

# Final housing privatization partners chosen

*C. Todd Lopez, Army News Service*

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*Col. Jack Pritchard and his family cut a ribbon outside of a home in "the Meadows," a Residential Communities Initiative housing development at Carlisle Barracks, Pa. The ribbon cutting was part of a ceremony to celebrate the housing project, which includes the first new family housing built on Carlisle Barracks since the late 1960s. Photo by Spc.*

*Jennifer Rick.*

WASHINGTON (Army News Service, Sep. 23, 2008) -- The final partners have been chosen to team up with the Army in its housing privatization venture.

The partners will work with the Army to privatize housing, under the Residential Communities Initiative, at seven more installations. Those installations include Fort Sill, Okla.; Fort Wainwright, Alaska; Fort Greely, Alaska; Fort Huachuca, Ariz.; Yuma Proving Ground, Ariz.; Aberdeen Proving Ground, Md. and Fort Richardson, Alaska.

The Army first transferred Soldier housing to the private sector in 1999 at Fort Carson, Colo. That property was developed under RCI as a single project, and like follow-on RCI projects, the land there was transferred as part of a 50-year lease. Since that time, the Army has transferred an additional 37 properties to the private sector. By March 2010, the last of the RCI properties, family housing at Fort Richardson, will be handed over to the private sector for development. Those last seven properties will be developed as four different projects.

RCI is the Army's program to privatize housing across the continental United States. By 2020, as many as 89,000 new or renovated homes will be made available to Soldiers through the RCI's housing portfolio. The RCI private sector partners will collect rent from the Soldiers who will live in them and

provide the maintenance services for the homes and yards

"When the smoke settles, it'll be around 97 percent of Army's housing around the United States that is privatized," said Geoffrey G. Prosch, principal deputy assistant secretary of the Army for installations and environment, adding that the Army has already transferred to RCI partners housing operations at 38 installations.

Four employees who helped develop the partnerships that are allowing the Army to rebuild its housing portfolio through RCI were recognized Sept. 19 at the Pentagon. Rhonda Q. Hayes, Matt Keiser, Jim Rich and Bill Mysliwicz received the Army Commanders Award for Civilian Service Medal from Prosch during a small ceremony.

The four were recognized for, among other things, selecting RCI partners for the Army by using the request for qualifications acquisition process and for the enviable record of awarding contracts for 35 RCI projects that resulted in no successful protests.

"This record of success is a model for the military and one that has resulted in Soldiers and their families receiving new homes sooner rather than later," Prosch said.

The RFQ acquisition process reduces time and costs for both the Army and private sector developers. The process allows the Army to choose a potential partner based on key abilities the service thinks will be needed in order to accomplish a job -- such as building or remodeling homes, or planning and managing a housing community.

"We looked at a number of criteria in our selection process," said Rhonda Hayes, Director Transaction Management for the Office of Energy and Partnership. "We looked at experience in development, ability to finance the deal, past performance, their use of small businesses, and their preliminary concept and proposed design of the installation."

The RFQ process differs from the request for proposal process in that RFQ seeks out a partner first, based on qualifications, and then develops the plan of action with the partner. In the RFP process, the Army develops the plan of action on its own, followed by a request for proposal from the private sector to determine who can complete that plan at the lowest cost. Under the process used by RCI, the Army and the partner develop community development plans together.

"With RFQ, we are selecting a quality partner, not a scope of work. We choose the partner that will sit down with us and identify that scope of work," Hayes said. "It's a collaborative plan we have worked with the private sector to develop and they do it better than we do."

Prosch commented, "When I came onboard with the Army, the service had between a \$6 and \$7 billion dollar backlog of unfinanced requirements for maintaining military family housing. Now the Army's portfolio of homes, one of the largest in the nation, is on track to being first rate -- and the Army accomplished it through privatization at a fraction of the cost of what it would have taken in MILCON dollars."

"The Army has contributed a little less than a billion dollars in equity to our development partners," he said. "And in return we've received over 10 billion dollars in initial development scope. That's an

11-to-one ratio. That's phenomenal in the construction industry. And it's allowed us, at all these 45 installations at the same time, to move out simultaneously and rapidly recapitalize our housing."

RCI is beneficial for both Soldiers and the Army. For Soldiers it means their homes will be better maintained by a private contractor that is competing with the rest of the private sector for their dollars. For the Army, it means fewer MILCON dollars must be requested, and also means an indirect boost in mission readiness.

"Taking care of Soldiers, families and quality of life directly affects retention," Prosch remarked. "We have transformed as an Army. Today, over half our Soldiers are married. If you are going to be deployed to Iraq or Afghanistan every other year, it's a real readiness issue to know your family is being taken care of. You can keep your head focused on the battle knowing they are being taken care of very well."