

Commercial Activities Industry Day
Fort Sam Houston, Texas
11 May 2000

AGENDA

0800 - 0830	Registration	NCO Club
0830 -0930	Welcome & Mission Overview	COL Thresher, USAG CDR
0930-1000	Contracting Issues	Mr. Vic Howard, Contracting
1000-1015	BREAK	
1015-1130	Comments & Questions	Mr. Larry Roberts Contracting
1130-1200	Wrap Up	

Mission Overview



COL William H. Thresher
Garrison Commander



Installation Overview



U.S. Army Medical
Command



Army Medical
Department
Center & School

PEOPLE: 20,000

Fifth U.S. Army

Brooke Army
Medical Center

5th Recruiting
Brigade

**61 Tenant
Activities**

Minor staffing adjustments
Stable student population
Contracting services

SIZE OF POST (Acres) 31,249

DOLLARS: \$1.2 billion

\$28 million IMPAC (local purchase)
\$40.2 million (local contracts)

FSH Proper	3,145
Camp Bullis Training Site	27,994
Canyon Lake Retreat	110
Total Improved	3,620
Unimproved	27,524

CONSTRUCTION

\$91.7 million - In design
\$32.9 million - In progress or
scheduled

\$98 million - last 3 years
(BAMC \$208 million)

TOTAL NUMBER BUILDINGS	NUMBER HISTORIC BUILDINGS
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FSH Proper	1,352	748
Camp Bullis	245	48
Canyon Lake	50	0

Installation Camp Bullis



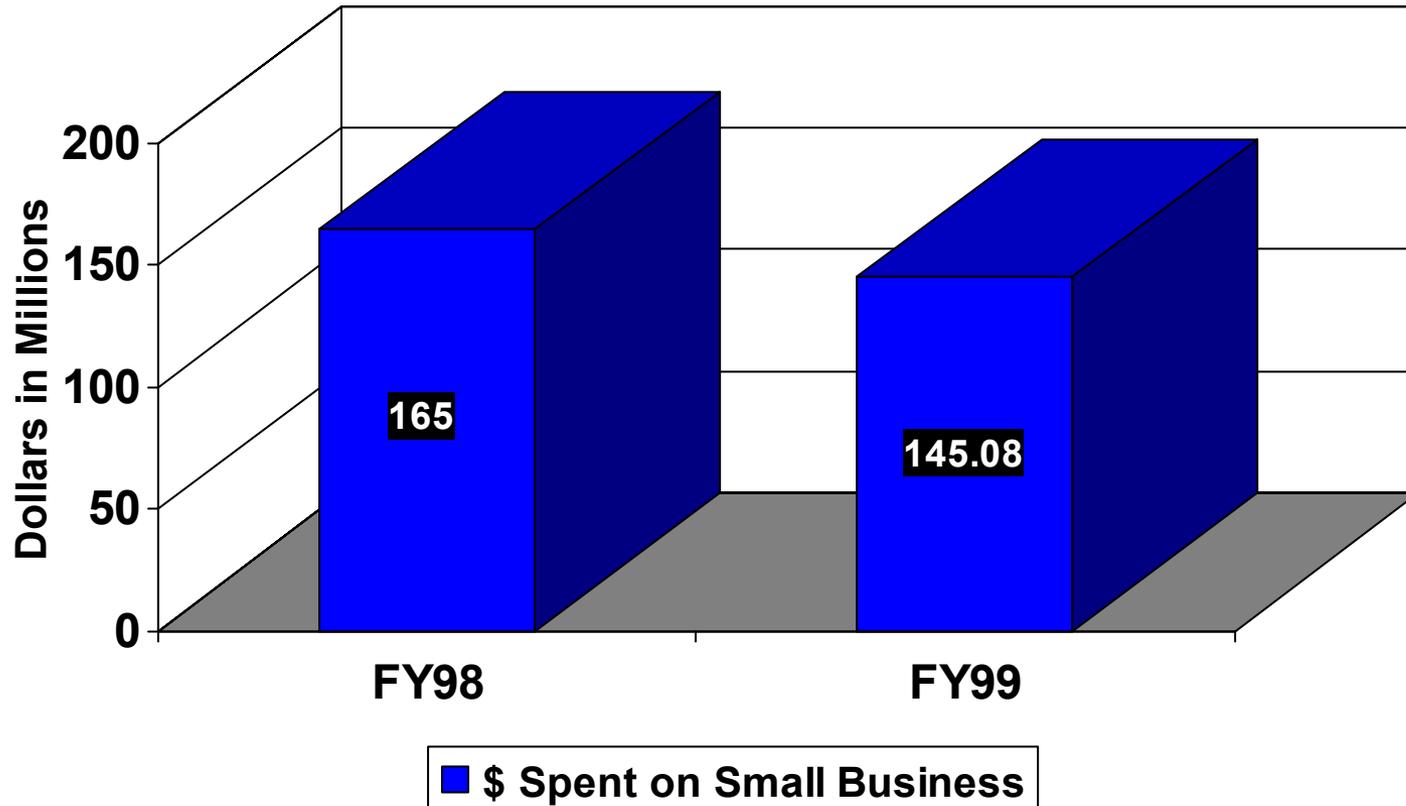
- **Subinstallation**
- **21 Miles NNW of Fort Sam Houston**
- **Size - 27,994 Acres**
- **Averages 600K(+) Mandays of Training Annually**
- **60% + Active Components Use**
- **Supports Field Training Requirements of all Military in San Antonio and South Texas Area**
- **Local and Regional Law Enforcement Agencies**

