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OF THE AIR FORCE**

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Services



**SERVICES NONAPPROPRIATED
FUND FACILITY PROJECTS**

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This instruction implements AFPD 34-2, *Managing Nonappropriated Funds*. This instruction implements Department of Defense Directive (DoDD) 7700.20, *Commissary Surcharge, Non Appropriated Fund (NAF), and Privately Financed Construction Policy*. It defines responsibilities and provides guidance and procedures for developing an effective NAF facilities program and explains how to plan, program, validate, fund, and process NAF facility projects for improving Services facilities. This instruction applies to United States Air Force Reserves and Air National Guard for projects using the above fund sources. This instruction does not apply to the AF Civilian Welfare Fund or the AF Fisher House Fund. MAJCOMs may supplement this AFI as required to meet command circumstances and needs. All direct Supplements must be routed to the OPR of this publication for coordination prior to certification and approval. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with AFMAN 33-363, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) located at <https://www.my.af.mil/afirms/afirms/afirms/rims.cfm>.

SUMMARY OF CHANGES

This interim change realigns approval authority from the Chief of Staff of the Air Force (CSAF) to the Vice CSAF (VCSAF) for the funding of NAF centrally funded facility projects accomplished with the Air Force Installation Capital Improvement Fund (AFBCIP), the Air Force Lodging Fund (AFLF), and the Air Force Morale, Welfare and Recreation Fund (MWRF). It also deletes unnecessary requirements in this instruction.

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Chapter 1

OBJECTIVES AND RESPONSIBILITIES

1.1. NAF Facility Planning and Programming Objectives. The objective of the Air Force NAF Facilities Program is to provide quality-of-life NAF funded facilities to support the Air Force Services mission. This instruction provides policy guidance on procedures for identifying, developing, validating, designing, and funding NAF facility improvements. **Note:** For additional information regarding NAF work classification and Civil Engineering (CE) procedures refer to AFI 32-1022, *Planning and Programming Nonappropriated Fund Facility Construction Projects*. In the event this AFI conflicts with other instructions, contact the HQ Air Force Services Agency Facilities Division (HQ AFSVA/SVXF) for resolution with the conflicting AFI offices of primary responsibility.

1.2. Responsibilities

1.2.1. Vice Chief of Staff of the Air Force (VCSAF). Approval Authority for funding of NAF centrally funded facility projects accomplished with the AFBCIP, AFLF, and the MWRP.

1.2.2. Deputy Assistant Secretary of the Air Force (Installations) (SAF/IEI). Provides oversight for the Air Force NAF Facility Program. Provides policy on the execution of maintenance, repair, and construction programs for NAF facilities and recreation sites.

1.2.3. Director of Services (HQ USAF/A1S). Provides oversight, develops policy related to use of NAFs for facility programs, and sets program standards and determines functional and operational facility requirements. Unless otherwise noted, is approval authority for any waivers or exceptions to NAF facility policies or procedures contained in this instruction. Approves variances to Project Validation Assessment (PVA) recommendations and advocates resource allocation for the Air Force NAF Facilities Program.

1.2.4. The Civil Engineer (HQ USAF/A7C). Provides engineering policy and oversees execution of NAF facility projects. Obtains waivers and exceptions to fund source and space criteria. Submits NAF construction projects through SAF/IEI and Office of the Secretary of Defense (OSD) to Congress. Resubmits to Congress any projects that exceed the congressional limitations on scope or cost variances.

1.2.5. Air Force Services Agency (AFSVA). Oversees and develops procedures to implement the Air Force NAF Facilities Program. Validates requirements submitted by MAJCOMs and processes projects for Air Force NAF Facilities Panel (the Panel) action. Arranges and conducts independent PVAs. Ensures project designs are within approved scope, cost, and concept, are functionally efficient, and are within AF design criteria and standards. Establishes functional and operational standards for MWR and Lodging facilities. Obtains project funding approval, provides financial oversight, administers project funding accounts, manages cash flow, and performs financial analysis related to proposed expenditures. Executes Indefinite-Delivery/Indefinite-Quantity (IDIQ) contracts in support of project execution and provides assistance on NAF purchasing issues. Provides technical clarification and functional assistance to installations/MAJCOMs, and evaluates completed facilities for functional and operational effectiveness.

1.2.6. AF NAF Facilities Panel. Advises HQ USAF/A1S on issues relating to AFBCIF and AFLF facility projects and policies. Responsibilities include recommending projects for PVAs; recommending acceptance, modification or non-acceptance of completed studies; resolving installation/MAJCOM disagreements with PVA results, recommending projects for Air Force funding, and approving or recommending variances to funding or PVA criteria for ongoing AFBCIF and AFLF facility projects. The Deputy to the Commander of the AFSVA (AFSVA/CD) chairs the Panel and votes only to break a tie. Voting membership consists of the HQ USAF Services Directorate Requirements Division Chief (HQ USAF/A1SR), HQ USAF Combat Operations Division Chief (HQ USAF/A1SO), HQ USAF Engineering Division Chief (HQ USAF/A7CP), HQ AFSVA Director of Financial Management and Comptroller (HQ AFSVA/SVF), HQ AFSVA Director of Operations (HQ AFSVA/SVO), HQ AFSVA Director of Programs (HQ AFSVA/SVP), and the HQ AFSVA Director of Plans and Force Management (HQ AFSVA/SVX). The HQ AFSVA Facilities Division (HQ AFSVA/SVXF), HQ AFSVA Financial Services Division (HQ AFSVA/SVFA), the HQ AF Center for Engineering and the Environment Capital Investment Management Division (HQ AFCEE/CM), and the Office of the Assistant Secretary of the Air Force, Business Management Division (SAF/FMCEB) are advisors to the Panel.

1.2.7. Major Commands (MAJCOMs). The MAJCOM commander has unlimited funding approval authority for facility projects when MAJCOM or installation NAF resources are used and provides funding approval for installation funded projects beyond the authority of the installation commander. The MAJCOM commander can delegate up to \$200K in funding approval authority to the installation commander. MAJCOM A1S and A7 provide command oversight for NAF facility projects in their MAJCOM to ensure installations comply with Air Force policies and instructions on the proper use of NAFs to construct, repair, maintain, and renovate facilities. MAJCOM Services, CEs, and Comptroller review and provide comments on the draft PVA study reports.

1.2.8. AFCEE. Responsible for executing the Design Manager/Construction Manager, DM/CM, roles and responsibilities for Services projects when not accomplished by the US Army Corps of Engineers, Naval Facilities Command, or installation CE. HQ AFCEE will participate during the project development phase and coordinate with AFSVA and the MAJCOM staffs to facilitate transition from planning and programming to design management.

1.2.9. Installation. The installation commander ensures the proper authorization and funding of the installation's NAF Facilities Program, ensures controls are established to prevent waste, loss, and misuse of NAF resources, coordinates on projects as required, and approves project funding according to MAJCOM delegation.

1.2.9.1. FSS Commander or Director. The FSS commander or director is responsible for overall coordination of the FSS facility improvement program at each installation and ensures the squadron has programmed facility improvements to support the installation's short-term and long-term mission requirements.

1.2.9.2. Force Support Deputy. The FSS deputy is directly responsible for the development and management of the installation FSS Facility Improvement Program. These responsibilities include:

1.2.9.2.1. Deleted.

1.2.9.2.2. Staffing and recommending FSS facility improvement projects to include accomplishing and coordinating Internal Needs Validation Studies (INVS) on Category B and C NAF projects proposed for funding at installation, MAJCOM, or AF level.

1.2.9.2.3. Coordinating installation support for AF PVAs and installation review and comments on draft PVA study reports.

1.2.9.2.4. Representing the FSS at the installation Facilities Board.

1.2.9.2.5. Ensuring activity managers budget and obtain equipment items needed for facility projects in a timely manner.

1.2.9.2.6. Deleted.

1.2.9.2.7. Tracking execution of all NAF and APF facility construction, repair, or renovation projects.

1.2.9.2.8. Deleted.

1.2.9.2.9. Deleted.

1.2.9.2.10. Electronically updating, on a monthly basis, the status of all AF centrally funded NAF projects at the installation (both AFBCIF and AFLF) via the Services Agency Information System (SAIS) installation projects database maintained at HQ AFSVA/SVXF. RCS: HAF-SV(M)9465 applies. (Refer to paragraph 9.1.).

1.2.9.2.11. Deleted.

1.2.9.2.12. Deleted.

1.2.9.2.13. Preparing and forwarding to the Base Civil Engineer (BCE) necessary documentation, via an AF Form 332, *Base Civil Engineer Work Request*, to initiate required maintenance, repair, or new construction for FSS facilities.

1.2.9.2.14. Issuing a memorandum of beneficial occupancy to the Resource Manager (RM) for each completed project, within 5 days subsequent to beneficial occupancy.

1.2.9.2.15. Obtaining input from the installation CE regarding progress payments and processing Architect-Engineer's (A-E's) invoices to the NAF Accounting Office for payment when HQ AFSVA IDIQ A-E contracts are used for design or surveillance services.

1.2.9.3. Resource Manager (RM). The RM, in concert with the FSS Deputy, respective flight chiefs, and respective activity managers, works closely with the Nonappropriated Fund Financial Analyst (NAFFA) in developing Part III of the INVS, prepares facility-related purchase requests, and processes facility related invoices to HQ AFSVA/SVXF for approval. (Refer to paragraph 7.9). The RM processes appropriate documentation to move construction costs from General Ledger Accounts (GLAC) 185XXXX and 1800000, to appropriate asset GLACs, within 30 days of notification of beneficial occupancy of a NAF facility by the FSS Deputy.

1.2.9.4. Civil Engineer. Responsible for facility data in Part I of INVS, preparation of DD Form 1391, *Military Construction Project Data*, and detailed cost estimate, providing facility information for contractor/AFSVA staff during accomplishment of a PVA, and

reviewing and providing comments on the draft PVA study report, and maintaining project information in the Automated Civil Engineer System. Prepares and processes appropriate documents to support submission of funded construction projects over \$750K in the annual NAF Report to Congress.

1.2.9.5. Comptroller. Responsible for validating data in Part III of INVS, certification of pro forma financial analysis prepared by the installation, providing financial information for contractor and AFSVA staff during accomplishment of a PVA, and reviewing and providing comments on the draft PVA study report.

Chapter 2

AIR FORCE NONAPPROPRIATED FUND FACILITIES PANEL PROCESS

2.1. Panel Actions on AFBCIF and AFLF Facility Projects. The Panel reviews AFBCIF and AFLF projects during the validation, design, and funding process. The Panel also reviews a project if it experiences scope, cost, or concept changes beyond the MAJCOM authority to approve. The Panel meets as required to review and recommend action on projects.

