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Civil Engineering

**PLANNING AND PROGRAMMING
NONAPPROPRIATED FUND FACILITY
CONSTRUCTION PROJECTS**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFPD 32-10, *Installations and Facilities*. It describes how to plan, develop, and submit nonappropriated fund programs to approving authorities. It applies to the Army and Air Force Exchange Service; Air Force Services; the Air Force Design and Construction Managers; the Air National Guard (ANG); the United States Air Force Reserve (USAFR); private organizations constructing facilities on Air Force property; and all installation and organizational levels of the civil engineer, and functional and funding managers on nonappropriated-funded facilities. This instruction does not apply to commissary surcharge projects since they are now under Department of Defense (DoD).

SUMMARY OF REVISIONS

This instruction aligns with AFPD 32-10; deletes guidance on commissary facilities; specifies new Office of the Secretary of Defense approval authority; adds handicap access as a life safety deficiency; clarifies that asbestos removal and seismic upgrade are appropriated fund responsibilities; adds host nation credits; provides environmental compliance guidance; includes the *Temporary Lodging Facility Program*; clarifies major command (MAJCOM) approval authority for cost increases; and updates office symbols.

Chapter 1

PLANNING AND PROGRAMMING RESPONSIBILITIES

1.1. Nonappropriated Fund Projects. Nonappropriated fund projects provide both economic and morale, welfare, and recreational returns to service members. Generally nonappropriated funds are generated by Air Force personnel through their patronage at Army and Air Force Exchange Service outlets and Services activities. Nonappropriated funds provide Services facilities, programs, and activities. This instruction also includes other "nonappropriated funds" that are not appropriated by the Congress, for example: banks, credit unions, thrift shops, museums, etc.

1.2. Planning and Programming Definitions:

1.2.1. Planning is the identification and validation of requirements and determining the most cost-effective solution to the requirement.

1.2.2. Programming is acquiring both the approval/authority and resources/funding necessary to do the planned work.

1.3. Responsibilities Assigned:

1.3.1. The Deputy Assistant Secretary of the Air Force (Installations). Provides policy and oversight for the planning and execution of maintenance, repair, and construction programs for nonappropriated fund facilities and recreation sites.

1.3.2. The Civil Engineer, Headquarters, USAF:

- Develops policy and oversees execution of nonappropriated fund facility programs and is a member of the Air Force Morale, Welfare, and Recreation Advisory Board.
- Obtains waivers and exceptions to fund sources and space criteria, and obtains scope or cost variances beyond established limits.
- Prepares the *Nonappropriated Fund Construction Report* to the Congress and submits it through the Secretary of the Air Force and Office of the Secretary of Defense.

1.3.3. Directorate of Services (Headquarters, USAF/Services). Develops program standards and directs implementation of nonappropriated fund facility policy. Advocates resource allocation of the annual Air Force-wide nonappropriated fund construction program. Provides oversight through trend analyses and policy revisions.

1.3.3.1. Headquarters, Air Force Services Agency. Validates requirements submitted by the major commands and processes approved projects for funding through the Air Force Morale, Welfare, and Recreation Advisory Board. Provides architectural and functional guidance to the installations and oversees the Needs Assessment Studies. Also staffs requests for funding increases for Air Force Morale, Welfare, and Recreation Advisory Board approval.

1.3.4. Air Force Morale, Welfare, and Recreation Advisory Board. Establishes and controls Services and nonappropriated fund policies. Recommends nonappropriated funded Services facility priorities and central funding of nonappropriated fund construction projects.

1.3.5. MAJCOM Services Staff. Identifies, validates, prioritizes, and presents nonappropriated-funded Services facility requirements to Headquarters, Air Force Services Agency. The MAJCOM/CE staff provides programming documents and cost estimates to HQ USAF/CEC.

1.3.6. Installations. The Installation Commander is responsible and accountable for the operation of an Air Force installation, and to ensure all work done on Air Force-owned and -controlled real property is properly authorized and funded according to all laws, policies, and regulations. The installation Services staff identifies community facility requirements beyond the installation commander's approval authority to the MAJCOM. The installation civil engineering staff prepares programming documents and cost estimates.