San Antonio Military Statistics

10 Year Analysis (\$000)

Installation	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Brooks AFB										
Military	1,913	1,898	1,525	1,957	2,118	2,104	2,098	2,144	1,998	1,943
Civilian	1,266	1,395	1,642	1,597	1,735	2,426	2,307	1,815	2,381	1,615
Econ. Impact	\$71.7	\$101.6	\$113.9	\$116.1	\$166.3	\$186.0	\$210.9	\$227.7	\$240.4	\$245.6
Kelly AFB										
Military	4,720	4,854	5,041	4,467	5,078	4,998	5,403	5,520	5,183	4,968
Civilian	19,237	18,175	16,349	16,349	15,966	15,397	14,397	14,090	13,139	13,675
Econ. Impact	\$609.0	\$605.0	\$757.8	\$717.1	\$801.5	\$820.3	\$819.8	\$818.3	\$730.2	\$815.6
Lackland AFB										
Military	16,990	13,309	12,592	13,075	13,047	14,790	15,039	16,068	15,624	17,195
Civilian	2,313	3,295	3,497	3,474	4,066	4,667	6,202	4,245	4,061	4,194
Econ. Impact	\$415.0	\$449.8	\$509.6	\$433.7	\$549.8	\$521.6	\$665.1	\$661.1	\$671.7	\$677.9
Randolph AFB										
Military	5,744	5,284	5,284	4,967	5,638	5,927	5,509	6,237	5,680	5,364
Civilian	2,892	4,701	3,426	3,555	4,681	4,590	4,815	5,862	6,545	6,285
Econ. Impact	\$214.5	\$251.2	\$207.3	\$234.0	\$455.3	\$439.0	\$444.7	\$417.8	\$452.3	\$416.5
Fort Sam Houston										
Military	11,626	10,365	12,528	13,905	11,066	10,642	12,551	12,663	12,669	10,823
Civilian	5,640	6,401	6,401	5,768	6,425	7,033	5,544	5,833	5,661	5,529
Econ. Impact	\$399.6	\$399.8	\$442.6	\$450.8	\$505.5	\$709.8	\$832.8	\$839.0	\$838.7	\$968.8
Retiree (MIL)	\$510.6	\$559.5	\$562.0	\$668.3	\$691.7	\$726.6	\$812.4	\$951.6	\$967.5	\$1,036
Retiree (CIV)	\$394.7	\$419.6	\$457.3	\$522.2	\$626.6	\$668.0	\$673.2	\$536.6	\$553.9	\$464.4
Personnel (MIL)	40,993	35,710	36,970	38,371	36,947	38,461	40,600	42,632	41,154	40,293
Personnel (CIV)	31,348	33,967	31,315	30,743	32,873	34,113	33,265	31,845	31,787	31,298
Total Econ. Impact	\$2.9	\$3.0	\$3.6	\$3.4	\$3.8	\$4.0	\$4.4	\$4.4	\$4.4	\$4.6

Small Business Statistics



Note: Decrease in contract dollars due to increase of IMPAC purchases.