2.2. Recommending Projects for an Independent PVA.

2.2.1. AFBCIF Projects. The Panel reviews all projects submitted by the MAJCOM for AFBCIF funding consideration. The Panel evaluates and recommends projects for PVAs based on the projected funding available for the program year. Factors considered in the Panel's evaluation are the INVS Relative Needs Score (RNS); the MAJCOM priority; facility condition; operational, fiscal, or environmental urgencies; payback and Rate of Return (ROR) for Category C activities; and requirements driven by AF Services strategic initiatives.

2.2.2. AFLF Projects. The Panel evaluates and recommends Temporary Lodging Facility (TLF) and Visiting Quarters (VQ) projects for PVAs based on the projected funding available for the program year. Factors considered in the Panel's evaluation include the AF TLF and VQ prioritization lists, the MAJCOM and installation priorities, input from the AFSVA staff, and requirements driven by AF Services strategic initiatives.

2.3. Recommending Projects for Design Funding. The Panel reviews projects after a final PVA report is issued. If the installation, MAJCOM, and AFSVA concur with the scope, cost, and concept recommended in the report, the Panel may recommend the project for design. If the installation, MAJCOM, or AFSVA do not concur, the AFSVA staff will work with the MAJCOM and installation staffs and the PVA contractor to resolve any areas of disagreement. If resolution cannot be achieved, the Panel will recommend action on the PVA based upon inputs from all parties. The Panel recommends projects for design funding only if the need is validated by the PVA and there is sufficient cash flow to support the action.

2.4. Recommending Projects for Facility Funding.

2.4.1. AFBCIF Projects. The Panel uses the Facility Merit Evaluation System scores to rank the projects for funding consideration. After reviewing all information relative to the project, the Panel recommends projects to HQ USAF/A1S for funding based upon the amount of projected funding available for the program year.

2.4.2. AFLF Projects. The TLF and VQ projects both compete for funding from the AFLF. In determining projects to recommend for funding, the Panel attempts to maintain a balance between the two types of projects.

2.4.2.1. For TLF projects, the Panel uses the TLF prioritization listing, MAJCOM input, off-installation lodging costs, facility condition, and average length of stay to recommend projects for funding.

2.4.2.2. For VQ projects, the Panel uses the VQ prioritization listing, MAJCOM input, off-installation lodging costs, facility condition, and cost savings to the travel line to

recommend projects for funding. The authorized funds source for VQs is APFs. Therefore, VQ projects require a waiver to fund source in accordance with AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation and Nonappropriated Fund Instrumentalities*, paragraph 6.8, in to qualify for NAF funding. Refer to AFI 32-1022 regarding processing waivers to funds source.

2.4.3. Projects are considered for funding at the time they have achieved the required level of design. This point varies depending on the project's method of execution.

2.4.3.1. Projects accomplished using the design-bid-build execution method are considered for funding only if they have achieved an acceptable 65 percent design level.

2.4.3.2. Projects accomplished using the design-build execution method must achieve an acceptable design level between 15 percent and 35 percent and have an acceptable Request for Proposal (RFP) package to qualify for funding consideration.

2.5. Panel Action on Changes to Project Scope, Cost, or Concept. The Panel approves, disapproves, or recommends action on changes to the scope, cost, and concept of AFBCIF projects (see paragraph 5.5) and AFLF projects (see paragraph 6.4.).

Chapter 3

NAF FACILITY PROJECT VALIDATION

3.1. Purpose and Types of Project Validation. The project validation process validates and documents the need for NAF projects. These assessments support the need for a project as it is reviewed at the various approval levels. In the case of Category C activities, the assessment also determines the financial viability of proposed projects. The cost of the project determines the type of validation used to document the need.

3.2. Deleted.

3.3. INVS. The installation must complete an INVS for any project proposed for AF central funding. Also, an INVS is required for each new Category B or C construction, addition, or add/alter project where the facility projects, contingency, and Supervision, Inspection, and Overhead (SIOH) costs are \$200,000 or more, regardless of the source of the NAFs. For installation/MAJCOM funded NAF SRM projects with a total NAF investment of \$500,000 or higher, the MAJCOM may waive the requirement for an INVS as long as a MAJCOM PVA is accomplished. Installation commanders and key staff use the INVS to validate need for projects and prioritize projects being considered for NAF funding at AF level. The Panel uses the INVS to evaluate projects competing for AFBCIF funds. Information on completing the INVS is available at the AFSVA Community of Practice under Facilities.

3.4. PVA. A PVA is required to validate the need for projects over \$300K. These assessments support the need for a project as it is reviewed and approved by the CSAF and OSD on its way for review by the Armed Services Committees in Congress. The PVA verifies the condition of the existing facility, analyzes current and proposed programs/financial operations, reviews market demographics and competition, and validates market demand through user surveys and focus groups (where applicable). It also determines required scope and concept of operations, reviews potential facility options to meet the identified need, calculates estimated project costs, determines financial viability, and formally documents the requirement. The PVA addresses the most viable options to meet the identified need. MAJCOM/installation unique architectural standards are identified and itemized costs for items exceeding AF design standards are included for Panel consideration when determining final project cost. The joint AFSVA/Army and Air Force Exchange Service (AAFES) Name Brand Fast Food Assessment serves as a PVA for Name Brand Fast Food projects. Dependent upon the project cost, source of funding, and complexity of the project, PVAs may be accomplished by the MAJCOM, AFSVA, or a commercial contractor (see below).

3.4.1. Arranging for PVAs. HQ AFSVA/SVXF arranges for or accomplishes PVAs for all NAF projects funded with AF central funds and for any AF Services NAF project requiring submittal to Congress, regardless of the fund source.

3.4.1.1. AFSVA contracts with independent civilian firms to perform PVAs on NAF projects costing \$750K or greater. This includes any proposed NAF project whether funded by AF, MAJCOM, or installation funds.

3.4.1.2. The AFSVA staff conducts studies on AF-funded projects that are \$750K or less, Category B SRM projects up to \$1.5M, or non-patron projects (structures which do not provide direct patron service); unless the AFSVA staff believes the circumstances or

conditions surrounding the project call for a contractor study. An independent contractor may be required to revalidate AFSVA-conducted PVAs, if the validated project cost goes over the limits shown above. AFSVA/CC can approve a waiver to the requirement for a contractor to conduct a PVA when justified by the circumstances related to a specific project. Contracted PVAs done on installation or MAJCOM funded projects are paid for by the installation or MAJCOM.

3.4.1.3. MAJCOM staff may accomplish PVAs, at their installations, for any installation or MAJCOM funded NAF construction project \$750K or less and Category B SRM project up to \$1M. A MAJCOM PVA must involve both MAJCOM CE and A1S staffs. A study accomplished by the MAJCOM must provide a final report containing the same information as those done at the AF level. AFSVA/SVXF must review and coordinate on MAJCOM-conducted PVAs prior to finalization of the assessment. If the validated project cost goes over the specified limit, an independent contractor must revalidate MAJCOM-conducted PVAs. AFSVA/CC can approve a waiver to the requirement to conduct a contract PVA when justified by the circumstances related to a specific project.

3.4.2. Conducting PVAs. Standard PVAs consist of three phases; advance information and surveys, site visit, and the draft and final report. Conduct of a PVA involves actions and support by AFSVA, MAJCOM CE and A1S, and installation CE and FSS. Installation FSS provides information and input related to activity operations and NAF financial items. Installation CE provides information, documents, and drawings relating to installation buildings, installation infrastructure issues, environmental issues, installation architectural standards, and the installation master plan. MAJCOM CE and A1S provide guidance on MAJCOM specific or unique policies or standards. Installation FSS and CEs are asked to assign project officers to collect the needed Services and CE information and assist during the site visit.

3.4.2.1. Advance Information and Surveys. The initial phase of the PVA involves data collection and analysis. Prior to visiting an installation, the PVA team sends a request for advance information to the installation. For projects that involve patrons from the installation and surrounding community, the team will also send out surveys to a percentage of the active duty, civilian, and retired population supported by the installation. Normally, AFSVA will not schedule an installation site visit until the advance information and surveys are returned and analyzed.

3.4.2.2. Site Visits. The PVA contractors perform site visits to the installation to verify the advance information and evaluate the existing facility, programs, financial operations, and market to determine the best option to meet the identified need. For patron-use facilities, they will conduct focus groups with a cross section of the activity users. The PVA team composition varies according to the project, but usually consists of a team leader/operations specialist, a financial specialist, and an architect. The team provides an in-brief and out-brief to installation leadership during the site visit. A listing of installation CE and FSS personnel whom the PVA team will interact with during their visit will be provided in advance of the PVA site visit. Ensuring these personnel are available during the visit is critical to the PVA process. MAJCOM CE and A1S staffs should participate in PVA site visits whenever possible as they provide valuable information to the PVA team and have a better understanding of the thought process behind the PVA recommendation when reviewing and commenting on the draft PVA

report. The PVA site visits are busy and it is essential the installation provide on-base lodging for the PVA team whenever possible.

3.4.2.3. PVA Draft Reports. The PVA team provides a draft of the study report for review and comment by the installation, MAJCOM, and AFSVA staffs prior to finalizing the report. The PVA reviews are critical to the success of the project. Installations and MAJCOMs have 30 days after receipt of a draft study to review and provide comments to HQ AFSVA/SVXF. Offices which should review and provide comments on the draft PVA will be specified when the documents are provided for review. HQ AFSVA cannot authorize the NAF contractor to finalize the PVA without certified comments from these functions. Areas of disagreement with recommendations presented in the PVA must be identified and clearly explained. The contractor is required to address all comments and incorporate information or changes which correct administrative, mathematical, or factual errors; changes which are driven by AF policy or new criteria; changes which reflect information not available during the site visit; or circumstances which have changed subsequent to the site visit. The contractor is not required to implement changes based on comments which are contrary to the contractor's professional opinion.

3.4.3. The AFSVA staff works with the PVA contractor to revalidate study recommendations when changes to program, financial, and facility data occur after the PVA site visit, or 3 years have elapsed since completion of the PVA report. Generally, the AFSVA staff will revalidate changes in program, financial, and facility data. Supplemental PVAs are not conducted unless the changes are significant enough to invalidate the original PVA. The Panel determines if a supplemental PVA is needed to clarify issues relating to a project. AF will fund any costs related to supplemental studies needed for AF-funded projects. The same contractor which accomplished the original PVA will conduct any required supplemental study if the issue warrants such level of revalidation. [Attachment 2](#) contains the process for resolution of disagreements with a PVA recommendation.

3.4.4. Installation Commander Agreement with the PVA. Design and facility funding for a NAF project is contingent upon the Installation Commander signing a memorandum agreeing to implement the operational/financial assumptions contained in the PVA Executive Summary. If the Installation Commander changes prior to consideration for facility funding, a new memorandum must be accomplished and provided to HQ AFSVA/SVX.