1.3.7. ANG and USAFR Installations and Services Facilities. The ANG and USAFR should rely on local community programs and facilities for Services activities and other community support to the maximum extent possible. The ANG and USAFR should provide only core Services programs which include: sports fields and courts; dining hall; lodging, physical fitness, multipurpose recreation, sports, and recreation equipment checkout activity; and consolidated club that offers an on-site feeding capability.

1.3.7.1. Services Activities Already in Operation. The ANG and USAFR may continue to operate other Services activities which were operating as of September 30, 1991, as long as funding is adequate and they do not inhibit the operation of core program activities.

1.3.7.2. Other Community Support Activities. Limited exchange facilities are authorized. Base the size of these facilities and the scope of operation on the military population supported, and accessibility of active duty exchange facilities. The exchange service must also demonstrate the cost benefit of these activities and assume the standard costs associated with the maintenance and repair of the facilities. Commissaries are not authorized unless special circumstances warrant.

1.3.7.3. Adding New Services Activities. The ANG and USAFR may add new activities to the list of core programs when justified by patron analysis and approved by the Air Staff functional manager. Deputy Assistant Secretary of the Air Force (Installations) is the approval authority for other than core Services programs.

1.3.7.4. Closing Services Activities. The ANG and USAFR will follow Air Staff guidance when closing any Services activities.

Chapter 2

PLANNING

2.1. Certificate of Compliance for Critical Planning Actions. The installation staff must prepare certificate of compliance for every project submitted certifying that specific planning actions have been accomplished. HQ USAF/CEC, will retain these certificates of compliance. See AFI 32-1021, *Planning and Programming of Facility Construction Projects*, (formerly AFR 86-1, volume 1) for details.

2.2. Needs Assessment Studies. The installation and MAJCOM staffs must make sure a Needs Assessment Study is accomplished before finalizing the scope, functional layout, and cost of a nonappropriated fund Services facility. A Needs Assessment Study is the process that formally collects data, documents facts, makes predictions, and analyzes results to help make a decision. It verifies customer demand, analyzes siting and collocation possibilities, calculates nonappropriated fund investment "payback," considers alternatives, weighs new construction versus addition or alteration, analyses competition, etc., to determine project requirements. Independent, civilian contractors accomplish these studies under an open-ended contract with Headquarters, Air Force Services Agency. Installation and MAJCOM staffs may use in-house resources for minor projects, as determined by Headquarters, Air Force Services Agency.

2.3. Preengineered Buildings. Preengineered buildings must be architecturally compatible with other installation facilities in the area and with the Base Comprehensive Plan. Give particular consideration to use of preengineered buildings to house skill centers, arts and crafts centers, youth centers (gymnasiums) and bowling centers. Justify deviations from this guidance based on host-government agreements or life-cycle cost analysis.

2.4. Site Considerations. The site is that portion of land adequately sized to contain the facility and related functions. Include area for landscaping, parking, and essential open and buffer areas.

Site boundaries are not established by the building 5-foot line. Make sure the site is consistent with the Base Comprehensive Plan. The functional manager must coordinate in writing that the site meets functional requirements before obtaining MAJCOM approval.

2.4.1. Site Clearance. When you demolish an existing building in conjunction with the construction of a nonappropriated fund facility, do not charge the cost of demolition to the nonappropriated fund construction project. The installation must identify the appropriated fund cost on the DD Form 1391, **FY 19 __ Military Construction Program** (Approved for EF using Program, Design, & Construction (PDC) System ONLY) as an unfunded cost. This is not a "mix" of funds as appropriated fund demolition of a facility is not a class of work when in support of a nonappropriated fund construction project. This is unlike the military construction guidance that specifies demolition is charged to the construction project.

