
**Continental Group Housing Privatization
Solicitation No. AFCEE-09-0001
Questions & Answers 04
3 December 2010**

No.	Questions & Answers 04	
140.	Q.	Can the 12-month debt coverage reserve be funded with a letter of credit or is cash required?
	A.	For purposes of proposal and pro forma development, Offerors are to model 12-months cash funded debt service reserve on all permanent financing. This response supersedes the response provided in Questions and Answers 03.
149.	Q.	<p>Under Desired Community Features RFQ sections 3.3.5.5.2 (Eglin AFB), 3.3.5.5.4 (Hurlburt Field) and 3.3.5.5.5 (McConnell AFB) there is a sub-listing indicating that it is desired for the community site design to be “capable of achieving ‘LEED for Neighborhood Development’ Silver certification (additional evaluation credit will be given to offerors who propose building to LEED Gold or Platinum standards).”</p> <p>The Neighborhood Pattern and Design section of LEED for Neighborhood Development (LEED ND) has three prerequisites that <u>must</u> be met in order to obtain subsequent credits. Two of the three appear to be in conflict with the development program requirements in the RFQ:</p> <p style="padding-left: 40px;">Prerequisite 1 Walkable Streets has four subfactors, all of which must be met in order to achieve this prerequisite. Subfactor D indicates that “no more than 20% of the street frontages within the project are faced directly by garage and service bay openings.”</p> <p style="padding-left: 40px;">Prerequisite 2 Compact Development has two options that would allow a project to achieve this prerequisite and in either case it appears that a minimum of 7 dwelling units per acre is required. According to the RFQ section 3.3.5.3.4 Density “The maximum density for new construction shall not exceed six duplex or multiplex units per acre and no more than four single family units per acre. Density for each parcel shall be determined on an acre by acre basis.”</p> <p>As a result, it appears that it would be virtually impossible for any Offeror to achieve the LEED ND prerequisites and subsequent certification at any level, let alone the “desired feature” of Silver certification.</p> <p>Given this, how is the RFQ LEED criteria to be applied? Is it to be strictly adhered to (meaning that credit cannot be achieved without first achieving the minimum required prerequisites) or is it to be used more as a “guideline” for assessment of a project’s correlation with the LEED principles and credits?</p>
	A.	See Amendment 4 (Items 2 – 6).
150.	Q.	At Seymour Johnson AFB, is there any type of irrigation system in the leased premises?
	A.	No.

No. Questions & Answers 04		
151.	Q.	List of demolition contractors at Eielson AFB?
	A.	R & D Environmental 600 Noble Street Fairbanks, AK 99701 907-452-7304
152.	Q.	At Seymour Johnson AFB, are the current MILCON units being constructed to any LEED standards?
	A.	No.
153.	Q.	At Eielson AFB, are the current MILCON units being constructed to any LEED standards?
	A.	Yes. New MILCON units are being constructed to LEED Silver standards.
154.	Q.	Please provide a sidewalk and street plan map for Edwards AFB so that we may determine how to best link the neighborhoods to the community amenities
	A.	See the Street Map (item 13.G) on the Edwards AFB Due Diligence page on JLLPress.com.
155.	Q.	We have reviewed all the occupancy reports for each base and cannot determine which number the government used to determine utility consumption for the new Appendix E. Can you clarify specifically how the government calculated the annual consumption data for each base? There is widespread inconsistency in the utility consumption data provided that requires clarification.
	A.	Measured consumption is based on unit occupancy as reported in the occupancy data available on www.JLLPress.com.
156.	Q.	RFQ references Road Conveyance Status Maps for both Edwards and Eielson. These are not available on JLL website, nor were they available in either Document Room. When/where will these be made available?
	A.	The map for Edwards AFB was posted on 22 November and the map for Eielson was posted on 3 December.
157.	Q.	In Volume III - Factor 5: Past Performance - Section 4.15.1.2 – Project Experience Narrative (page 150) states we need to “provide 15 copies each” of illustrative or other materials that demonstrate similar experience. Should this be revised to 17 (to match the number of copies required per Table 48)?
	A.	Yes. See Amendment 4, item 9.