Chapter 4

NAF FACILITY PROJECT FINANCIAL PARAMETERS AND ANALYSIS

4.1. Pro Forma Financial Analysis. A pro forma financial analysis is required for any NAF Category C project with a cost of \$200K or more and any NAF project submitted as part of the Annual NAF Report to Congress. The pro forma quantifies the expected NAF financial impacts of constructing and repairing a facility and projects expected revenues and expenses compared to current figures. The pro forma provides the project's net present value of a project, Rate of Return (ROR) on the investment, and the years required to payback the investment based upon projected income and expenses. Congress requires this information on all NAF projects submitted in the Annual NAF Report to Congress. Once a submitted project is approved for study, the PVA team will develop a new pro forma based upon the information obtained during the PVA site visit and the cost of the recommended project.

4.2. Financial Parameters for Category C NAF Projects.

4.2.1. NAF facility projects (\$200K or greater) for Category C activities must meet minimum financial parameters for ROR and payback of the investment. Projects failing to meet these parameters will not be considered for AFBCIF, MAJCOM, or installation funding without an exceptionally strong and compelling justification of need. HQ USAF/A1S is the waiver authority for these financial requirements. The cost of the project, for the purposes of ROR/payback calculations, includes design, design management, construction, SIOH, contingency, environmental assessments, demolition (if paid for by NAFs), cost of temporary structures, and Furniture, Fixtures, and Equipment (FF&E). Other NAF facility improvements (\$200K or greater), which are approved, in progress, or completed within the same activity (beneficial occupancy achieved) during the previous 5 years, are also considered when doing the ROR and payback calculations for NAF projects. Guidance and templates for preparing the pro forma financial analysis are available at the AFSVA Community of Practice in Facilities under INVS.

4.2.1.1. NAF construction, addition, and addition/alteration projects must have a minimum 7 percent ROR and have a payback period not to exceed 20 years.

4.2.1.2. NAF SRM projects, which do not increase the scope of a facility, must have a minimum 3 percent ROR and have a payback period not to exceed 20 years.

4.2.2. During design, HQ AFSVA/SVFA performs an interim financial analysis of Category C projects to ensure the projects remain within Air Force financial parameters for ROR and payback. Projects require financial reviews at 35 percent, 65 percent, and 95 percent design points if the project cost has increased by more than 1 percent or \$100K, whichever is less. These reviews involve verifying the data and assumptions in the project pro forma remain valid at the increased cost. This does not apply to projects after a construction contract is awarded. If an interim analysis indicates a project no longer meets financial criteria, the project is referred to the Panel, which recommends a course of action to HQ USAF/A1S.

4.3. AFLF Projects. Lodging projects are evaluated using a pro forma income and expense, and an analysis of projected travel line savings.

Chapter 5

AIR FORCE BASE CAPITAL IMPROVEMENT FUND PROJECTS

5.1. AFBCIF Guidelines. This information in this chapter applies only to AFBCIF projects and implements CSAF direction on funding NAF facilities projects for Services Category B and C activities.

5.1.1. Primary objectives of the AFBCIF are to ensure the most urgent NAF facility needs are addressed first and to accelerate the validation and funding process to provide needed facilities for Air Force members and families as quickly as possible.

5.1.2. The AFBCIF program operates within the following guidance and parameters:

5.1.2.1. Do not use NAFs where APFs are authorized without a waiver from the appropriate authority. See AFI 65-106 for further guidance.

5.1.2.2. Installations should fund any project within their capability. At a minimum, installations are expected to fund small projects and equipment requirements with local funds or through MAJCOM grants.

5.1.2.3. The AFBCIF does not fund projects less than \$200K.

5.1.2.4. Category C projects must meet required financial parameters for ROR and payback or have an approved waiver (see paragraph 4.2.1.).

5.1.2.5. The project scope/need must meet a validated market demand.

5.2. Submitting Projects for AFBCIF Funding Consideration. Projects may be forwarded to Air Force for funding consideration in response to the Air Force Services NAF project call or as a result of an emergency situation. Use of NAFs for a facility authorized APF funding requires approval of a waiver to fund source by OSD.

5.2.1. AFSVA Call for Projects. AFSVA/CC issues a call for MAJCOMs to submit qualified NAF projects for Air Force funding consideration. Submittals go to the AFSVA (HQ AFSVA/SVXF) in accordance with due date set forth in the call memo. MAJCOMs should not submit projects for which they or the installation have adequate funding to accomplish.

5.2.1.1. MAJCOMs are responsible for reviewing project documentation for accuracy and completeness before submission to AFSVA.

5.2.1.2. Each MAJCOM must provide a priority listing, signed by the MAJCOM Chiefs of Services, of all projects submitted by the MAJCOM for AF funding consideration.

5.2.2. Project Submittal Criteria. Projects submitted for Air Force funding must exceed installation and MAJCOM funding capability, exceed \$200K in total cost, and be authorized for NAF funding.

5.2.2.1. Required Information. Required documentation for project submittals consists of a completed and signed INVS with current pro forma financial analysis information, current DD Forms 1391/1391C, *Military Construction Project Data*, and a detailed Parametric Cost Estimate.

5.2.3. Emergency Funding Requirements. Most emergency funding requirements for facilities are authorized support from APFs and are not eligible for NAF dollars. In a case where NAF dollars are the appropriate fund source, the MAJCOM signs a memo to CSAF requesting the funding. The memo must explain the reason the submittal is an emergency and include appropriate supporting documentation. A project is not authorized emergency NAF funding if it is within the installation or MAJCOM ability to fund, either through its own NAF resources or through the use of MAJCOM/CC common-cause authority to move funds between installations.

5.2.3.1. Facilities destroyed or damaged by an act of God or fire. These conditions qualify for APF support to repair or replace the facilities. Refer to AFI 32-1022 and AFI 65-106 for specific examples.

5.2.3.2. A facility structural condition or facility-related environmental issue which, if not acted upon immediately, will result in an environmental Notification of Violation incident or the immediate closure of an activity. Except for environmental issues caused by NAF operations and work to support Category C activity operations, APFs are authorized to correct these circumstances (refer to AFI 65-106).

5.2.4. Non-Emergency Conditions. The following are not considered emergency conditions because they are usually planned sufficiently in advance to allow programming replacement facilities as part of the annual program.

5.2.4.1. Establishing, Activating, and Expanding a Military Installation. Projects to support new missions and mission changes which increase the installation population by 25 percent within a 2-year period, qualify for APF support (refer to AFI 32-1022 and AFI 65-106).

5.2.4.2. Facilities Relocated for the Convenience of the Government. Replacing a facility constructed or renovated with NAFs, when the activity is relocated for the convenience of the government, must be programmed as part of the project causing the relocation of the activity.

5.3. PVA Selection and Funding. Projects submitted for AF funding consideration compete for PVAs based upon their INVS RNS and factors relating to facility condition, financial payback, and environmental, fiscal, or operational urgency. The Panel recommends projects for a PVA based upon the projected funding available for the year of the program. Projects not selected for a PVA may be resubmitted as part of a subsequent program call. The MAJCOM selects projects to receive PVAs when installation or MAJCOM NAF dollars are the project fund source. The AFBCIF pays the cost of PVAs for all Air Force centrally funded projects and the installation or MAJCOM pays for PVAs for projects funded from installation or MAJCOM NAFs.

5.4. Project Scope and Cost Changes within MAJCOM Authority to Approve. The MAJCOM/CC has approval authority for the level of scope and cost changes specified below, as long as the project remains within acceptable ROR and payback parameters, the change does not involve cancellation of another AFBCIF project(s), and the MAJCOM/installations fund any resulting cost increases which exceed approved project funding. This authority applies only after project funding is approved. Prior to project funding approval, all changes require

coordination/action by AFSVA or the Panel. MAJCOMs/installations are responsible for funding all increases resulting from project changes after AFBCIF funding approval.

5.4.1. Scope Authority. The MAJCOM/A7, after coordination with MAJCOM/A1S, may approve scope variations (plus or minus) from the Panel approved scope (including approved amendments), after project funding is approved. This approval is not to exceed 2 percent for projects with scope under 10,000 square feet (SF), 1.5 percent for projects from 10,000 SF to 20,000 SF, and 1 percent for projects over 20,000 SF

5.4.2. Cost Authority. The MAJCOM/A1S, after coordination with the MAJCOM/A7, may approve cost increases up to 10 percent of the approved amount or \$50K, whichever is greater. This applies only to cost increases occurring after AF funding is approved. Cost increases occurring after funding is approved are a MAJCOM/installation responsibility. All Category C projects must include a revised pro forma which shows the project remains within acceptable pay-back and ROR parameters.

5.4.3. The MAJCOM/A1S forward all other changes to the Panel Chair, AFSVA/CD, with a request for action.

5.5. Project Scope, Cost, and Concept Changes within Panel Authority to Approve. The Panel acts on changes which exceed the MAJCOM authority. Submit requested changes to HQ AFSVA/SVXF for presentation to the Panel. For user requested change, the command must justify its request, provide a cost benefit analysis, pro forma financial analysis (where appropriate) and identify the proposed method to pay for any additional cost. The Panel has authority to modify projects, as noted below, if the changes are supported by a valid justification clearly showing the change is required, the benefit of the action is supportable when compared to the cost, and the project remains within acceptable ROR and payback parameters.

5.5.1. Concept changes. The Panel can approve changes supported by a justification clearly showing the change requested is the most cost-effective way to meet the market demand identified in the PVA. Proposed modifications which change the project cost must include a revised pro forma, showing ROR and payback calculation where applicable.

5.5.2. Scope change authority. Not to exceed plus or minus 10 percent of approved scope.

5.5.3. Cost change authority. Not to exceed 25 percent of approved amount. Cost increases after funding approval are paid with MAJCOM/installation funds. All Category C projects must include a revised pro forma and remain within acceptable payback parameters.

5.6. Project Scope, Cost, and Concept Changes Requiring HQ USAF/A1S Action. HQ USAF/A1S acts on requests to modify projects which exceed the Panel's authority. MAJCOMs submit modification requests to the Panel, which provides a recommendation to HQ USAF/A1S for action. This process applies under any of the following circumstances:

5.6.1. Cost increase exceeds 25 percent of the approved amount. (See paragraph 5.6.4.).

5.6.2. Scope change is over 10 percent of the approved scope. (See paragraph 5.6.4.).

5.6.3. Project does not remain within acceptable ROR and payback parameters.

5.6.4. Projects reported to Congress, which exceed the reported scope by more than 10 percent or exceed the reported cost by more than 25 percent, must be re-reported to Congress.

5.7. Funding Project Cost Increases. After the CSAF approves project funding, project cost increases are paid by the MAJCOM/installation using any of the following fund sources, as long as the project increase is a correct use of NAFs and appropriate approval is obtained:

5.7.1. The installation may use local funds.

5.7.2. The MAJCOM may use command funds.

5.7.3. The MAJCOM/CC is authorized to move NAFs between installations within their command (common-cause approach) to pay for project cost increases.