2.4.2. Building Disposal. Dispose of older Condition Code 3 facilities when new structures are built. Follow AFI 32-9004, *Disposal of Real Property*, for disposal action guidance. If the installation is not going to dispose of the building, the installation must present enough justification for its retention. All DD Forms 1391C, **FY 19 __ Military Construction Program (Continued)** (Approved for EF using Program, Design, & Construction (PDC) System ONLY) must show:

2.4.2.1. Current Situation. Describe present condition of facilities to be replaced, expanded, or altered. If the project is a replacement, explain why existing facility cannot be expanded or altered. If maintenance costs are high and facility is beyond repair, so state.

2.4.2.2. Disposition of Existing Facilities. Provide separate sheet entitled "Disposition of Existing Facilities" and show:

2.4.2.2.1. If the activity vacates the building, will it be converted to other base use? What function will occupy it?

2.4.2.2.2. What space (in square feet) does that function now occupy? Why is it required for that function? If that function is relocating, what happens to the space it presently occupies? If relocation results in a "domino" effect, explain associated actions.

2.4.2.2.3. If building is committed for disposal, show disposal program and schedule. Submit fully justified retention requests to HQ USAF/CEC for Deputy Assistant Secretary of the Air Force (Installations) approval.

2.4.3. Utility Runs and Roads. Deputy Assistant Secretary of the Air Force (Installations) must approve appropriated fund projects to extend excessive utilities and roads from the base system to connect to the site boundaries of a proposed nonappropriated fund project. Examples that would not qualify for appropriated funding are utility runs that are not from an Air Force distribution system or long utility runs for the irrigation of golf courses.

Chapter 3

FUND SOURCES FOR NONAPPROPRIATED FUND PROGRAMS

3.1. Fund Sources. Use tables 3.1 through 3.6 to determine the proper funds.

3.2. Nonappropriated Fund Facility and Function Categories. The five identifiable categories or groupings of facilities are Category-A, Mission Sustaining Programs; Category-B, Basic Community Support Activities; Category-C, Revenue Generating Activities; Lodging Fund Activities; and Other Activities which consist primarily of private organization funded projects. Each is discussed below:

3.2.1. Category A--Mission Sustaining Programs. These programs promote the physical and mental well-being of military personnel. They are programs required to support the basic military mission and are funded with appropriated funds. Restrict use of nonappropriated funds to specific instances where appropriated funds are limited by law. Programs in this category have virtually no capacity for generating nonappropriated fund revenues. Table 3.1. shows the fund source for this category of facility:

Table 3.1. Category A--Mission Sustaining Activities Fund Source

L	A	B	C		D		E					
			Facility		Facility		Environmental Compliance ³					
I			Construction ¹		Maint & Repr ²		Construction		Maint & Repr		Operations	
N												
E	Cat Code	Type of Facility	APF	NAF	APF	NAF	AFP	NAF	AFP	NAF	AFP	NAF
1	610-243	Administrative Office, Supply Center Services	X		X		X		X		X	
2	7XX-XX X 740-677 740-81X	Aquatic Training Facility/ Bathhouse for military training, physical fitness , combat training, and therapy (Indoor) (Outdoor)										
3	740-873	Auditorium, Theater Multipurpose										
4	740-673	Field House, Physical Activities Complex										
5	740-674	Gymnasium										
6	740-675	Library										
7	750-XXX	Parks and Picnic Areas (including supporting facilities)										

L	A	B	C		D		E					
I			Facility		Facility		Environmental Compliance ³					
N			Construction ¹		Maint & Repr ²		Construction		Maint & Repr		Operations	
E	Cat Code	Type of Facility	APF	NAF	APF	NAF	AFP	NAF	AFP	NAF	AFP	NAF
8	750-XXX	Playing Courts and Fields ⁴ (associated with physical conditioning)										
9	740-316	Recreation Center, Day Room, Multi-purpose Recreational Facility										

NOTES:

1. Use of NAFs for construction requires a waiver to fund source.
2. Use of NAFs for maintenance and repair requires a waiver to fund source.
3. Use appropriated funds for all environmental compliance work. A request for a waiver to the environmental compliance construction fund source will not be considered.
4. Fund playing courts and fields with appropriated funds if most of the following conditions exist: a.) They are the only ones on base (i.e., a small installation). b.) Attached to the gym. c.) Detached from the gym, but manned by the gym staff. d.) Reserved for only military personnel during peak use times, e.g., noon hour. e.) Located in the dormitory area for use by active duty military personnel. f.) Periodically closed to open play to host intramural or varsity-type tournaments.