Fort Sam Houston

A History - A Mission

Army Arrives 1845



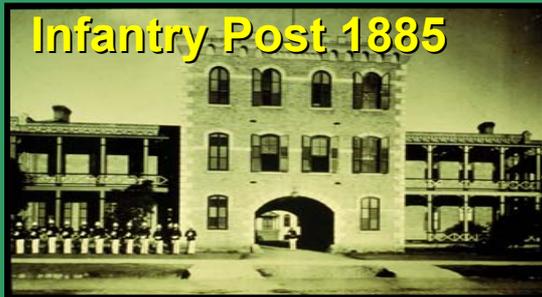
Old Number One
March 2, 1910



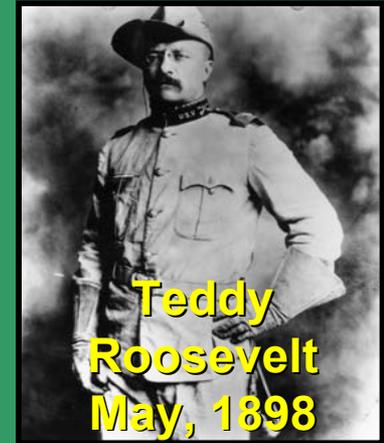
Quad 1876



Infantry Post 1885



Geronimo
September, 1886



Teddy
Roosevelt
May, 1898

Fort Sam Houston A History - A Mission



**General Foulois' Historic Flight over
Fort Sam Houston**

Fort Sam Houston

A History - A Mission

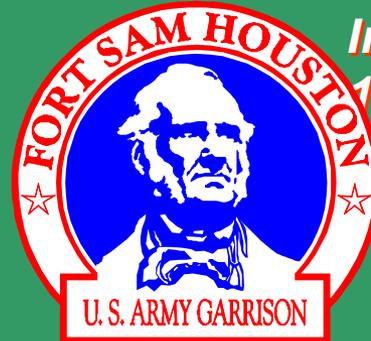
BAMC 1937



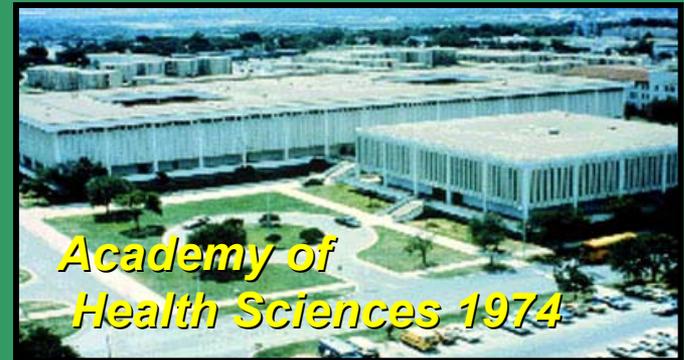
First WAC 1942



Medical Field Svcs School 1947



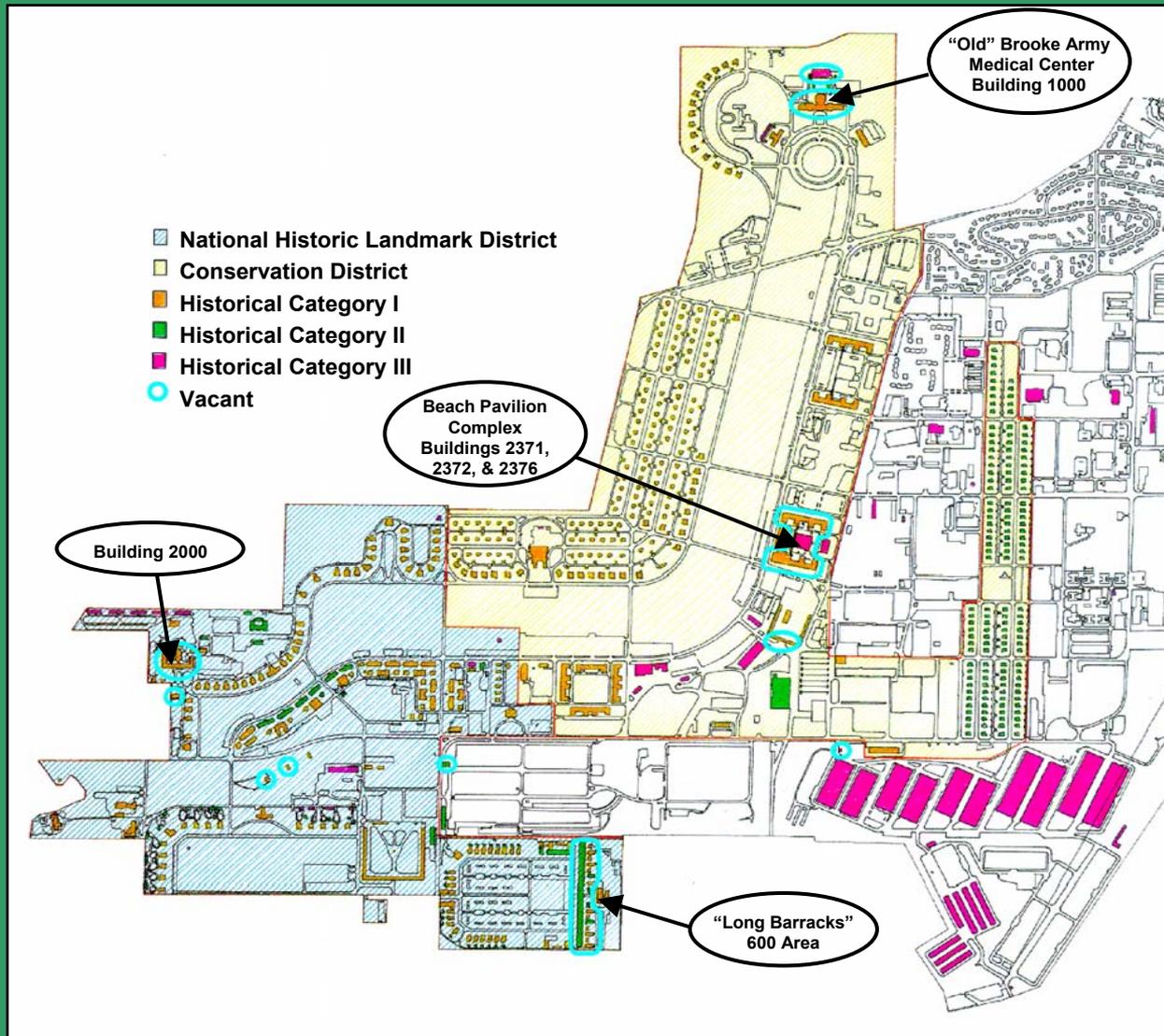
*MEDCOM
Installation
1995*



*Academy of
Health Sciences 1974*

*U.S. Army Medical
Tng Center 1954*

Overview of Fort Sam Houston's Historic Districts



Chronology of the Development of Historic Properties



**Construction of
Clock Tower
Circa 1876**



**Clock Tower
1999**

Chronology of the Development of Historic Properties (continued)



Circa 1890



1999

Pershing House

Chronology of the Development of Historic Properties (continued)



**Infantry Post
1886-1888**



**Artillery Post
1905-1909**

Chronology of the Development of Historic Properties (continued)

