible to being corrected without requiring a major rewriting of the offeror's proposal.
Red	Unacceptable	Fails to address all of the elements of this subfactor in a satisfactory manner or has simply failed to address clearly all of the elements in this subfactor.





U.S. AIR FORCE

Risk & Qualifications Ratings Definitions

Rating	Definition
Low Risk	Any weaknesses have little potential to cause disruption to the planning and implementation of the project. Normal contractor/ government communications will probably minimize any difficulties.
Moderate Risk	Any weaknesses have a greater potential to cause disruption to the planning and implementation phases. Enhanced contractor/ government attention and close monitoring will probably minimize any difficulties.
High Risk	Weaknesses have the high potential to cause significant disruption to the planning and implementation phases even with enhanced contractor/ government attention and close monitoring.

Rating	Definition
Highly Qualified	Proposal exceeds the stated minimum requirements in a way that is deemed beneficial to the Government.
Qualified	Proposal meets stated minimum requirements.
Unqualified	Proposal fails to meet stated minimum requirements.





U.S. AIR FORCE

Confidence Assessment Ratings

Rating	Definition
High Confidence	Based on the Offeror's past performance record, the Government has high confidence the Offeror will successfully perform the required effort.
Significant Confidence	Based on the Offeror's past performance record, the Government has significant confidence the Offeror will successfully perform the required effort.
Confidence	Based on the Offeror's past performance record, the Government has confidence the Offeror will successfully perform the required effort. Normal contractor emphasis should preclude any problems.
Little Confidence	Based on the Offeror's past performance record, the Government has doubt that the Offeror will successfully perform the required effort.
No Confidence	Based on the Offeror's past performance record, the Government has substantial doubt that the Offeror will successfully perform the required effort.





U.S. AIR FORCE

AF EUL Resources Website Links

AFRPA EUL Website

<http://www.safie.hq.af.mil/afropa/eul/index.asp>

MWH PRESS Website

<http://www.pscmhc.com/index.htm>

JLL PRESS Website

<http://www.jllpress.com>

FPS PRESS Website

<http://www.theconcoursegroup.com/eul.html>

A&M PRESS Website

http://www.alvarezandmarsal.com/en/global_services/real_estate/industries/eul/experience.html

Air Force Coal-to-Liquid EUL Website

<https://www.enstg.com/signup> (conference code: MAM56398)





Draft RFQ

DRAFT

RFQ Number AFRPA-FY-XXXX
Kirtland AFB Enhanced Use Lease Project

United States Department of the Air Force

**Air Force Materiel
Command (AFMC)
Air Force Real Property
Agency
(AFRPA)**



**Enhanced Use Leasing
Kirtland Air Force Base**

RFQ No. AFRPA-FY-XXXX

REQUEST FOR QUALIFICATIONS

**PROPOSALS ARE DUE NO LATER THAN
5:00 P.M. ET (Date to be determined) AT:**

JONES LANG LASALLE

1627 "Eye" Street, NW
8th Floor
Washington, DC 20006

Voice: (202) 719-2130
Fax: (202) 719-2129
Email: brian.thoman@am.jll.com
Web site: <http://www.us.am.joneslanglasalle.com/en-US/>

TABLE OF CONTENTS

SECTION 1.0 EXECUTIVE SUMMARY	6
1.1 AUTHORITY	6
1.2 EUL GOAL	6
1.3 PROPOSAL SUBMITTALS AND SELECTION OF LESSEE	7
1.4 SMALL BUSINESS	8
1.5 PROJECT DOCUMENTS	8
SECTION 2.0 EXISTING CONDITIONS	9
2.1 EXISTING CONDITIONS	9
2.2 EUL ASSET OVERVIEW	9
2.3 LEASED AREAS	9
SECTION 3.0 PROJECT REQUIREMENTS	13
3.1 STRATEGY	13
3.2 BUSINESS AND LEASING PLAN	13
3.3 ENVIRONMENTAL COMPLIANCE	18
SECTION 4.0 INSTRUCTIONS TO OFFERORS	20
4.1 PROVISIONS	20
4.2 RESTRICTIONS ON FOREIGN PARTICIPATION	21
4.3 RESTRICTION ON DISCLOSURE AND USE OF DATA	21
4.4 CONFLICT OF INTEREST	21
4.5 SUBMISSION OF OFFERS	22
4.6 SUBMITTAL REQUIREMENTS	22
4.7 EXECUTION OF PROPOSAL	23
4.8 LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF PROPOSALS	23
4.9 EVIDENCE OF DATES AND TIMES OF MAILING RECEIPTS	24
4.10 GENERAL INFORMATION	24
4.11 ELECTRONIC COPIES	24
4.12 SUBMITTAL REQUIREMENTS FOR ALL OFFERORS	25
4.13 VOLUME I: PROJECT CONCEPT SUBMITTAL REQUIREMENTS	26
4.14 VOLUME II: QUALIFICATIONS SUBMITTAL REQUIREMENTS	28
4.15 VOLUME III: PAST PERFORMANCE SUBMITTAL REQUIREMENTS	30
4.16 HIGHEST RANKED OFFEROR INFORMATION	31
SECTION 5.0 BASIS OF SELECTION	33
5.1 STRATEGY	33
5.2 EVALUATION FACTORS AND SUBFACTORS AND THEIR RELATIVE ORDER OF IMPORTANCE	33
5.3 PROJECT PROPOSAL RATINGS	33
5.4 QUALIFICATION RATINGS	34
5.5 PAST PERFORMANCE CONFIDENCE ASSESSMENT	34
5.6 FACTOR 1: BUSINESS PLAN	36
5.7 FACTOR 2: DEVELOPMENT PLAN	36
5.8 FACTOR 3: PROPERTY MANAGEMENT PLAN	37
5.9 FACTOR 4: QUALIFICATIONS	37
5.10 FACTOR 5: PAST PERFORMANCE	38
SECTION 6.0 HIGHEST RANKED OFFEROR EXCLUSIVE NEGOTIATIONS	39
6.1 STRATEGY	39
SECTION 7.0 REFERENCE SOURCES AND POINTS OF CONTACT	40
7.1 DOCUMENTATION	40
7.2 CLARIFICATIONS	40
7.3 CITY POINTS OF CONTACT	40

Headquarters U.S. Air Force

Fly - Fight - Win

Questions?



U.S. AIR FORCE