5.7.4. The MAJCOM/ CV may request USAF/CV approval to cancel the command's lowest priority approved Air Force-funded project and apply those funds to the project cost increase. (See paragraph 5.9 for additional guidance.)

5.7.5. Cost Increases Caused by Currency Fluctuation. Installations are not responsible for funding cost increases caused solely by currency fluctuation for AF funded projects. Funding increases to a project which are solely the result of currency fluctuation are approved by the NAF Facilities Panel for cost increases up to 25 percent of the total NAF investment. The Panel refers increases which exceed 25 percent to HQ USAF/A1S for approval and re-reporting to Congress.

5.7.5.1. The foreign currency exchange rate for overseas projects is the published rate on the day the project is recommended for funding by the Panel. All subsequent requests for funding increases due to foreign currency fluctuation are compared to that rate. Installations are responsible for cost increases due to currency fluctuation on user changes.

5.8. Reprogramming Approved Funds. Reprogramming of funds between the design, construction, or equipment categories requires MAJCOM/A1S and HQ AFSVA/SVX coordination and approval by HQ AFSVA/SVXF, HQ AFSVA/SVX, the Panel, or HQ USAF/A1S, as noted below. Requests are sent to HQ AFSVA/SVXF for action or presentation to the Panel.

5.8.1. Reprogramming Due to Insufficient Funds. Reprogramming is limited to 25 percent of the originally approved amount in each category and approval is subject to the following parameters:

5.8.1.1. HQ AFSVA/SVXF approves reprogramming of funds up to a cumulative total of \$25K during the lifetime of the project and briefs the Panel as a matter of record.

5.8.1.2. HQ AFSVA/SVX approves reprogramming of funds over \$25K per action, up to a cumulative total of \$100K during the lifetime of the project and briefs the Panel as a matter of record.

5.8.1.3. The Panel approves reprogramming of funds over \$100K per action, up to a cumulative total of \$500K, during the lifetime of the project.

5.8.1.4. Funds are only reprogrammed to equipment for items on the original approved project equipment listing. The MAJCOM/installation fund items not identified on the original equipment list.

5.8.1.5. Cost increases/shortfalls resulting from reprogramming of funds between categories are funded by the MAJCOM/installation.

5.8.1.6. Environmental funding is specified for environmental assessments only and may not be reprogrammed for another use.

5.8.1.7. The SIOH funding may not be reprogrammed while the project is in design or construction. After completion of the project, SIOH funding may be reprogrammed to cover cost increases paid by the installation, as long as they are not related to user changes or MAJCOM/installation failure to advise the PVA contractor of conditions or circumstances which result in contract modifications.

5.8.1.8. The MAJCOM/Chief of Services (A1S), or Deputy, must sign requests for reprogramming. The package must explain the reason for the reprogramming, justify the request as the best action, and address why other funding options cannot be used.

5.8.1.9. HQ USAF/A1S action is required on all reprogramming actions outside the above parameters.

5.8.2. Administrative Realignment. HQ AFSVA/SVXF is authorized to administratively realign funding between categories if such action is required solely as a result of the execution method or structure of the facility contract. Examples include moving design funds to facilities when the execution method is design-build and the contractor will be paid for some of the design as part of the facility contract, or moving FF&E funds to facility if the contract language requires the contractor to furnish items which were included in the original FFE budget. Any actions of this nature will be clearly documented in the project files and briefed to the Panel as a matter of record.

5.9. Cancelling an AFBCIF Project. The MAJCOM/installations are responsible for funding project cost increases that arise after project funding approval. After the MAJCOM and installation have exhausted all available resources, they may request cancellation of their lowest priority approved project and reprogramming of the funds to another approved project(s) in accordance with paragraph 5.7.4. The request must be signed by MAJCOM/CV and sent to the Panel for HQ USAF/CV action. This applies only to projects cancelled in order to fund another approved AFBCIF project and the following applies:

5.9.1. Funds from cancelled projects at Installation Realignment and Closure (BRAC) installations cannot be used to fund other MAJCOM projects.

5.9.2. Funds from cancelled projects that are part of a specified funding initiative or set aside cannot be reprogrammed to projects outside that initiative or set aside.

5.9.3. Funds from projects cancelled due to inability to award or execute are not available to fund other projects in the MAJCOM.

5.9.4. If the cancelled project is under design (design contract awarded), the following applies:

5.9.4.1. If the project design has not gone beyond 35 percent, the design will be cancelled at the 35 percent design point. This will allow the contractor to finish the 35 percent design and the AF can hold the project for future consideration.

5.9.4.2. If the project is beyond 35 percent design, HQ AFSVA/SVXF will work with the MAJCOM to determine if it is more cost effective to continue the design or to negotiate with the design firm to cancel the contract.

5.9.5. A MAJCOM may resubmit cancelled Air Force-funded projects to compete for funding consideration in a future year. If a cancelled project is funded within 2 years, then funds remaining from the original project, if any, are applied to the new project.

5.9.6. When a project is cancelled, any balance of funds is retained in the AFBCIF for 2 years from the date the cancellation was approved. These funds are available for up to 2 years to fund previously cancelled projects or for future cost increases within the same MAJCOM.

5.10. What Projects a MAJCOM or Installation Should Fund. The MAJCOMs/installations are expected to fund NAF facility projects within their capability, regardless of cost. The AFBCIF does not fund projects which cost less than \$200K. HQ USAF/A1S approves waivers to this policy.

5.11. APF Companion Projects. Approval for NAF project funding is contingent upon funding and execution of the APF companion projects. Prior to Panel action to recommend NAF funding approval by CSAF, the MAJCOM/installation must provide a memo to HQ AFSVA/SVXF signed by the CE or Deputy CE indicating APFs are programmed for execution of the APF companion projects. When it is more economical or efficient for a NAF design or construction contractor to accomplish the APF companion project as part of the overall design or construction contract for a facility, this may be done through the use of a Memorandum of Agreement (MOA) between the Comptroller representing the APFs and the contracting Nonappropriated Fund Instrumentality (NAFI). See Paragraph 8.11 for additional guidance.

5.11.1. Site Preparation. The MAJCOMs are responsible for providing APFs for site preparation to provide a clean site (i.e., demolition, abatement, and remediation) where NAF was not the origin of the environmental issue (e.g. repairing a converted APF facility vice working on an existing AAFES gas station). This should be accomplished by a separate APF project executed in advance of the NAF project.

5.12. Projects with Multiple Structures. If there are multiple structures approved in a single project, the scope variation authority applies to the total square footage of all the buildings. Cabins are an example of this authority. However, this does not apply to activities with different functions. For example, the scope for a golf course cannot be applied to building structures and the scope authorized a maintenance building cannot be applied to a golf clubhouse. The scope variation authority applies to each different type of function independently.

5.13. NAF Funding for Environmental Assessments. Some projects require an environmental assessment to determine if the project is feasible. For Category C activities, the cost of such an assessment may be a NAF responsibility (refer to AFI 65-106 for additional guidance). The AFBCIF funding is authorized for Category C activity project environmental assessments if the requirement is identified in the initial project submittal documents and included in the PVA report. Environmental costs for Category A and B activities are funded with APFs. The MAJCOM/installations must pay for environmental assessments not identified in the initial submittal documents. Environmental assessments determine if an environmental impact study is required. NAFs are not used to fund an environmental impact study except under special circumstances. The Panel will address requests for such funding on a case-by-case basis.

5.14. AF Signature Brands and Name Brands in AFBCIF Projects. AFBCIF projects may include both AF Signature Brand and/or commercial Name Brand operations within the project

scope. The funding and construction of such projects are subject to specific provisions as outlined below.

5.14.1. AF Signature Brands. Signature Brands are AF-developed branded theme restaurant concepts for Category C activities. See Food and Beverage, Clubs, Food and Beverage, and Signature Brands at AF Services Agency web site for detailed information on the AF Signature Brands.

5.14.1.1. AF Signature Brand projects less than \$750K. Signature Brand projects with a construction cost of less than \$750K are funded on a cost share basis between the AF Morale, Welfare, and Recreation (MWR) Fund and the installation MWR Fund.

5.14.1.2. AF Signature Brand projects where the construction cost is \$750K or more must be accomplished under the AFBCIF funding process. AF Signature Brands must be included in AFBCIF funded club projects, when validated by a PVA, unless waived by HQ USAF/A1S. Projects which include Signature Brands require a signed Signature Brand Operating Agreement (SBOA) prior to funding approval. The Panel will not consider funding a Signature Brand project unless a signed SBOA is part of the project information provided the Panel.

5.14.2. Name Brands. Name brand concepts are national, regional, or local brands recognized in the civilian sector. An installation desiring a name brand operation for a Services activity will submit a request through the MAJCOM to AFSVA. AFSVA will assist in arranging for a validation assessment (jointly with AAFES, in the case of name brand fast foods) and select the method to satisfy a valid name brand requirement. Any name brand operation not secured through AAFES must be secured by contract issued by the Air Force NAF Purchasing Office. Facility projects for name brand operations may be funded by MWRFs or by the AFBCIF; projects where the construction costs exceed \$750K must use the AFBCIF process and be included in the Annual NAF Report to Congress.

Chapter 6

AFLF FACILITY PROJECTS

6.1. AF Lodging Capital Improvement Program (LCIP). Facility construction of AF VQ and TLF facility projects with AFLFs is part of the LCIP. VQ and TLF facility projects are identified for funding based on annual facility funding authority received from HQ USAF/A1S, AF-wide TLF and VQ prioritization lists resulting from analysis of need, MAJCOM/A1S concurrence, and CSAF approval. The VQ and TLF prioritization lists plus the availability of funds in the AFLF provide the basis for annual programming of specific NAF lodging facility projects. The number of rooms/units is determined using an AF lodging prioritization system and validated by an independent contractor PVA.

6.1.1. Revisions to the priority list require supporting documentation indicating significant changes to facility conditions, occupancy rates, mission requirements, and other pertinent factors used to prioritize worldwide lodging requirements.

6.1.2. Elements Authorized in AFLF projects. The elements listed below are authorized for inclusion in projects funded with AFLF dollars. Incorporation of any activity not shown below requires approval of HQ USAF/A1S.

6.1.2.1. TLFs. In addition to basic living units, the following elements are authorized as part of the TLF: housekeeping, mechanical, and storage space, a playground, parking, and appropriate landscaping and irrigation. Laundry facilities are part of each unit.

6.1.2.2. VQs. In addition to guest rooms, the following elements are authorized as part of the VQ: laundry rooms, business center, meeting/training room (accommodating up to 25 employees), retail sales outlet, reception, administration, housekeeping, storage, and mechanical space, up to a 75-person conference room with video teleconferencing and catering capability, and an AF Signature Brand or Name Brand food operation. AFLFs provide the space and utilities access. Signature Brand/Name Brand funds are used for interior décor and FF&E. Projects will include appropriate parking, landscaping and an irrigation system.