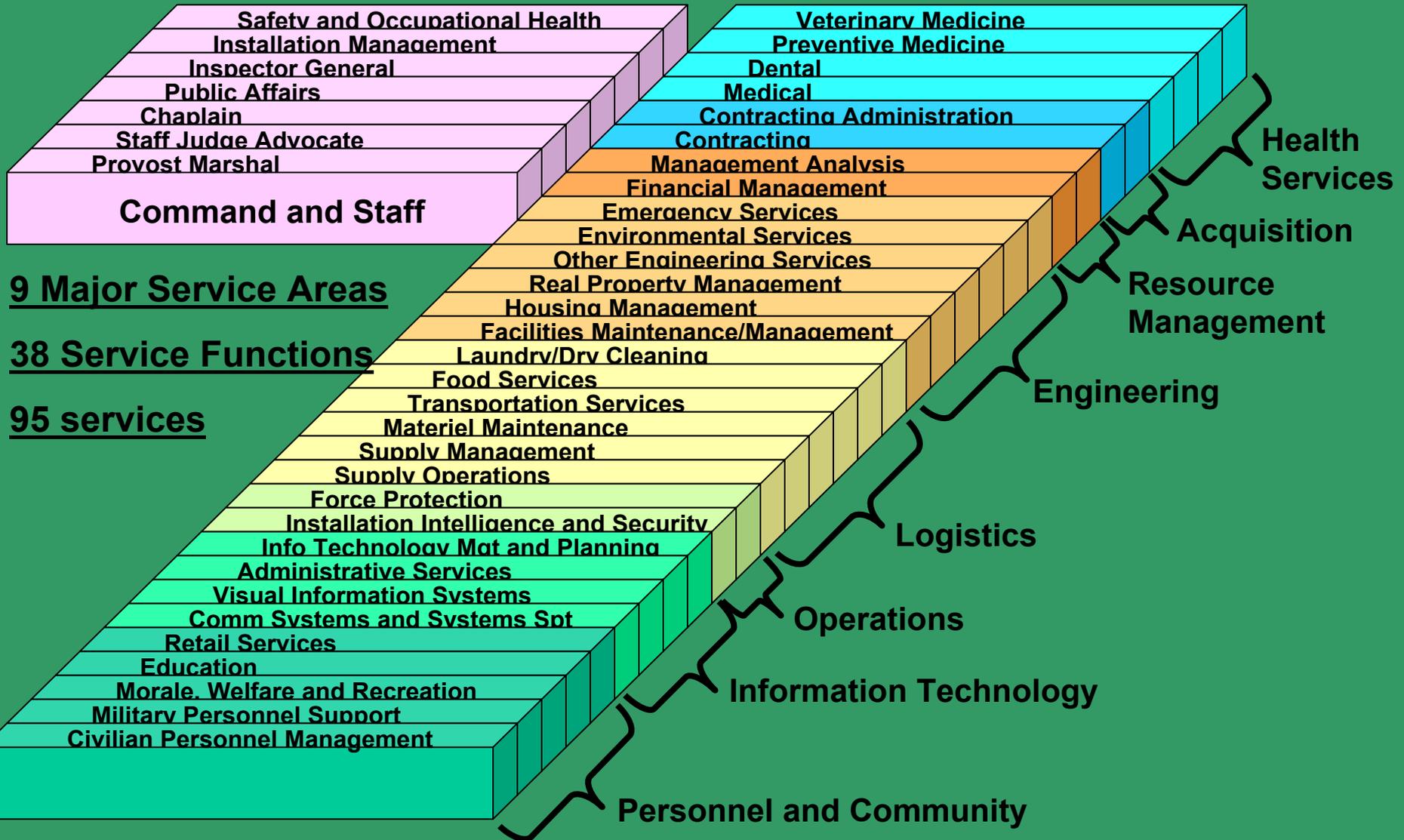


**Reception Room
Officer's Club
circa 1935**



**Officer's Club
1999**

What Fort Sam Houston Does



U.S. Army Garrison Organization



Readiness and Logistics Business Center (RLBC)



Human Resource Business Center (HRBC)



Public Works Business Center (PWBC)