No.		Questions & Answers 04
158.	Q.	In Volume 1, Part C: Factor 3 Property Management, Section 4.13.3.2, Subfactor 3.2: Property Operations and Maintenance Strategy (page 148), the RFQ was amended from the SON to include the incorporation of aspects/synopsis of the approach to the “(10) Energy and Sustainability Plan” in addition to the previous nine listed. However, in the evaluation criteria for this section in Section 5.8.2 (page 160), the RFQ also lists the “(11) NDSU Plan (as applicable),” which is not listed in the submission criteria. Do we need to provide a synopsis of the approach to the NDSU Plan as well?
	A.	Yes. See item 8 in Amendment 4.
159.	Q.	Within Appendix E (amended 16 Nov 2010), the unit of measure for both water and sewer rates at Seymour Johnson is KGAL. However, per footnote #3, the 1.75274 per KGAL rate for water is based on 750 gallons (0.75 KGAL). Please clarify whether the sewer rate is KGAL or the 0.75 KGAL rate noted for water.
	A.	See Appendix E as amended 29 Nov 2010. As provided in Sections 2.7.4.6 and 2.7.5.6 of the RFQ, potable water and waste water treatment services are supplied to Seymour Johnson AFB by the City of Goldsboro. The unit of measure used by the City of Goldsboro for both water and waste water treatment is 100 cubic feet (which equals approximately 748 gallons of water). The installation has confirmed the following rates for these utilities: Water: <ul style="list-style-type: none"> • \$1.5946 per 100 cubic feet or \$2.12613 per 1,000 gallons Waste Water treatment: (Fee is based on water usage and quantity is not directly measured.) <ul style="list-style-type: none"> • \$1.90880 per 100 cubic feet or \$2.54507 per 1,000 gallons
160.	Q.	Amendment 1 deleted the following sentence from Section 3.4.3 Severability Plan: “A Severability Plan is required for the 193 NDSUs at Seymour Johnson AFB.” This was the only base that specifically mentioned a Severability Plan and Amendment 1 eliminated the requirement. Based on Amendment 4, do you want a Severability Plan back in the proposal and for which bases?
	A.	Item 8 within Amendment 4 added the requirement that the Offeror’s narrative shall incorporate aspects of the NDSU plan as it relates to customer relationships and interactions but shall not submit the plan. As provided in Section 3.4.3, the HRO (not Offerors) shall establish a Severability Plan.
161.	Q.	By removing the response to Question 139 (now “Reserved”), does this impact either of the responses to Question 134 and Question 136?
	A.	Q&A Round 3, as issued on 24 Nov 2010, removed response #139 and included a clarified response in Q/A #148. All other responses remain in force and as issued.

No.		Questions & Answers 04
162.	Q	What is PO allowed to do with regards to “Day One” office space (trailers, shared existing office) at Eielson AFB?
	A	Eielson Housing Management will make space available for 6 persons in the existing Housing Management office. Note that the existing housing management office at Eielson AFB will not be conveyed to the PO.
163.	Q	What is the scope for new MILCON construction at Eielson AFB?
	A	See 100% Design Analyses posted on the Eielson Due Diligence page of JLLPress.com (Item 13.g).
164.	Q	Will the Century Park North and Galaxy Heights backyards (at Eielson AFB) be fenced as part of the current MILCON project?
	A	No.
165.	Q	Can the PO use the same snow dump area as Eielson AFB?
	A	The PO will be able to use the same snow dump that is currently used by Eielson AFB, but no contaminated snow can be placed in the EAFB snow dump.
166.	Q	Are the SOQ units at Eielson AFB pre-wired for cable?
	A	Yes.
167.	Q	Do you have any scope descriptions available for either the new construction or renovation (delayed conveyed) at Eielson AFB?
	A	As provided in Question 163 above, the 100% Design Analyses have been posted on the Eielson Due Diligence page on JLLPress.com (Item 13.g). The renovation project is being performed as a “design-build” and is still in the design phase and therefore no scope is available.
168.	Q.	In Appendix E (as amended), does footnote (5) include July 2010 making it 10 months of data, or is it up to but not including July 2010 making it only 9 months of data?
	A.	The data includes July 2010.
169.	Q.	In Appendix E (as amended), does footnote (7) include Aug 2010 making it 11 months of data, or is up to but not including Aug 2010 making it only 10 months of data?
	A.	The data includes August 2010.
170.	Q	Will the existing gravel source(s) at Eielson AFB be made available to the PO for construction during the IDP?
	A	The HRO / PO may seek to negotiate with the Government regarding the use of the Installation's borrower pit; the conditions for such use will be at the Government's sole discretion and may be at market rates.