3.2.2. Category B--Basic Community Support Programs. These programs support the military mission by satisfying the basic physiological and psychological needs of military members and their families. They provide community support systems for the mobile military population. These programs differ from those in category A, in part, because of their limited ability to generate nonappropriated fund revenues.

Table 3.2. Category B--Basic Community Support Programs Fund Source.

L	A	B	C		D		E					
I			Facility		Facility		Environmental Compliance ³					
N			Construction ¹		Maint & Repr ¹		Construction ²		Maint & Repr		Operations	
E	Cat Code	Type of Facility	APF	NAF	APF	NAF	AFP	NAF	AFP	NAF	AFP	NAF
1	131-114	Amateur Radio Facility		X	X			X	X		X	
2	740-664	Arts & Crafts Skill Development										
3	740-665	Automotive Skill Development										

L	A	B	C		D		E					
I N			Facility Construction ¹		Facility Maint & Repr ¹		Environmental Compliance ³					
							Construction ²		Maint & Repr		Operations	
E	Cat Code	Type of Facility	APF	NAF	APF	NAF	AFP	NAF	AFP	NAF	AFP	NAF
4	740-671	Bowling Center (12 lanes or less-base total must be less than 12)										
5	740-884	Child Development Center	X				X					
6	740-668	Entertainment Center (music & theater)		X				X				
7	740-672	Marina/Boathouse Without Resale or Private Boat Berthing										
8	750-371	Outdoor Recreation (includes small camp grounds)										
9	750-XXX	Playing Courts and Fields ³										
10	740-316	Recreational Info, Tickets, Tour Services										
11	740-677	Recreation Swimming Pools & Bathhouses (Indoor)										
12	740-81X	Recreation Swimming Pools & Bathhouses (Outdoor)										
13	740-262	Stars and Stripes Bookstore										
14	740-883	Youth Center, Courts & Playing Fields										

NOTES:

1. A waiver to fund source is required if the source shown is not used.
2. A waiver request to the environmental compliance construction class will not be considered.
3. Fund playing courts and fields with NAFs if most of the following conditions exist: a.) Part of a youth center program. b.) For primary use by residents (not particularly military). c.) Not manned as part of the gym program. d.) Do not offer special times for military preference.

3.2.3. Category C--Revenue Generating Programs. These programs provide recreational activities that benefit military morale. They foster community spirit and provide alternatives to less wholesome

off-duty pursuits. These programs have the greatest capability of generating nonappropriated fund revenues and fund most of their expenses.

Table 3.3. Category C--Revenue Generating Programs Fund Source.

L	A	B	C		D		E	
I			Facility		Facility		Construction	
N			Construction		Maint & Repr ¹		Unique Items ²	
E	Cat Code	Type of Facility	APF	NAF	APF	NAF	AFP	NAF
1		Armed Forces Recreation Centers		X	X			X
2	740-262	Academic or Recreational Bookstore						
3	740-668	Amusement & Recreational Machine Locations						
4	171-151	Bandstand						
5	740-671	Bowling Center (more than 12 lanes)						
6	750-24X	Golf Course Grounds/Support Facilities				X		
7	750-24X	Clubhouse, Golf Cart Storage, Parking Lot			X			
8	740-672	Marina, Boathouse (resale or private boat berthing)						
9	750-663	Services Car Wash						
10	740-XXX	Services Fast Food, Snack Bar, Restaurant						
11	740-672	Recreation Rental Equipment Checkout Facility						
12	740-678	Skating Rink						
13	740-316	Unofficial Commercial Travel Service Facility						
14	740-615	Collocated or Consolidated Club						
15	740-612	Enlisted Club						
16	740-617	NCO Club						
17	740-618	Officers' Club						
18		Civilian Dining, Vending & Other Resale Activities and Services						
19	740-666	Guest Houses, Motels, Hotels						
20	740-666	Cabins, Cottages, Cabanas						
21	750-611	FAMCAMPS (including privately owned RVs & trailers)						
22	740-38X	AAFES: Exchange Resale Outlets, Offices, Warehouses, Parking						
23	740-3XX	AAFES: Exchange Facilities (military conflict, air terminal, hospital, housing, or other construction project)	X					