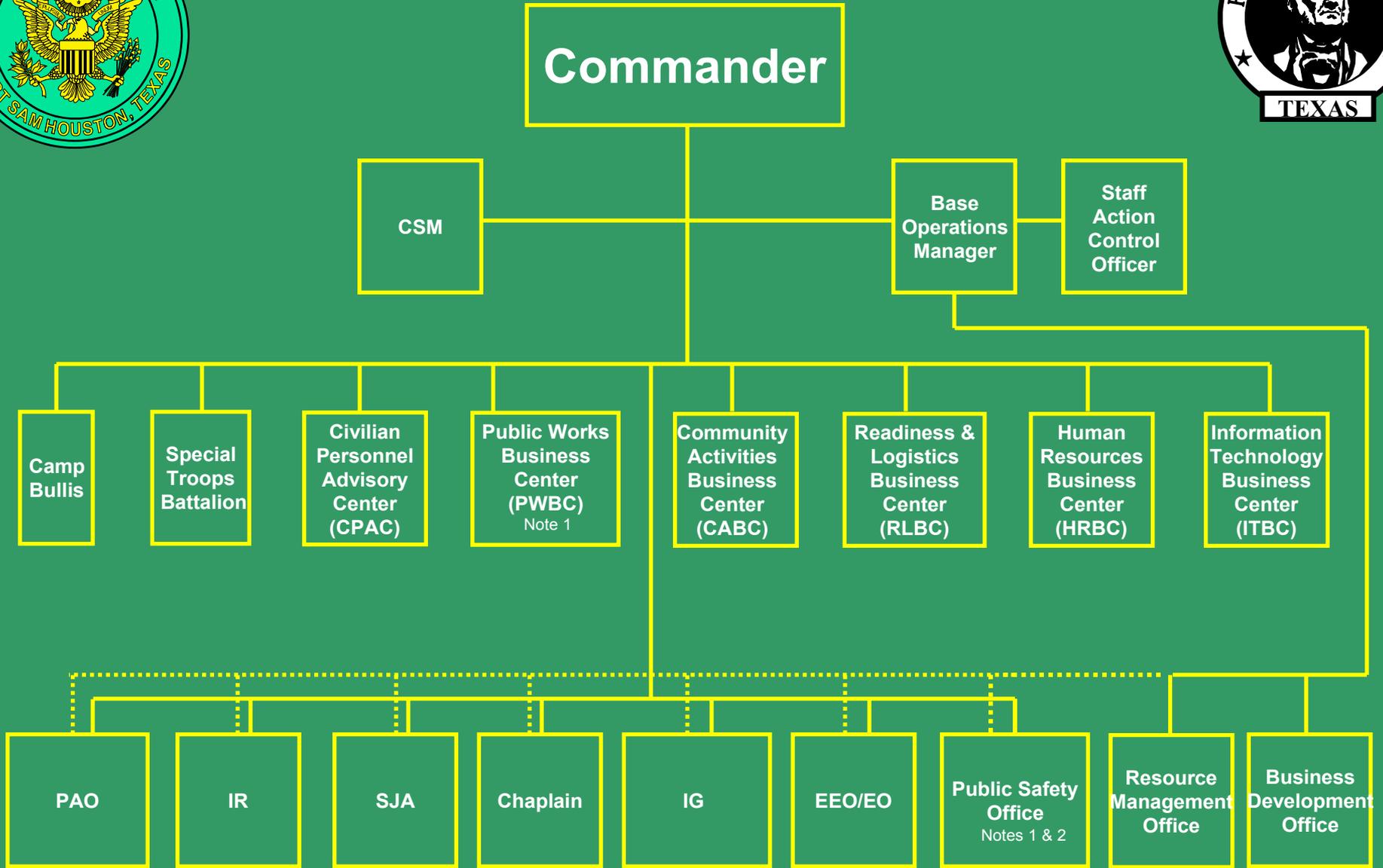
Community Activities Business Center (CABC)



Information Technology Business Center (ITBC)



U.S. Army Garrison



..... Managerial Oversight

———— Rating Scheme

Note 1 - Historical Architect, Chief, ENRD, & Chief Safety have Direct Access to Commander

Note 2 - Provost Marshal Officer is Rated by the Commander

Overall Fort Sam Houston Strategy

The Quadrennial Defense Review, the Defense Reform Initiative, and the National Defense Panel all recommend *“a revolution in military affairs.”* The supporting Fort Sam Houston strategy is to:

- Partner with Private Developer/Asset Manager
- Transform infrastructure from an impediment to a cost-effective enabler
 - Reduce operating costs
 - Adaptive reuse
- Strengthen partnerships with local community
- Compete in-house functions to improve quality, responsiveness, and cut costs
- Remain model stewards of cultural and natural resources

Current Command Initiatives

- **A-76 Commercial Activities
Whole Base Study**
- **Army Reimbursement Policy**
- **City/County Partnerships**
- **Utilities Privatization**

Current Command Initiatives

- **Energy Savings Performance Contracts**
- **Environmental Actions**
- **Residential Community Initiative**
- **Notice of Availability to Lease**

A76 Whole Base Study Background

- **STUDY BASELINE:**

After DOL/DPW Studies were announced to Congress and Started, ACSIM Increased Army Study Targets to Satisfy Escalating Modernization Requirements.

- **ADVANTAGE TO MISSION:**

Decision in Mid-April 98 to Convert FSH to Whole Base Study Would Be Most Beneficial. Announced to Congress Jul 98. Study Transition Commenced Oct 98.

A76 Whole Base Study: Progress To Date

- Jul 98** **Announced Whole Base Study (WBS) to Congress**
- Oct 98** **Orientation Program Begun**
- Jan 99** **Data Gathering Begun**
- Aug 99** **Organizational PRD Development Begun**
- Feb 00 -** **Draft PRD Reviews and**
- May 00** **Industry Comment Period**