No.		Questions & Answers 04
171.	Q	The Existing Inventory Report for Seymour Johnson is incomplete and does not provide the unit configuration and square feet for certain units. We require this for completing the details of our phasing plan.
	A	Units listed in Appendix B without square footages and unit configurations are delayed conveyance MILCON units. The details regarding all of the delayed conveyance units can be found in Table 43 “Seymour Johnson AFB MILCON Development Program Phasing.”
172.	Q	Regarding the applicable standards for the renovations for housing, do the housing units need to conform to minimum standards set forth in the 2009 International Energy Conservation Code and/or the 2009 International Residential Code?
	A	See Section 3.3.2 (Codes, Standards, and Regulations) of the RFQ. Also see response to question 100 (Question and Answers Round 03)
173.	Q	On page K-2 Utilities: This only lists Electricity and Water for the office and common area. I believe there are other utility expenses that are not included in the utility allowance that should be included here.
	A	Appendix K provides the required level of detail. Offerors may choose to provide additional detail.
174.	Q	Do you want a hard copy of the pro forma for the proposals? We’ve seen the clarifications on the electronic copies and compatibility requirements and understand it doesn’t count against our page count, but want to make sure you are still asking for a printed version.
	A	There is no requirement for a hard copy of the pro forma. As provided in Note 2 of Table 48, “Supporting data, such as mandatory forms, financial pro formas, resumes, financial statements, cost estimates [...] that are attached or appended to Parts A, B or C of Volume I, or similar supporting data (attached or appended) for Volumes II and III, do not count against the page limits indicated above. Such items that are included within Volume I do count against the page limits.”
175.	Q	Question 136 asks “Please clarify if Total Development Costs for the Continental Group would include Debt Service, 801 Lease Buy-Out costs, Capitalized Interest and Pre-Development Costs.” The Answer states that “Total Development Costs include the 801 Acquisition Cost, Capitalized Interest, and other ‘Pre-Development’ costs identified by Offerors.” Is this intended to mean that interest on the Senior Notes paid during the Construction Period is to be included as part of Development Costs?
	A	Offerors’ pro formas are to include in Total Development Costs any debt service incurred during the IDP in excess of net operating cash flow available to make required debt service payments.

No.		Questions & Answers 04
176.	Q	<p>Further, the answer to Q 139 states that “Offerors are not required to invest equity equal to 3.5% of the Eielson AFB Section 801 Housing acquisition costs for purpose of financing the purchase at closing. Relatedly, the Project Owner should not be entitled to earning of any fees (i.e. Developers Fee, et. al.) from the purchase of the Eielson AFB Section 801 Housing Units.”</p> <p>Is this intended to mean that the cost of the Section 801 Housing Units should be included in the Total Development Costs used as the basis for calculating the minimum required PO Equity Contribution of 3.5% of Total Development Costs and yet not be considered a Development Cost for the purposes of calculating the Developers Fee?</p>
	A	<p>Review Q&A Round #3 issued on 24 November 2010. Q/A #139 was eliminated and clarified in Q/A #148.</p>
177.	Q	<p>The Answer to Q 138 states, in part that “Per Section 3.2.3.8 of the RFQ, the only allocation of project funding to be utilized on the NDSU units are funds equal to the cost of demolishing units at Eielson AFB.” however, per the second amended inventory listing amended 18 November 2010 (in conjunction with the issuance of RFQ Amendment #3), there are no NDSU's slated for IDP demolition at Eielson AFB. Can Offerors assume that ALL costs of ANY nature related to NDSU's should be excluded from the Continental Group financial pro forma?</p>
	A	<p>No. Per Section 3.2.3.8 of the RFQ, Offerors are to assume that the cost of demolishing 118 NDSU’s at Eielson AFB is to be funded through Continental Group funding proceeds and deposited into the Demolition Reserve Account immediately at closing. This demolition cost is the only cost associated with the NDSU units that Offerors are to assume will be funded with Continental Group funding proceeds.</p>
178.	Q.	<p>Please clarify for Eielson AFB that the homes in Rainbow Court and the homes in Century Park South (Buildings # 5136 to 5144, 5196 to 5198 and 5211) do not convey. These homes were highlighted and shown on the housing maps provided.</p>
	A.	<p>Rainbow Court and the homes in Century Park South will not be conveyed and are not included Appendix B.</p>
179.	Q.	<p>Per the last amendment and those proceeding that outline the acreage by parcel at Eielson, there appears to be an issue with the acreage at Eielson AFB: Eielson Parcel D - Says 25 acres Eielson Parcel E - Says 26 acres Based on the acreage of the surrounding sites, the acreage listed for Parcel D appears to be underestimated, while the acreage at Parcel E appears to be overestimated. Has the government estimated the acreage for each parcel based on lines other than the lease lines that are drawn around each parcel as described in the RFQ and can the government confirm the acreage for each parcel?</p>
	A.	<p>The corrected acreages are: Eielson Parcel D - 55 acres Eielson Parcel E - 2 acres.</p>