6.1.2.2.1. AFLF projects that include Signature Brands require a signed SBOA prior to funding approval. The SBOA must be part of the project information provided to the Panel when it considers the project for funding.

6.1.3. HQ USAF/A1S approves changes in scope (e.g., number and size of guestrooms) of proposed facilities in the priority lists. However, AFSVA/CC has authority to approve a change of plus or minus two guest rooms per floor if needed to permit technical adjustments to the project or provide a more beneficial design.

6.2. Funding Policy for NAF Lodging Facility Projects.

6.2.1. Funding for facility construction of all NAF lodging projects comes from the AFLF, except as identified in the following paragraphs. The Panel seeks to achieve an equitable distribution of funding between TLF and VQ facility requirements based upon urgency of need, quality of life, financial benefit to the AF and to AF families, and availability of funds.

6.2.1.1. HQ USAF/A1S approves design-related funding for all AFLF projects.

6.2.1.2. CSAF approves facility and equipment funding for AFLF projects.

6.2.1.3. The Panel will use the “aggregate funding” method to fund the design and facility construction of AFLF projects within each program year. Aggregate funding permits management of facility funding by annual program year rather than on a single project basis. This allows reprogramming of savings which may occur on one project to help cover higher than anticipated costs on another project in the same program year. All projects for a program year are managed within the total approved aggregate funding for that year. Reprogramming approval authority is outlined in paragraph 6.5.

6.2.1.4. APF Companion Projects. Approval for AFLF project funding is contingent upon funding and execution of any APF companion projects. The MAJCOM/installations must certify, via a memo to HQ AFSVA/SVXF signed by the CE or Deputy CE, that funds for APF companion projects are programmed prior to Panel action to recommend NAF funding approval by CSAF.

6.2.1.4.1. MOAs for APFs to pay a NAFI for doing work authorized with APFs. When it is more economical or efficient for a NAF design or facility construction contractor to accomplish the APF companion project as part of the overall design or facility construction contract for a facility, this may be done through the use of an MOA between the Comptroller representing the APFs and the contracting NAFI. The MOA permits the installation Comptroller to pay the installation MWRP for APF authorized work accomplished with NAF dollars. This is authorized under the provisions of AFMAN 64-302, *Nonappropriated Fund (NAF) Contracting Procedures*, paragraph 11.13. Ensure any such MOA fully compensates the NAFI for all of its direct and indirect costs and for undertaking the added responsibility. Contact HQ AFSVA/SVXF for assistance in preparing an MOA.

6.2.2. Budgeting and Cash Flow. HQ AFSVA/SVO budgets funds for project validation studies and works with HQ AFSVA/SVF and HQ AFSVA/SVXF on projection of design and construction expenditures in the AFLF cash flow budget.

6.3. Project Items Authorized Funding Support with AFLFs.

6.3.1. Design. Includes design fees, design management fees, value engineering (VE) study fees, and environmental assessment costs.

6.3.1.1. Environmental Assessments. AFLF will pay for an environmental assessment for AFLF projects. When an environmental assessment determines an environmental impact study/analysis is required, APFs must fund the study. AFLF are not authorized for environmental impact studies/analyses.

6.3.2. Facility Construction. Includes facility construction, contingency, management reserve, management fees, and SIOH/facility construction management. Real Property Installed Equipment (RPIE) is a part of construction.

6.3.2.1. Contingency Funds. Contingency fund cost will be budgeted at 5 percent for new facility construction projects and 10 percent for renovation projects.

6.3.2.2. SIOH/Construction Management (Title II Services). The SIOH funding for AFLF projects is subject to special rules (reference paragraph 8.10). Installations do not

have authority to commit funding for SIOH without specific approval from HQ AFSVA/SVXF.

6.3.2.3. Landscaping. Facility construction budgets for AFLF projects include funding for landscaping (includes lawn sprinkler systems) installation upon a maximum dollar cost, as established by the NAF Facilities Panel, per 1,000 SF of project site. Waivers to exceed this amount are approved by the NAF Facilities Panel.

6.3.2.4. Playgrounds. As part of overall project funding, TLF new facility projects may receive funding assistance for play area development/equipment. This equipment is RPIE and its purchase and installation is part of facility projects. This allowance is subject to the unavailability of existing play areas at or near the TLFs. The funding required is determined during the initial programming process.

6.3.3. FF&E. This includes all equipment needed for a complete and useable facility according to AF standards in the VQ and TLF design guides, as applicable. For AFLF projects, this may include items normally considered as supplies and expendable equipment. These items are included in the FF&E funding. However, items authorized APFs must be obtained with APFs. See [Attachment 3](#) for items not authorized for purchase from AFLFs in support of a NAF construction project.

6.3.3.1. Telephones. The AFLF will pay for adding telephone equipment requirements for new rooms and the lodging reception desks if an installation-owned NAF system already exists in lodging. If a third party owns the telephone system, the installation will be responsible for renegotiating its contract to expand the system as needed to accommodate the new rooms. Communications equipment not related to the new lodging rooms or expanded reception function are not a NAF responsibility (See AFI 65-106, Table 6.1.).

6.3.4. Site Preparation. The MAJCOMs are responsible for providing APFs for site preparation to provide a clean site (i.e., demolition, abatement, and remediation) where NAF was not to origin of the environmental issue (e.g. repairing a converted AFP facility vice working on an existing AAFES gas station). This should be accomplished by a separate APF project executed in advance of the NAF project. The MAJCOMs are responsible for auxiliary equipment, furnishings, and supplies beyond that required for a complete and usable facility (examples of MAJCOM-funded items are picnic pavilions, barbeques, or items which are outside AF lodging/facility standards).

6.4. Project Scope and Cost Changes. The AFLF projects are subject to special requirements regarding changes to scope or cost.

6.4.1. Changes Prior to Funding Approval. Any deviation from the AF programmed scope and cost must be coordinated with HQ AFSVA/SVXF/SVOL. Design changes resulting in scope or cost changes are not authorized to proceed without prior authorization from HQ AFSVA/SVXF after coordination with HQ AFSVA/SVOL.

6.4.2. Changes after Funding Approval. Projects which have changes in scope or cost after funding approval must go to the Panel for action. The MAJCOM does not have the authority to change the scope or cost of an AFLF project. Submit requested changes, with appropriate justification, to HQ AFSVA/SVXF for presentation to the Panel.

6.4.2.1. Scope Change Authority. The Panel can approve scope changes not to exceed plus or minus 10 percent of approved scope required due to technical issues, except changes in the number of size of rooms (see 6.1.3. above). Changes beyond 10 percent are forwarded to HQ USAF/A1S for action.

6.4.2.2. Cost Change Authority. The Panel can approve cost changes not to exceed 25 percent of approved amount. Cost changes exceeding 25 percent are forwarded to HQ USAF/A1S for action. Projects which were reported to Congress, which exceed scope by more than 10 percent or exceed cost by more than 25 percent, require CSAF approval and must be reported to Congress again. Authority for cost changes is installation on cumulative change amount. When any single change causes the cumulative amount to exceed an approval threshold, the project is referred to the next level approving authority.

6.4.2.2.1. For AFLF projects, the Panel can approve cost increases within 25 percent of approved amount, as long as they do not individually exceed \$1M, funding is available within the program year budget, and no AF Lodging standards are compromised.

6.4.2.2.2. Cost increases which exceed the approved amount by 25 percent or individually are over \$1M, where funding is not available within the program year budget, or represent a significant deviation from the current approved lodging facility design standards, are forwarded to HQ USAF/A1S for action.

6.4.3. Cost Increases Caused by Currency Fluctuation. Installations are not responsible for funding cost increases caused solely by currency fluctuation. The foreign currency exchange rate for overseas projects is the published rate on the day the project is recommended for funding by the Panel. Funding increases to a project which are solely the result of currency fluctuation are approved by the Panel for cost increases up to 10 percent, not to exceed \$500K. The Panel refers currency fluctuation cost increases over 10 percent, or \$500K, to HQ USAF/A1S for action.

6.5. Reprogramming Approved Funds. Reprogramming of funds between categories of an individual project, or between projects within the same program year, is installation upon cumulative totals over the life of the project and is subject to the following:

6.5.1. Reprogramming of SIOH is not authorized to permit award of a project. However, at completion of a project, and after payment of all invoices, any remaining SIOH funding may be reprogrammed under the aggregate funding concept. Individual authorities below are subject to not exceeding 25 percent of the amount reported to Congress or, if the project is not reportable, 25 percent of the originally approved cost. All actions approved below Panel level are subsequently presented to the Panel as a matter of record.

6.5.1.1. HQ AFSVA/SVXF Authority. HQ AFSVA/SVXF, with the coordination of HQ AFSVA/SVOL, approves individual reprogramming requests up to \$50K, which do not exceed a cumulative total \$250K over the life of the project.

6.5.1.2. HQ AFSVA/SVX Authority. HQ AFSVA/SVX, with the coordination of HQ AFSVA/SVO, approves individual reprogramming requests up to \$200K, which do not exceed a cumulative total of \$1M over the life of the project.

6.5.1.3. Panel Chair Authority. The NAF Facilities Panel Chair, with HQ AFSVA/SVF, SVO, and SVX coordination, approves reprogramming requests up to \$500K which do not exceed a cumulative total of \$2.5M, over the life of the project.

6.5.1.4. Panel Authority. The Panel approves individual reprogramming requests up to \$1M which do not exceed \$5M over the life of project. The Panel also reviews and recommends action to HQ USAF/A1S on funding requirements exceeding approved amounts which cannot be handled by reprogramming or under the aggregate funding authority.

6.5.1.5. HQ USAF/A1S Authority. HQ USAF/A1S approves individual reprogramming requests which exceed \$1M, or any request which would cause the total project cost to increase by over \$5M.

Chapter 7

AFBCIF AND AFLF PROJECT FUNDING PROCEDURES

7.1. Project Funding Guidance. Unless noted, the guidance in this chapter applies to both AFBCIF and AFLF projects. Funding for these projects is managed by HQ AFSVA/SVXF, and administered through the Air Force Cash Management and Investment Program (CMIP). Administration and movement of funds for AF projects is done through each installation's CMIP Automatic Reimbursement Account (ARA) using an AFBCIF number assigned to each project. All correspondence concerning funding actions must include the AFBCIF number.

7.2. Establishing Project ARAs. Once a project is approved for design, HQ AFSVA/SVXF requests HQ AFSVA/SVF to establish the project account in the CMIP based on the approved PVA costs approved by the Panel. An associated record is also established in the Facility Management Information System database to track the progress of the project and maintain a record of all funding actions and project information. Project subaccounts are established in three categories; design, construction, and equipment. These subaccounts are only activated for projects which have approved funds in these categories. Uses within each category include:

7.2.1. Design Funds. Used for design, design management services, site investigation, and environmental assessments (environmental assessments only if identified in the PVA).