A76 Whole Base Study: Functional Areas Announced in Commerce Business Daily

INFORMATION TECHNOLOGY SERVICES

VISUAL INFORMATION SERVICES

ADMINISTRATIVE SERVICES

HUMAN RESOURCES

OPERATIONS AND MAINTENANCE

ENGINEERING AND SUPPORT SERVICES

HOUSING

ENVIRONMENTAL

A76 Whole Base Study: Functional Areas Announced in Commerce Business Daily

SUPPLY

TRANSPORTATION SERVICES

PLANS, PROGRAMS, OPERATIONS AND MOBILIZATION

LOGISTICS MAINTENANCE

MUSEUM

TRAINING

PUBLIC SAFETY

RESOURCE MANAGEMENT

PUBLIC AFFAIRS

A76 Whole Base Study: Functional Areas Excluded from PRD

COMMAND STAFF

CHAPLAIN

EQUAL OPPORTUNITY

INSPECTOR GENERAL

INTERNAL REVIEW

STAFF JUDGE ADVOCATE

SPECIAL TROOPS BATTALION

LAW ENFORCEMENT

FIREFIGHTERS

CIVILIAN PERSONNEL ADVISORY CENTER

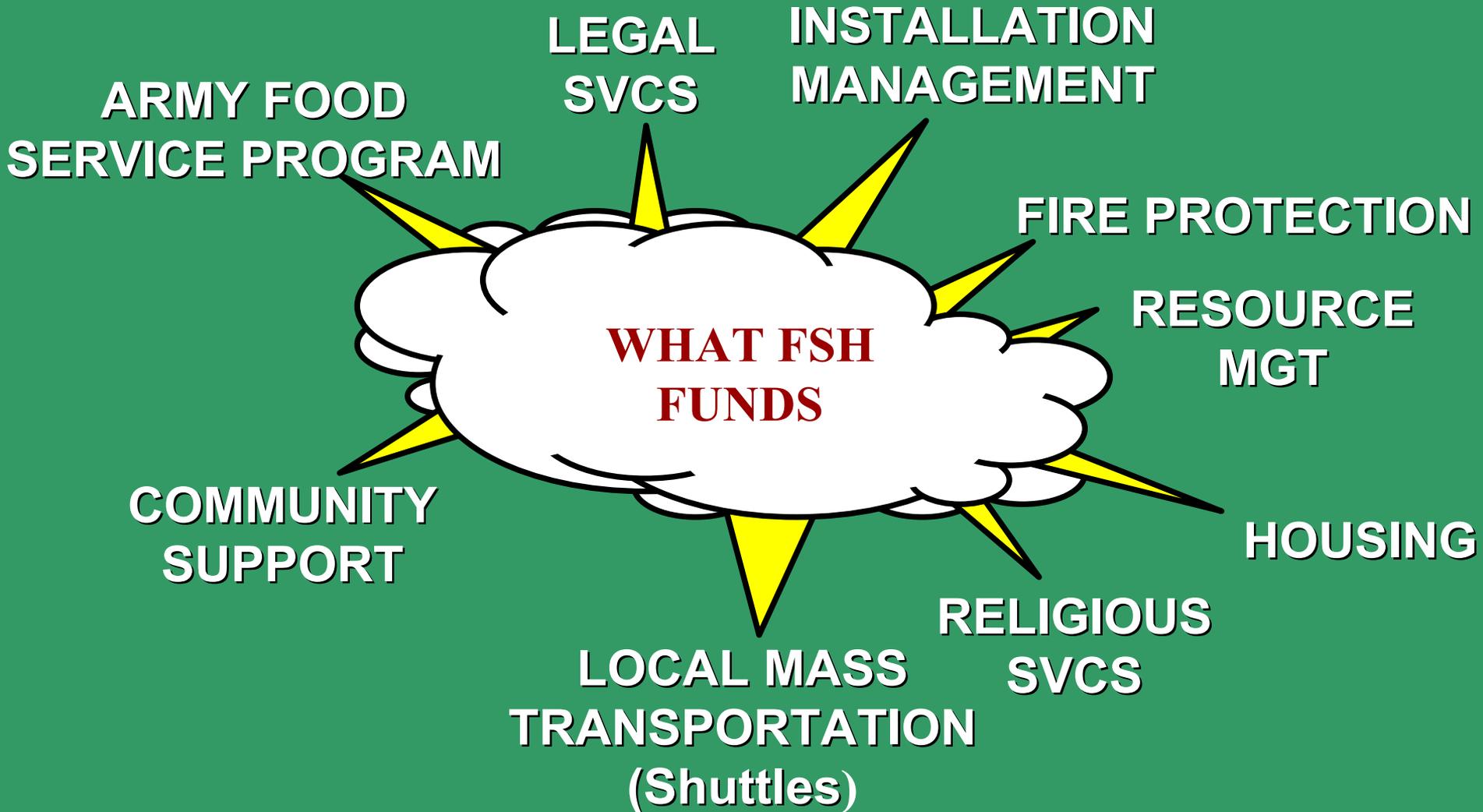
Army Reimbursement Policy

- **Standard Levels of Support (SLS) documents the quality, quantity, frequency and/or timeliness of a BASOPS service provided equitably to on- and off-post customers**
- **Standard levels are unique by service category and installation**
- **The installation may adjust standard levels of support to meet reduced resource levels, as long as the reduction is made consistently and equitably to everyone, customer and provider alike**

Army Reimbursement Policy

- **As an OMA funded installation, USAG provides non-reimbursable common-use services to entire installation population**
- **Customer-unique requirements that solely benefit a specific customer must be reimbursed at actual, direct incremental costs**

Army Reimbursement Policy: Non-Reimbursable Services



Army Reimbursement Policy: Reimbursable Services



Army Reimbursement Policy: Who Pays for What

<u>Type of Activity</u>	<u>Basis of Support Relationship</u>
• OMA- funded Tenants	If on ASIP, pay incremental costs for support above SLS; If not on ASIP, pay incremental costs for all support
• Non-Army DOD and Non-DOD Federal Agencies	Pay incremental costs for all support
• Medical Activity	Pay incremental costs for all support

Army Reimbursement Policy

Type of Activity

- Reserve Component
- NAF/AAFES
- Off-post Customers

Basis of Support Relationship

- Pay incremental costs for support above SLS, except for Annual Training and “Shop Smart” programs
- Pay incremental costs for all support
- Pay incremental costs for all support, unless funds transferred for service

City/County Partnership Initiatives

“In the future, most DoD installations will be largely integrated with the local community. ... Bases will be run as consolidated business enterprises. ... Local communities will share the responsibility for keeping installations ready to perform their missions.”