L	A	B	C		D		E	
I			Facility		Facility		Construction	
N			Construction		Maint & Repr¹		Unique Items²	
E	Cat Code	Type of Facility	APF	NAF	APF	NAF	AFP	NAF
24	740-396	AAFES: Exchange Logistical Facilities, Outside the US (such as administrative facilities, laundry & dry cleaning plants, bakeries, dairies, or similar facilities) used in support of the military mission						
25	740-317	Aero Club		X				
26	740-668	Audit or Photo Club (resale)						
27	740-668	Parachute or Sky Diving Club						
28	740-315	Rod & Gun Club						
29	740-668	Scuba or Diving Club						
30	750-583	Riding Clubs and Stables (with boarding of private mounts)						

NOTES:

1. Repair of Category C facilities does not include rearrangement or removal of non-loadbearing walls to restore a building to functional standards, i.e., to make an existing building fully functional and capable of supporting activities or programs effectively and efficiently.
2. Use NAFs for the maintenance and repair of functionally unique items. These items make the facility usable for the function it contains, but which are not considered part of the normal facility system. See [Attachment 2](#) for examples.

Table 3.4. Environment Compliance--Category C Services & AAFES.

L	A	B		C		D	
I							
N		Construction ¹		Maint & Repr		Operations	
E	Description	APF	NAF	APF	NAF	APF	NAF
1	Replacement of tanks to increase or decrease capacity or enhance other features (for Services & AAFES activities, but not for space heating) Above or underground storage tanks existing on September 30, 1988 ² - Maintenance, Repair and Repair by Replacement - Distribution Lines to the Pump - Pumps and Dispensing Lines - Waste Analysis - Cleanup - Disposal - Repair Restoration of Soil - Leak Detection Monitoring System Attached to Tank		X	X ^{3,4} X ^{3,4} X ^{3,4} X ^{3,4} X ^{3,4} X ^{3,4} X	X	X ^{4,5} X ^{4,5} X ^{4,5} X ^{4,5} X	
2	Spills during transfer or delivery (products used for Services & AAFES operations.)						X
3	Cost of containment area around above ground fuel tanks not incidental to tank replacement required by EPA		X				
4	Hazardous material storage area (for exclusive use of Services & AAFES activities)						
5	Install waste holding tank (for exclusive use of Services & AAFES activities, includes holding tanks for latrines on the golf course and outdoor recreation areas)						
6	Pump waste holding tanks when exclusively used by Services & AAFES activities (includes septic tanks, porta potties at outdoor recreation areas, and situations where an individual disposal contract is required)						X
7	Ponds and plants for irrigation (exclusive use of Services activities)		X				
8	Treatment of runoff from golf course (if fertilizer, pesticides, germicides, etc., are found in the runoff)						X

L	A	B		C		D	
I							
N		Construction ¹		Maint & Repr		Operations	
E	Description	APF	NAF	APF	NAF	APF	NAF
9	Special treatment of waste water for golf course irrigation not required for other installation purposes						
10	Asbestos removal if building is on Air Force real property records					X	
11	BCE monitoring programs (ECAMP, surveys, etc.)						
12	Environmental Impact Analysis Process Documents: - Prepared by in-house work force - Prepared by contract						X
13	Comprehensive base-wide permits (not facility specific)						
14	Specialized permits (golf course outfalls to waterways, AAFES service station, marina gas station, etc.)						X

NOTES:

1. Use appropriated funds if the operations are required because of environmental deficiency due to act of God or fire.
2. Program and fund corrective actions for existing tanks, which are needed to comply with Underground Storage Tank (UST) requirements with appropriated funds according to procedures contained in AFI 32-1021 and AFD 25-2, *Support Agreements*.
3. Policy applies to maintenance and repair of tanks and system components used for generating income (heating oil for laundry and dry cleaning operations, natural & bottled gas used by clubs, snack bars, & AAFES Burger Kings). Policy does not apply to tanks and components that are a part of the Real Property Installed Equipment used for the facility.
4. If the tank was installed on or after October 1, 1988, all maintenance & repair and operations are funded with NAFs. (Prorate deficiencies attributed to operations that occurred over both periods, before and after October 1, 1988 between NAFs and appropriated funds.)
5. Waivers to fund source will not be authorized. Report all appropriated funds as direct costs. When NAF is the fund source, reimburse work performed by the Civil Engineering Squadron Commander with NAFs.

3.2.4. Lodging Fund Programming. The fourth grouping of facilities is the lodging fund activities. With the exception of the temporary lodging facilities, they use the same fund source as category A activities.

Table 3.5. Lodging Fund Facilities--Fund Source (See Note).

I N E	A Cat Code	B Type of Facility	C Facility Construction		D Facility Maint & Repr		E Environmental Compliance					
			APF	NAF	APF	NAF	Construction		Maint & Repr		Operations	
							APF	NAF	APF	NAF	APF	NAF
1	721-312	Unaccompanied enlisted quarters	X		X		X		X		X	
2	724-415	Unaccompanied officers' quarters										
3	711-XXX	Other appropriated funded housing										
4	740-4XX	Temporary Lodging Facilities		X								
5	721-315	Visiting enlisted quarters	X									
6	724-417	Visiting officers' quarters										

NOTE:

AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities*, provides the funding source for all associated expenditures.

3.2.5. Other Activities. This final group includes activities that are not in one of the above groups. They are privately funded and not authorized appropriated fund support in any amount.

Table 3.6. Other Activities--Fund Source.

I N E	A Cat Code	B Type of Facility	C Facility Construction		D Facility Maint & Repr		E Environmental Compliance					
			APF	NAF	APF	NAF	Construction		Maint & Repr		Operations	
							APF	NAF	APF	NAF	APF	NAF
1	740-153	Banks: at locations where on-base services are required and banking operations are determined to be nonself-sustaining		X ¹		X		X		X		X
2	740-155	Credit Unions						X ¹				X
3		Commercial ventures, franchises										
4	740-255	Thrift Shops			X ²							

NOTES:

1. The NAFs shown above are private funds. Do not use appropriated funds or Services NAFs to fund construction of or relocation of private organizations.

2. If Thrift Shop is located in a Government-owned building, use appropriated funds to maintain and repair the structural integrity of the facility. Fund functionally-unique items with private funds.

3.3. Waiver to Fund Source:

3.3.1. Waiver Authority for Construction. The above tables prescribe a single source of funding for all construction regardless of cost; however, occasionally unique situations or exigencies may require deviation or exception to the basic funding policy. Authority to waive the fund source, however, is not delegated below the Deputy Assistant Secretary of Defense (Personnel Support, Families and Education). Installation and MAJCOM staffs must completely justify requests for waiver, regardless of cost. Headquarters, USAF, Deputy Assistant Secretary of the Air Force (Installations), and Office of the Secretary of Defense will review these requests on a case-by-case basis. Support requests with the same programming documentation required for project approval. Installation and MAJCOM staffs must make sure funds for the project are available and authorized by the funding authority. Note this information in the waiver request. Show how and why the waiver is in the best interest of the Air Force.

3.3.2. Appropriated Fund Consideration for Construction. Submit for appropriated fund consideration for the following situations through engineering channels to Headquarters, USAF/Civil Engineer for subsequent programming actions, which could include: Unspecified Minor Construction Program; Emergency Military Construction Authority; or Secretary of Defense Military Construction Contingency Authority.

3.3.2.1. Establishing, Activating, and Expanding a Military Installation. An expansion must be a major increase in authorized and assigned personnel strength over a short period of time. A 25 percent increase in assigned personnel over 2 years satisfies the criteria. A 25 percent increase resulting from evolutionary expansion over several years would not qualify.