7.2.2. Facility Construction Funds. Used for facility construction costs, RPIE, contingency, SIOH, project management, temporary buildings costs, and demolition when it is a NAF expense (demolition applies only to AFBCIF projects).

7.2.3. Equipment Funds (FF&E that are not RPIE). AFBCIF funding is authorized for equipment and furnishings for new facilities, additions, or areas in existing facilities programmed for renovation using AFBCIF money unless the items are authorized APF support. Use of AFLF dollars to purchase equipment for AFLF projects is subject to the provisions of AFI 65-106, Chapter 6, Figure 6.1. The MAJCOMs are required to provide a list of proposed equipment to HQ AFSVA/SVXF for coordination when requesting allocation of project equipment funds. Do not purchase project equipment without prior coordination of HQ AFSVA.

7.3. Prohibited Uses of Project Funds.

7.3.1. AFBCIF Projects. Use of AFBCIF project funds is not authorized for any item eligible for APF support or for resale inventory, supplies, operating capital, or grand opening expenses.

7.3.2. AFLF Projects. The AFLF project funds cannot be used for resale inventory or grand opening expenses. See attachment 3 for additional guidance on items not authorized for purchase from AFLFs in support of a NAF construction project.

7.4. Design, Facility Construction, and SIOH Funds Allocation. Funds are allocated (made available in the ARA account) when HQ AFSVA/SVXF is notified of the actual amount of the contract award for design, construction, or SIOH (Title II construction management services).

7.5. Contingency Funds Allocation. Contingency funds are approved for use in cases where unforeseen site conditions prevent proper completion of the project. They are not authorized for

user-desired changes. The use of contingency funds is closely monitored and each use must be fully justified. HQ AFSVA will allocate the approved contingency funds for the project at the same time the construction funds are allocated to allow project modifications which must be immediately implemented to correct an unforeseen condition and avoid contractor delays. The MAJCOM/AIS facilities POC is responsible for ensuring contingency funds are used for the intended purpose and not for user-desired changes. Required modifications must be the most cost-effective option to correct the problem. On a monthly basis, the MAJCOM facilities POC provides HQ AFSVA/SVXF a listing of change orders executed during the month for review and incorporation into the project file. The list will contain the change order number, date executed, a description of what action was required, and the cost. If no contingency funds are used during the month, a negative report is required. During the AFSVA review, any change orders which do not meet the specified parameters for NAF contingency expenditures will become the responsibility of the installation/MAJCOM. AFSVA will electronically withdraw funding from the installation MWRP to cover such expenditures. Contingency funds may be used to supplement construction funds for award of the project, but such action requires coordination with HQ AFSVA/SVXF. For AFBCIF projects, this also requires certification by the installation which they are prepared to cover any project funding shortfalls caused by this action.

7.6. Equipment Funds Allocation. Prior to obligation of equipment funds, an installation will provide the MAJCOM and HQ AFSVA/SVXF with an itemized listing of equipment items required for the project. The listing must include the name of item, quantity, unit cost, and total costs. HQ AFSVA/SVXF will validate the items which are appropriate for the project, provide the installation with an equipment list approved for purchase, and allocate funds to the equipment category of the ARA account.

7.7. Certification of Funds. HQ AFSVA/SVXF certifies design funds when the project ARA is established and certifies construction funds when the MAJCOM/installation requests authority to advertise from HQ USAF/A7CPE. Equipment funds certification is done when HQ AFSVA/SVXF approves the equipment listing. Do not advertise projects for construction and/or order equipment until notification of fund certification is received

7.8 . Expiration of Project Funding Approval. Funding approval for AFBCIF and AFLF projects expires at the same time the project approval expires. Requests for extension of funding approval require review by the Panel and approval by HQ USAF/AIS. MAJCOMs must submit requests at least 90 days prior to expiration and provide justification for the requested extension.

7.9. Payment of Invoices and Procedures for ARA Drawdowns.

7.9.1. When invoices are received from the servicing contracting office during design and construction, the installation RM obtains certification from the CE project manager (PM), or the construction manager (AF, US Army Corp of Engineers, or Naval Facilities Command), that the work has been satisfactorily completed. After the certification is received, the RM processes a receiving report in the Internet Based Purchasing System (IBPS) or prepares a DD Form 250, Material Inspection and Receiving Report, for the work. The RM emails a request for payment of the invoice, with copies of the receiving report or DD Form 250, the invoice, and appropriate CE or PM certification documents (if not annotated on the invoices) to HQ AFSVA/SVXF at AFSVA.SVXF@us.af.mil. HQ AFSVA/SVXF will validate the payment documents and authorize payment of the invoice and reimbursement of the installation's MWRP or Lodging Fund from the ARA. The receiving report must contain the

installation CMIP #, project ARA #, project AFBCIF #, the project title and the appropriate payment action code in the description block. Failure to include these items can delay payment. Construction contracts normally have a requirement for payment within 14 days from receipt of invoice, so prompt action to process the required documentation is required. The email subject line should follow this format: Installation, Project Title, (firm name) invoice # AFBCIF#, ARA#, CMIP#-(payment action code).

7.9.2. Payment Action Codes. One of the following payment action codes is required in order to process a reimbursement from the project ARA to the installation MWRF or Lodging Fund. The code must be spelled exactly as shown and must be all upper case letters. Include the code in the email subject line and in the description block of the receiving report.

Table 7.1. Payment Codes

CODE	PURPOSE
DESIGN	For design, design management, site investigation, and environmental assessment costs.
CONSTR	For construction payments, contingency, SIOH, Corps of Engineers/Naval Facility AF or Command project management expenses, demolition (if NAF), temporary building costs, and RPIE.
EQUIP	For equipment purchases which are not RPIE.

Chapter 8

AFBCIF AND AFLF DESIGN OVERSIGHT AND PROJECT MONITORING

8.1. Design Execution. Design execution is the responsibility of either AFCEE (major construction) or the BCE (minor construction and SRM) within the context of the parameters outlined in this document. The appropriate organizational PM develops the project design and construction schedule with the coordination of the MAJCOM and HQ AFSVA/SVXF. Selection of a design agent is subject to the provisions of paragraph 8.8 below. HQ AFSVA/SVXF approval is required prior to committing AFBCIF or AFLF funds for design management services to an organization outside the AF.

8.2. Design Instructions (DIs). HQ AFSVA/SVXF requests HQ USAF/A7CP or the MAJCOM, as appropriate, issue a DI for a validated NAF project after the installation, MAJCOM, AFSVA staffs concur with, and the panel approves, the project's scope, costs, and concept as recommended in the PVA. The DI is issued to the AFCEE/CM or MAJCOM/A7 who notifies the installation the project is authorized for design. HQ AFSVA/SVXF provides AFCEE/MAJCOM/A7 MAJCOM/A1S additional details of the project scope and cost, plus certification of funding availability when the design funds are approved.

8.3. AFSVA Design Oversight. HQ AFSVA/SVXF is responsible for functional design oversight for all AFBCIF and AFLF projects. This includes ensuring projects remain within the approved scope, cost, and concept, are functionally and cost efficient, and are within AF Services program and policy guidelines. The following policies apply:

8.3.1. Project Management Plan (PMP). Every AFBCIF and AFLF project will have a PMP defining the scope, cost, and concept of the project and outlining the actions and responsibilities of the individuals at the installation, MAJCOM, AFCEE, and AFSVA level in regard to design, construction, and funding of the project. HQ AFSVA/SVXF will work with the MAJCOM and installation to assist in obtaining a PMP for projects executed by the US Army Corps of Engineers or the Naval Facilities Command. AFSVA will not provide fund certification for the project until the PMP is completed and signed by all parties.

8.3.2. Design Statement of Work (SOW). HQ AFSVA/SVXF must review and coordinate on all design SOWs for AFBCIF and AFLF projects prior to release to proposed contractors. No changes to the coordinated SOWs are authorized without HQ AFSVA/SVXF concurrence. Every design SOW will contain a provision allowing the AF an option to stop design at the 35 percent design point if the project exceeds AF approved parameters.

8.3.3. Design Meetings. AFBCIF and AFLF projects require the following design review meetings: predesign, design charrette/15 percent, 35 percent, 65 percent, and 95 percent. The design charrette process will be used to design these projects, unless a waiver is obtained from HQ AFSVA/ SVXF.

8.3.3.1. AFSVA Participation in Design Meetings. HQ AFSVA/SVXF staff will participate in the predesign, charrette/15 percent, 35 percent design meetings, and 65 percent design meetings, and will review the design documents and provide comments for incorporation at 95 percent. HQ AFSVA/SVOL Lodging program staff will attend design meetings on lodging projects. HQ AFSVA/SVXF must be notified of all design

review meetings at least 30 days in advance of their scheduled date. Failure to provide the advance notice may require rescheduling of the meeting.

8.4. Design Approval. Written authorization from HQ AFSVA/SVX is required before design can proceed beyond the 35 percent, 65 percent, and 95percent levels.

8.4.1. Design actions, which modify the approved scope, cost, or concept of a project must be addressed as outlined in Chapter 5 (AFBCIF projects) and Chapter 6 (AFLF projects).

8.4.2. Incorporation or resolution of HQ AFSVA/SVXF comments is required before proceeding with further design action. AFSVA requires copies of all design comments and responses related to all design submissions for AF funded NAF projects. Failure to incorporate or resolve comments may cause project delays and may subject the installation to added costs to rectify unapproved design actions.

8.5. Standard Designs and Design Standards/Criteria. Use of applicable Uniform Facilities Criteria (UFC), AF Services standard designs, and design standards/criteria for MWR Category B, Category C, and AFLF lodging activities is mandatory unless waived by HQ AFSVA/SVX. UFC are available at www.wbdg.org under Popular Links.

8.5.1. Functional Coordination. HQ AFSVA/SVXF coordinates with the appropriate HQ AFSVA functional program manager to establish and validate design standards/criteria for recreational activities. Design criteria, design guides, standards, etc., are referenced in the Requirements Document provided to the A-E and are available on the AFSVA web site. These criteria are reemphasized/clarified at the pre-design or charrette meetings. HQ AFSVA/SVXF works with the appropriate HQ AFSVA functional staff and the installation/MAJCOM-level functional managers to ensure design of the facility is in compliance with the applicable design guide/standard.

8.5.1.1. For AFLF projects, the AF Lodging interior designer or a contracted interior designer, in conjunction with HQ AFSVA/SVOL, will assemble a comprehensive interior design (CID) presentation for coordination by installation leadership. Once a selection is made, deviations from the CID are approved only to accommodate discontinued materials, room layout, changes to AF Lodging standards, and other unique circumstances. HQ AFSVA/SVOL, in coordination with HQ AFSVA/SVXF, is the approval authority.

8.5.1.2. No changes to facility design standards contained in the AF Design Guides are authorized without a waiver from HQ AFSVA/SVX. Modifications for unexpected local siting constraints, exterior design considerations, and changes required for validated force protection requirements are exceptions and do not require a waiver. However, coordination with HQ AFSVA/SVXF is required prior to proceeding with such changes.