DoD Installations White Paper
February 26, 1997

- **Community Initiatives Department - Meals on Wheels
(Building 2265)**
- **San Antonio College (SAC) Regional Fire Training
(Building 2265)**

Utilities Privatization Status Report

	4TH QIR 97	1ST QIR 98	2D QIR 98	3D QIR 98	4TH QIR 98	1ST QIR 99	2D QIR 99	3D QIR 99	4TH QIR 99	1ST QIR 00	2D QIR 00	3D QIR 00	4TH QIR 00	1ST QIR 01	2ND QIR 01
GAS															
ELECTRIC															
WATER/WASTE WATER															
RECYCLED WATER															



FEASIBILITY



NEGOTIATIONS/
SOLICITATION



IMPLEMENTATION

Energy Savings Performance Contracts

- **MEDCOM Contracting Center (MCC)
Has Awarded 9 Indefinite Quantity Contracts**
- **MCC Developing Procedures to Pursue
Task Orders**
- **PWBC Has Selected 20 Facilities that
Offer Biggest Savings, e.g., Buildings
2840 and 2841**

Environmental Stewardship Strategy

Projects

PROJECT NAME	\$ COST	ECD
● ACCOMPLISHMENTS		
❖ Pershing Range Remediation	\$ 1,300 K	Aug 99
❖ Landfill 13 Camp Bullis	\$ 165 K	Jan 00
❖ EOD Range Compliance Actions	\$ 250 K	Nov 99
❖ Lead Hazard Management Plan	In House	Oct 99
● PROJECTS UNDERWAY		
❖ Landfill 10 Clean-Up (FSH)	\$ 2,100 K	Mar 00
❖ Landfill 8, FY 00 - Bullis	\$ 990 K	Oct 00
❖ Landfill 8, FY 01 - Bullis	\$ 2,000 K	Oct 01
❖ EOD/OD Compliance Contract	\$ 150 K	Mar 00
❖ EOD/OD Permit Closure Plan	\$ 1.3 - 3.8 M	FY 10
❖ Asbestos Management Plan	In House	Mar 00
❖ Stage II Vapor Recovery	\$ 120 K	Sep 00
● INSPECTIONS/EVALUATIONS		
❖ Environmental Compliance Assessment Survey		Jan 00
❖ Installation Status Report (ISR) Part 2		Apr 00

Reuse Water on Fort Sam Houston



- **San Antonio Water System to construct 36,000 feet of distribution system - No Cost to FSH**
 - **Construction Complete 2001**
 - **Reuse water available March 2000 to Dodd Field**
 - **Annual requirement for Reuse Water = 808 acre feet**
 - **Savings represents 27% of total FSH water budget**
 - **Reuse water utility contract awaiting signature**
- **Winner of the 1998 Texas Section of the American Water Works Association award for small Utilities**

Residential Communities Initiative

(formerly Capital Venture Initiative)

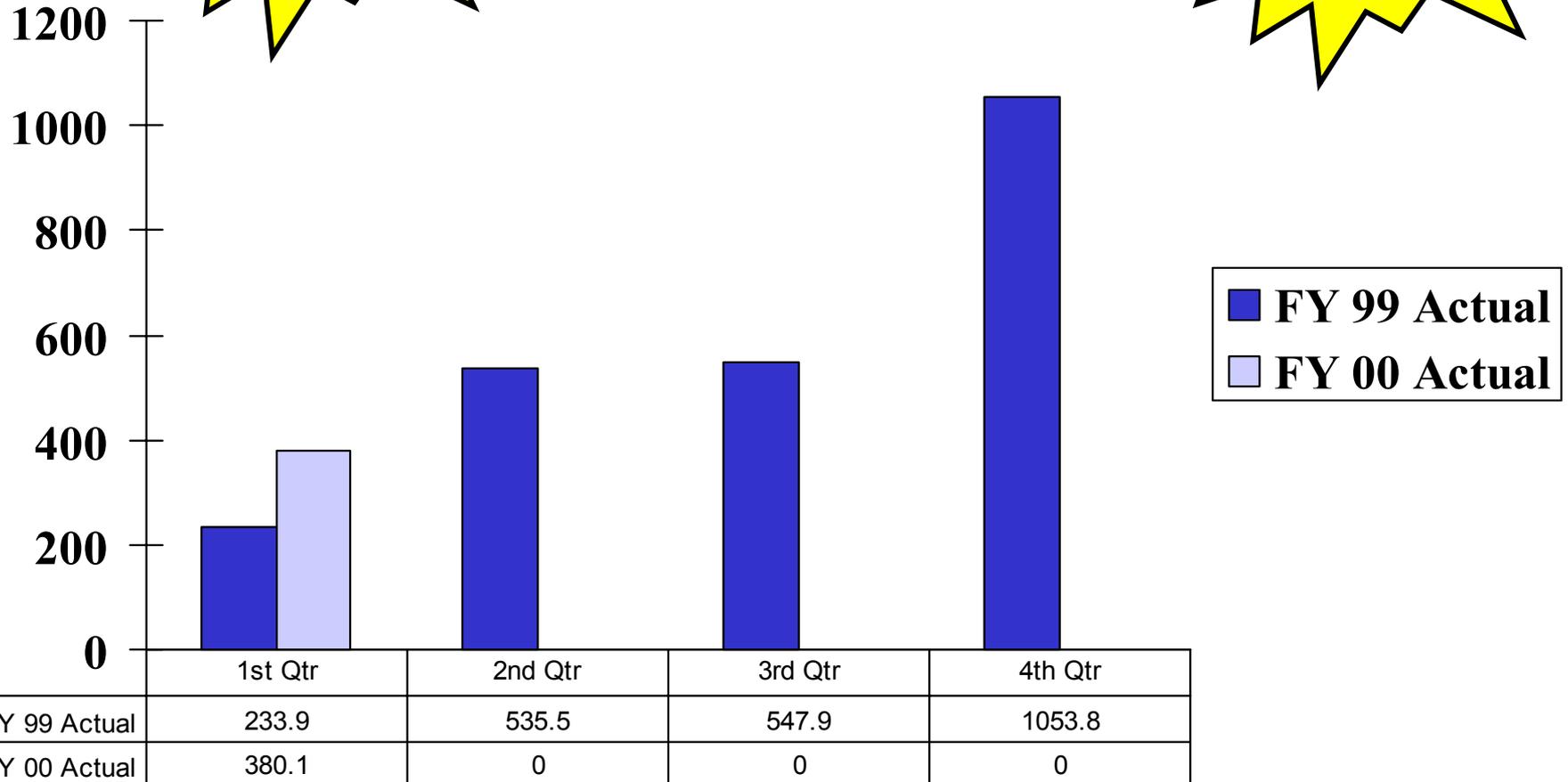
A Department of Army Strategy for using Private Sector to Finance, Develop, Build, Renovate, Operate, Maintain and Own Quality, Affordable Housing for Service Members and Their Families On and Off the Installation.