3.3.2.2. Relocating Facilities for the Convenience of the Government. When a nonappropriated fund facility is displaced from its current location as a result of a military construction project, the installation will list the costs of removal, relocation, or construction of the nonappropriated fund facility in the military construction documentation. These costs will be a part of the military construction project.

3.3.2.3. Constructing Facilities Denied by Country-to-Country Agreements.

3.3.2.4. Facilities Destroyed by Acts of God, Fire, Terrorism.

NOTES:

1. For situations cited in **3.3.2.1.** through 3.3.2.4. above and using local operations and maintenance funds less than \$300,000, submit projects through the MAJCOM to HQ USAF/CEC for processing and Deputy Assistant Secretary of the Air Force (Installations) approval.
2. Do not use appropriated funds or Services or Lodging nonappropriated funds for constructing or relocating facilities for private organizations.

3.4. Mixing Nonappropriated and Appropriated Fund Construction Funds. Normally, fund all construction elements from a single fund source--Nonappropriated funds or appropriated funds, but not a combination of both.

3.4.1. Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) must approve deviations from the fund source.

3.4.2. You may program certain appropriated fund activities within a nonappropriated fund facility, for example: a military clothing sales store in a base exchange. However, Deputy Assistant Secretary of the Air Force (Installations) must approve the use of appropriated funds in a nonappropriated fund facility, regardless of cost.

3.5. Host Nation Credits. Host nation credits are entitlements to the US Air Force from the host nation in the form of goods and services (not money) under a memorandum of understanding executed by the MAJCOM in behalf of the DoD and the host nation. The installation may fund facility requirements (maintenance, repair, renovation, and construction), normally funded with appropriated funds, except as noted above, with host nation credits if the installation applies all policies, rules, and procedures that apply to appropriated fund projects. Installation-level organizations must not use host nation credits to renovate or improve office space or to accomplish facility requirements normally funded with nonappropriated funds, unless specifically approved by the Deputy Assistant Secretary of the Air Force (Installations).

3.6. Companion Appropriated Fund Repair with Nonappropriated Fund Construction. When you combine appropriated fund Operations and Maintenance for maintenance and repair with a nonappropriated fund construction project, that is not a mix of funds. However, make sure the work is properly classified as construction or repair and then include it in the proper project. See [Table 6.2](#) for maintenance and repair approval levels. See AFI 32-1032, *Planning and Programming Real Property Maintenance Projects Using Appropriated Funds*, for details on repair. Comply with the following:

- The installation must make sure there are separate contract work schedules for each funding source. These schedules must identify the various elements of work in each category (construction or repair) and include the costs for each element. Make sure the separate work (cost accounting) schedules are explained in the invitation for bids, included in the bid submittal, and incorporated into the resulting contract.
- Contractor must clearly identify the separate categories of work on the contract drawings.
- For all contract change orders, the installation must identify changes against the applicable work schedules and compute and fund the costs accordingly. Do not apportion costs on any general or average basis.

3.6.1. Correction of Life Safety Code Compliance Deficiencies. Under the definition of repair (AFI 32-1032) you may use appropriated funds to rectify fire or other occupational safety and health code deficiencies, to include provision of handicap access in existing facilities for all categories (A, B, and C). You may also use appropriated funds for asbestos removal and seismic upgrade, both conditions classified as repair.

3.7. Exceeding 70 Percent of Facility Replacement Cost. Normally, if the cost of a repair project or a combination of construction and repair exceeds 70 percent of the replacement cost, pursue a replacement facility. Compute the replacement cost on a new facility sited according to the Base Comprehensive Plan, at the lesser scope of either the authorized scope or the scope of the facility after the planned renovation project. The installation and MAJCOM staffs should monitor the 70 percent computation throughout the execution phase. If the project appears to exceed the 70 percent, the installation must provide this infor-

mation to the MAJCOM/CE, who will immediately notify HQ USAF/CE and Deputy Assistant Secretary of the Air Force (Installations) by message (or if MINIMIZE is imposed, by letter). HQ USAF/CEC will provide appropriate guidance to the MAJCOM.