8.6. Renderings and Models. The cost of any renderings or models is the responsibility of the requesting organization. This includes any requirement for 3-Dimensional Computer Aided Design Drawings.

8.7. Installation/MAJCOM Design Costs. The installations/MAJCOMs are responsible for funding additional design costs resulting from failure to comply with above design execution policy or for additional design related to user changes.

8.8. IDIQ Design Contracts. Use of AF IDIQ A-E design contracts is mandatory unless HQ USAF/A1S and HQ USAF/A7C approve a faster, less costly method. AFSVA has NAF IDIQ design contracts specifically available for use on any NAF facility contracts. However, IDIQ contracts negotiated by AFCEE or any AF organization are acceptable if coordinated with HQ AFSVA/SVXF.

8.8.1. NAF IDIQ A-E Design Contracts. Information on use of AF Services NAF IDIQ A-E design contracts for the design of NAF projects is available through the Air Force NAF Purchasing Office (AFNAFPO), HQ AFSVA/SVC, at DSN 969-7821. A full range of A-E services are available, including on-site investigation, complete design services, and full-time construction inspection. The purpose of these contracts is to reduce time and costs for project design. The contracts are for use on NAF projects funded by installation, MAJCOM, or AF. However, their use on overseas projects must comply with the Status of Forces Agreement (SOFA) and any other applicable country-to-country agreements.

8.8.1.1. IDIQ Contract Use. To use these contracts, submit a request (coordinated with appropriate installation and MAJCOM A1S and A7 offices) HQ AFSVA/SVC, 2261 Hughes, Suite 156, Lackland AFB, TX 78235-9852. The request package must contain the following:

8.8.1.2. A memorandum requesting the services required and certifying funding is approved and available.

8.8.1.3. A current and complete DD Form 1391 that reflects the project concept recommended by the AF NAF Facilities Panel.

8.8.1.4. A cost estimate for the requested services and a synopsis of the work/Statement of Work (SOW) based upon the concept approved by the Panel.

8.8.1.5. HQ AFSVA/SVC will coordinate with HQ AFSVA/SVXF to determine and assign the most qualified contractor installation on the project requirements and will work closely with the contracting office on negotiations with the contractor to secure the best fee possible for the project. After an acceptable fee proposal is negotiated, the installation RM submits an AF Form 9, *Request for Purchase*, to HQ AFSVA/SVC. Complete contract documentation is provided to the installation once the delivery order is finalized. These contracts include construction management, but do not encompass construction contracting. Construction contracting is available through AFCEE or installations may use the local contracting office if they have the capability. The US Army Corps of Engineers or Naval Facilities Command will provide contracting services for projects where they are the construction manager.

8.9. Value Engineering (VE) for NAF Projects. VE is mandatory for all AFBCIF and AFLF projects with a construction cost exceeding \$10M. VE for projects over \$1M should be considered if the anticipated ratio of benefit to cost is at least 10 to 1.

8.10. Construction Management/SIOH. AF IDIQ contracts for SIOH/construction management, when available, are the primary source of construction management for NAF projects, except in overseas areas where precluded by SOFA or other country-to-country agreements. Requests to use other sources for SIOH/construction management must be coordinated in advance with HQ AFSVA/SVX and be supported by a cost-benefit analysis showing the proposed method is less costly and provides service equal to or exceeding the IDIQ

contract. Projects less than \$750K are exempt from this requirement. However, IDIQ services are available for such projects, if required.

8.11. MOA for NAF Execution of APF Companion Projects. Many NAF construction and add/alter projects involve companion projects authorized APF support. This often requires separate NAF and APF contracts affecting the same overall project with two different contractors working on the same site. This doubles the contracting effort and often results in the contractors' work overlapping in the same area. HQ USAF/AIS has authorized optional use of an alternative set forth in DoDI 1015.15, *Procedures for Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources*, Enclosure 6, which addresses the DoD Uniform Funding and Management Practice. Under this Practice, APFs made available for support of MWR facility projects may be transferred to a NAFI to accomplish the APF companion project. This permits both the NAF and APF companion requirements to be accomplished under a single NAF contract.

8.11.1. To use this alternative, an MOA must be accomplished between the installation and AFSVA. The Installation Commander and Comptroller and the AFSVA Commander and Comptroller (as the AFMWRF/AFLF Custodian) sign the MOA. It provides the vehicle for transferring the APFs to the AFMWRF/AFLF and identifying what the AFMWRF is to do with the APFs provided. Once transferred, the APFs become NAFs and they are expended using NAF procedures. An MOA template is provided at Attachment 4. Contact HQ AFSVA/SVXF for assistance in preparing such an MOA. A similar procedure is available for lodging projects under AFMAN 64-302, paragraph 11.13. Contact HQ AFSVA/SVXF for more information on this procedure.

Chapter 9

PROJECT OVERSIGHT, CLOSE OUT AND POLICY WAIVERS

9.1. AFBCIF Project Status Report (PSR), RCS. HAF-SVX(M)9465. Installation FSS deputies are responsible for providing a monthly update on the status of each AF centrally funded NAF project at their installations. The first update is due the month after the DI is issued and continues until the final invoice is paid. The update is required by the 10th workday of each month. If no activity has occurred, simply state this in the comments section. The AFSVA installation projects database on the Services Activities Information System (SAIS) allows updating the status of AFBCIF and AFLF projects via the internet. While the updates are only required monthly, installations should update the project data whenever something occurs related to the project. The format provides not only dates and related information, but contains a comment feature which allows installations to provide additional information on developments related to the project. For reporting purposes, this requirement is designated emergency code C3-“Continue reporting during emergency conditions, delayed precedence.” Submit data requirements as prescribed, but they may be delayed to allow the submission of higher precedence information. Instructions on how to update a project are available at the HQ AFSVA Community of Practice under SAIS.

9.2. Project Completion and Closeout. Project completion and closeout occur at different times. Project completion occurs when Services has beneficial occupancy of the facility or system. Project closeout is when the last invoice is paid. Each phase requires specific action by the FSS deputy.

9.2.1. Project Completion. For AFBCIF and AFLF projects, the date the installation receives beneficial occupancy of a facility is the date which should go into the “100 percent complete” (actual) block in the SAIS. Do not delay reporting the 100 percent complete status if there are unpaid bills or punch list items to be done.

9.2.1.1. Beneficial Occupancy. The beneficial occupancy date is the date the new or renovated facility is open for patron use. If the project is not for patron use, the beneficial occupancy date is the date the structure is used by employees (i.e., golf maintenance facility) or for its intended purpose (i.e., golf irrigation system). The FSS deputy takes the following actions based upon the beneficial occupancy date on a NAF funded project.

9.2.1.1.1. Within 5 days after beneficial occupancy, send a memo to the RM, with a copy to the NAFFA, providing the beneficial occupancy date and requesting the RM take action to move all project costs from GLAC 185XXXX and 1800000, *Construction in Progress*, to the appropriate asset GLAC. The RM has 25 days to submit necessary general ledger adjustment forms and fixed asset forms to the AFSVA Shared Service Center (SSC) to properly transfer the project from construction in progress to the appropriate general ledger accounts.

9.2.1.1.2. Within 30 days after project completion, the FSS deputy notifies HQ AFSVA/SVXF the project is completed by updating the status of the construction to 100 percent when doing the monthly project update on SAIS. In addition, e-mail a

scanned copy of DD Form 1354, *Transfer and Acceptance of Military Real Property*, to HQ AFSVA/SVXF.

9.2.2. Financial Close Out: AFBCIF and AFLF project financial close out is accomplished when all bills are paid. Once the final invoice is paid, make appropriate annotations to the installation projects database indicating “Yes” in the block asking “All Invoices Received and Paid.” Put the following words in the comments section: “The final invoice was paid on (enter date). Please close this project.” HQ AFSVA/SVXF will close out the project ARA account upon receipt of this information.

9.2.2.1. If final payment is not made within 1 year after beneficial occupancy, AFSVA will close the project account. When late invoices are received, notify AFSVA, through the MAJCOM, of the purpose and amount of the invoice and request AFSVA reopen the account. Provide a copy of the applicable purchase request/order and a copy of the invoice. AFSVA will validate the expense is authorized from project funds and, if there are adequate funds in the project account, reopen the account for sufficient time to permit the installation to process a cash transfer for the amount of the invoice.

9.3. Correction of Discrepancies. AFSVA will consider requests to use any remaining project funding to correct unknown facility project discrepancies for a period of 1 year from the beneficial occupancy date, regardless of when the discrepancy was identified, as long as the items are not covered under warranty. After one year, such discrepancies are the responsibility of the installation. NAFs are not authorized to correct items which qualify for APF support, regardless of when they are identified.

9.4. Post Occupancy Facility and Financial Evaluation. AFSVA will perform a post occupancy facility and financial review of all AF-funded facility projects to determine how well the project meets the validated need, the effectiveness of the design and construction process, what changes to the process would improve the project, and if the activity is meeting the PVA financial projections.

9.4.1. Facility Evaluation. Between 6-12 months after a major improvement project is completed, AFSVA will generate a request for project evaluation to the MAJCOM. The request will include a questionnaire dealing with the project’s functional adequacy, its compliance with the PVA recommendations, the effectiveness of the design/construction process, a recap of patron usage and programs, and a determination of customer reactions and satisfaction with the completed facility. Responses are used to improve the planning and design of future projects.

9.4.2. Project Financial Evaluation. For the first 5 full fiscal years after completion of a Category C project, AFSVA will compare the financial projections in the PVA to the actual operational results achieved by the activity. A recap of the analyses for all projects is presented to the Panel annually. The Panel will review the results and provide them, with comments/ recommendations, to HQ USAF/A1S for information or action as appropriate.

9.5. Air Force Services Facilities Inventory Report, RCS: HAF-SV(A)9464. This report lists both APF and NAF FSS facilities at each installation and includes these elements: MAJCOM, Installation Code, Facility Category Code, Facility Description, Facility Number, Scope Requirement, Scope Existing (current facility size), Facility Condition Code, Type of Construction, Control Code, and Facility Completion Date. Annually, HQ AFSVA/SVXF

provides a listing of each installation's FSS facilities for verification and updating. The FSS Deputy submits the annotated report to, HQ AFSVA/SXVF, with a copy to the MAJCOM/A1S, in accordance with the required suspense date. This report is designated emergency status code C-3—"continue reporting during emergency conditions, delayed precedence." Submit data requirements as prescribed, but they may be delayed to allow the submission of higher precedence reports.

9.6. Air Force FSS Long-Range Capital Improvement Planning. Long-range planning is critical to an effective capital improvement program. Budgeting for NAF capital requirements is done via the NRB in the Budget and Financial Analysis program. The NRB is the primary planning document for NAF capital improvements and integrates APF and NAF programming/budgeting at installation, MAJCOM, and AF level to ensure funds are available when needed. Effective long-range planning for facility requirements should extend over a period covering the current year plus at least 5 years to allow a smooth coordinated program to maintain and improve Services activities.