- Aug 97 Initial economic analysis to privatize Fort Sam Houston Family Housing**
- Jul 98 Fair Market Value Analysis of Fort Sam Houston Family Housing Inventory**
- Fort Hood issued Request for Qualifications (RFQ) 6 Aug 99, subsequent execution milestones currently under revision at Department of Army**
- FSH Reinitiated 1391 for Harris Heights Housing Area Replacement**

IMWRF Net Income Before Depreciation (NIBD) 1st Qtr FY 2000

**FY 98
NIBD
\$2.05 Million**

**FY 99
NIBD
\$2.70 Million**



Notice of Availability to Lease (NOL) Background

- Changes in Medical Technology and Living Standards for Single Soldiers required New Military Construction



**New 450 -Bed Hospital Opened
in Spring 1995**

**2 New Barracks Complexes Currently
Under Design & Construction**

- Listed by National Park Service in 1998 as a Threatened National Historic Landmark (due to vacant space and challenge of funding repair and maintenance)
- Limited Repair & Maintenance Army Funding to underwrite Adaptive Reuse

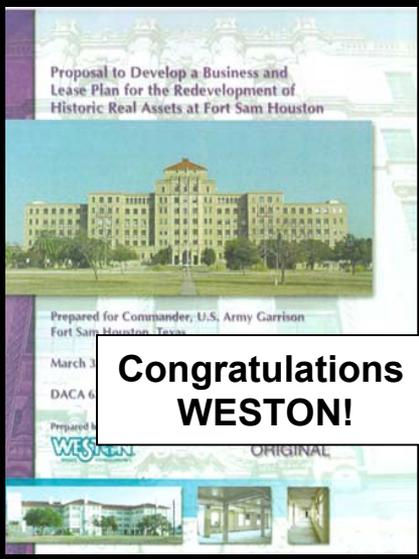
Strategies for Success:

Notice of Availability to Lease (NOL)

- **Fort Sam Houston's objective is to adaptively reuse available historic real property assets in the absence of funding through leasing arrangement with private sector lessees**
- **Before the execution of any lease under this proposal the first step is the collaborative development of a Leasing Strategy and Business Plan between the Installation and a Private Developer**
- **Fort Sam Houston will ensure Stakeholders within the community are involved in the planning process**
- **BOTTOM LINE: The Business Plan must demonstrate that any actions will be in the best interest of the Department and Public**

Notice of Availability to Lease (NOL) Timeline

	Mar 00	Apr 00	May 00
Application/Written Proposals Due	▲ 3 Mar 00		
Receipt of HQDA Approved ROA	▲ 16 Mar 99		
Oral Presentations	▲ Week of 20 Mar 99		
Best and Final Offers Due		▲ 7 Apr 00	
Selection of Applicant		▲ 24 Apr 00	
Corps of Engineers Award Conditional Lease		▲ 24 Apr 00	
Begin Development of Business Plan			▲ 1 May 00

 <p>Proposal to Develop a Business and Lease Plan for the Redevelopment of Historic Real Assets at Fort Sam Houston</p> <p>Prepared for Commander, U.S. Army Garrison Fort Sam Houston, Texas</p> <p>March 3 DACA 6</p> <p>Prepared by WESTON</p> <p>ORIGINAL</p>

<p>Congratulations WESTON!</p>

<p>Legend: ▲ Completed ▲ In Progress/On Schedule ▲ Projected</p>
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Vision



Model Installation Future Army