9.7. Waivers. Requests for actions or waivers relating to the policies in this AFI shall be coordinated through or originated by the MAJCOM/A1 and sent to AFSVA/CD for action by the Panel. The Panel will forward the request to HQ USAF/A1S with comments or recommendations.

DARRELL D. JONES
Lieutenant General, USAF
DCS, Manpower, Personnel, and Services

Attachment 1**GLOSSARY OF REFERENCES, SUPPORTING INFORMATION AND FORMS*****References***

AFPD 34-2, *Managing Nonappropriated Funds*, 7 January 1994

AFI 32-1022, *Planning and Programming Nonappropriated Fund Facility Construction Projects*, 20 May 2009

AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation and Nonappropriated Fund Instrumentalities*, 6 May 2009

AFMAN 64-302, *Nonappropriated Fund (NAF) Contracting Procedures*, 3 November 2000

DoDI 1015.15, *Procedures for Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Support Resources*, 20 March 2008

DoDI 7700.20, *Commissary Surcharge, Nonappropriated Fund (NAF), and Privately Financed Construction Policy*, 10 November 2005

Adopted Forms

AF Form 9, *Request for Purchase*

AF Form 332, *Base Civil Engineer Work Request*

DD Form 1354, *Transfer and Acceptance of Military Real Property*

DD Forms 1391/1391C, *Military Construction Project Data*

Abbreviations and Acronyms

AAFES—Army & Air Force Exchange Service

A-E—Architect and Engineer

AF—Air Force

AFBCIF—Air Force Installation Capital Improvement Fund

AFCEE—Air Force Center for Engineering and the Environment

AFI—Air Force Instruction

AFLF—Air Force Lodging Fund

AFMAN—Air Force Manual

AFMWRP—Air Force Morale, Welfare, and Recreation Fund

AFNAFPO—Air Force Nonappropriated Fund Purchasing Office

AFPD—Air Force Policy Directive

AFSVA—Air Force Services Agency

APF—Appropriated Funds

ARA—Automatic Reimbursement Account

BCE—Base Civil Engineer
BRAC—Installation Realignment and Closure
CE—Civil Engineering
CID—Comprehensive Interior Design
CMIP—Cash Management and Investment Program
CSAF—Chief of Staff Air Force
CT—Cash Transfer
DI—Design Instruction
DoD—Department of Defense
DoDD—Department of Defense Directive
DoDI—Department of Defense Instruction
FF&E—Furniture Fixtures and Equipment
FSSV—Force Support Squadron
GLAC—General Ledger Account Code
IBPS—Internet Based Purchasing System
IDIQ—Indefinite-Delivery/Indefinite-Quantity
INVS—Internal Needs Validation Study
IVM—Informal Validation Memorandum
LCIP—Lodging Capital Improvement Program
MAJCOM—Major Command
MOA—Memorandum of Agreement
MWRF—Morale, Welfare, and Recreation Fund
NACRB—Nonappropriated Fund/Appropriated Fund Capital Requirement Budget
NAF—Nonappropriated Funds
NAFI—Nonappropriated Fund Instrumentality
NAFFA—Nonappropriated Fund Financial Advisor
OSD—Office of the Secretary of Defense
PM—Project Manager
PMP—Project Management Plan
PSR—Project Status Report
PVA—Project Validation Assessment
RFP—Request for Proposal

RPIE—Real Property Installed Equipment

RM—Resource Manager

RNS—Relative Needs Score

ROR—Rate of Return

SAIS—Services Activities Information System

SBOA—Signature Brand Operating Agreement

SF—Square Feet

SIOH—Supervision, Inspection, and Overhead

SOFA—Status of Forces Agreement

SOW—Statement of Work

SRM—Sustainment, Restoration, and Modernization

TLF—Temporary Lodging Facility

UFC—Unified Facility Criteria

VQ—Visiting Quarters

Attachment 2

PROCESS FOR RESOLUTION OF DISAGREEMENT WITH A PROJECT VALIDATION ASSESSMENT RECOMMENDATION

A2.1. HQ AFSVA/SVXF will work with the PVA contractor to resolve any disagreements identified in the comments submitted by the installation or MAJCOM. If discussions with the installation/MAJCOM and contractor fail to resolve disagreements, the installation and MAJCOM may provide written comments to the Panel for consideration, along with the PVA recommendations. The Panel will evaluate all project documentation and provide a recommendation to HQ USAF/A1S. The following procedures apply in resolving disagreements:

A2.1.1. If the cause for disagreement is technical/engineering specific, HQ AFSVA/SVXF will seek resolution from HQ USAF/A7CP.

A2.1.2. If the cause for disagreement is costing methodology, HQ AFSVA/SVXF will work with the PVA contractor and the MAJCOM/installation to resolve the disagreement. If the PVA contractor followed the appropriate estimating guidelines for the cost estimating system used, and the issue cannot be resolved, the PVA contractor estimate is used in the report with a caveat containing the information relative to the MAJCOM/installation estimates. If MAJCOM or installation-unique architectural items or requirements cause the cost disagreement, the MAJCOM may provide written comments for inclusion with the project information to the Panel. The Panel will evaluate all project information and provide a recommendation to HQ USAF/A1S.

A2.1.3. If the disagreement is related to the PVA concept, market research, or financial analysis, HQ AFSVA/SVXF will work with the MAJCOM, installation, and contractor to resolve the disagreements and ensure the contractor has all relevant information. Should discussions with the MAJCOM, installation, and contractor fail to resolve the disagreement the MAJCOM and/or installation may provide written comments to the Panel. The Panel will evaluate all project information/comments and provide a recommendation to HQ USAF/A1S.

A2.1.4. A PVA is not changed for disagreements relating to opinions on market demand, operational concepts, financial projections, or other business-related issues. A PVA is only changed for issues conflicting with AF policy, mathematical errors, incorrect/erroneous data or information, or significant changes to the installation mission or population which occur after the PVA site visit.

Attachment 3

**ITEMS NOT AUTHORIZED FOR PURCHASE FROM THE AF LODGING FUND IN
SUPPORT OF A NAF CONSTRUCTION PROJECT (SEE AFI 65-106 FOR
ITEMS/WORK AUTHORIZED USING NAF AND APF FUNDS.)**

Table A3.1. Items Which may not be funded with Project Funds

Barbeque Grills	Bath Robes
Bicycles	Exercise Equipment
Food/Beverage Items	Guest Information Books
Guest Room Stereo System	Hot Tubs
Janitorial Chemicals	Laundry/dry cleaning industrial plant equipment
Magazines, Books, Periodicals	Name Tags
Pagers/Cell Phones	Paper and Office Supplies
Personal Grooming Items	Petroleum Products
Pet Supplies/Equipment	Resale or Rental Equipment
Staff Training (Travel and Per Diem)	Toys and Games
Uniforms and Other Clothing	Vehicles
Videos/DVDs/Music CDs/Tapes	
Questions relating to the funding of items in this list should be addressed to:	
HQ AFSVA/SVOL	
2261 Hughes, Suite 156, Lackland AFB, TX 78235-9852, DSN 969-7287	

Attachment 4

MEMORANDUM OF AGREEMENT TEMPLATE

Figure A4.1. Memorandum of Agreement Template

<p>MEMORANDUM OF AGREEMENT</p> <p>BETWEEN</p> <p>_____ AIR FORCE INSTALLATION</p> <p>AND THE</p> <p>AIR FORCE MORALE, WELFARE, AND RECREATION FUND (AFMWRF)</p> <p>1. PURPOSE: To facilitate the obligation of authorized and required appropriated funds (APFs) and nonappropriated funds (NAFs) to support the (design, construction, etc.) for (Installation, project title) project. The APF (design/construction) responsibility covers the following APF funded items: (examples are: new roofing system, new electrical distribution system, new ventilation air dehumidification system, and asbestos remediation, etc.). The APF scope of work is being executed in conjunction with the NAF (design/construct, project title) project, (AFBCIF #/CE project #). The APFs being provided under this Memorandum of Agreement (MOA) are for the specific purpose of permitting the AFMWRF to issue a single (design/construction) contract that will include and integrate both the APF and NAF elements of the project. This MOA authorizes the transfer of APFs to the AFMWRF, an Air Force NAF Instrumentality, and provides the procedures for using those funds to carry out the purpose stated above.</p> <p>2. AUTHORITY: 10 U.S.C. 2491 and DoDI 1015.15, <i>Procedures for Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources</i>, Enclosure 6. In accordance with AFI 65-106, <i>Appropriated Fund Support of Morale, Welfare, and Recreation and Nonappropriated Fund Instrumentalities</i>, Attachment 2, Element of Resource 9a, this MOA authorizes the transfer of the approved and required APFs for this project to the AFMWRF to be used to accomplish the APF (design/construction) portion of the project. The DoDI 1015.15 provisions referenced above authorize this Uniform Funding and Management Practice which provides the methodology for the _____ AFB Comptroller to transfer APFs to the AFMWRF to fund the _____ (design/construction) of this project under the NAF contract.</p> <p>3. APPLICABILITY: This MOA applies only to funding the completion of the project referenced in paragraph 1 above.</p> <p>4. GENERAL: This MOA becomes effective upon signature by the _____ AFB Comptroller, the AFSVA Comptroller, the _____ AFB Installation Commander, and the Commander of the AFSVA. It shall remain in effect until the funding and work elements indicated above are</p>
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completed. It may be modified at any time upon agreement of the signatories or their successors or terminated by _____ AFB or the AFMWRF with 10 days advance notice to the other party.

5. PROCEDURES: The _____ AFB Comptroller will provide the AFMWRF \$_____, the amount of APFs approved for the APF portion of the (design/construction) of this project. Funds will be transferred to the AFMWRF immediately subsequent to execution of this MOA. This amount is based on the final negotiated design fee and no additional APF requirements are anticipated. The AFMWRF will apply these funds to pay those costs that would have been paid with APFs if a separate APF contract had been executed. The _____AFB Force Support Squadron Resource Manager, on behalf of the AFMWRF, will provide copies of all payment receipts for APF authorized costs incurred as part of the project to the _____AFB Comptroller. The AFMWRF will be provided additional funding if required to complete the work authorized APF support or the scope of the AFMWRF’s responsibilities under this MOA will be revised to match the available funding.

Approved this _____ day of _____ 20XX. Approved this _____ day of _____ 20XX.

(Name and Rank/Grade) (Name and Rank/Grade)
Comptroller, _____ AFB Custodian, AFMWRF

Approved this _____ day of _____ 20XX. Approved this _____ day of _____ 20XX.

(Name and Rank/Grade) (Name and Rank/Grade)
Commander, _____ AFB Commander, Air Force Services Agency