Chapter 4

TYPES OF LABOR FOR USE ON COMMUNITY FACILITIES

4.1. Military and Appropriated Fund Civilian Labor. [Table 4.1.](#) contains labor guidance for construction, repair, and maintenance of community facilities (Categories A, B, C, and Lodging Fund Facilities). The "X" on the chart indicates that the facility category is authorized use of that particular labor. MAJCOMs should contact HQ USAF/CEC, for clarification.

4.2. Civil Engineering Military and Appropriated Fund Civilian Labor. Use this labor on mission-related and Category A facilities and for maintaining and revitalizing all facilities, including nonappropriated fund facilities (except for golf course grounds maintenance). If the workforce is available, use it for authorized nonappropriated fund facilities. When using civil engineer labor on certain authorized Category B and C nonappropriated fund facilities, the nonappropriated fund instrumentality custodian must reimburse the civil engineer at labor rates (shop rates) with nonappropriated funds. See [Table 4.1.](#) Do not use civil engineer labor on nonappropriated fund facilities to the extent that work on other facilities must be contracted out.

4.3. Civil Engineer Military Training Labor. Do not use military training exercises performed by Rapid Engineer Deployable Heavy Operational Repair Squadron, Engineer, Base Engineer Emergency Forces, USAFR, ANG, and other military personnel, to construct, maintain, repair, or renovate projects on facilities for which nonappropriated funds are the funding source for minor or major construction. This guidance applies to remote and isolated locations. See [Table 4.1.](#)

4.4. Donated Labor. Military or appropriated fund civilian personnel can volunteer or donate their labor at Services facilities after their normal duty hours. They cannot receive pay or compensatory time. Members of any military service can donate their labor. Only individuals in an official leave status can donate their time during the normal duty day. To avoid violation of the Anti-Deficiency Act, individuals offering to provide voluntary services must first agree in writing that the services are truly voluntary and that they expect no compensation nor will they make any claim for compensation.

4.5. Self-Help Labor. Military or appropriated fund civilian personnel can donate their labor at appropriated fund Services facilities belonging to the organizations in which they are employed. They cannot receive additional pay or compensatory time. They can perform this self-help during their normal duty hours. To avoid violation of the *Anti-Deficiency Act*, individuals offering to provide voluntary services must first agree in writing that the services are truly voluntary and that no compensation is expected nor will any claim be made be for compensation.

4.6. Prison Labor. Federal prisoners or incarcerated military personnel perform this labor. Use prison labor primarily for the upkeep of common grounds and for limited construction, maintenance, and repair work, as stated in [Table 4.1.](#) Military prisoners do not receive additional pay. Only federal prisoners can work on golf courses and then only if no other installation grounds upkeep activities can use their labor. Use nonappropriated funds for any expenses incurred when federal prisoners are paid for work on golf courses. Do not use prison labor for any type of work at or around child development centers.

Table 4.1. Military and Appropriated Fund Civilian Labor Guidance.

L	A	B	C	D	E	F	G
I		Military	Civil Engineer	Civil Engineer			Prison
N		Labor	Military	Civilian	Donated		Labor
E	Type of Facility	(Tng)	Labor	Labor	Labor	Self-Help	(See Note 1)
1	- Category A Activities	X	X	X	X	X	X
2	- Category B Activities	X	X	X	X	X	X
	- Child Development Center		X (see note 2)	X (see note 2)	X		
	- Other Category B						
3	- Category C Activities	X	X	X	X	X	
	- Exchange Logistical Fac (OCONUS)		X (see note 2)	X (see note 2)	X		
	- Exchange Resale Outlets		X (see note 2)	X (see note 2)	X		
	- Golf Course Grounds				X		
	- Other Category C						
MAINTENANCE AND REPAIR							
4	- Category A Activities	X	X	X	X	X	X
5	- Category B Activities	X	X	X	X	X	X
	- Child Development Centers		X	X	X	X	
	- Other Category B						
6	- Category C Activities						
7	- Exchange Logistical Fac (OCONUS)	X	X	X	X	X	X
	- Other Buildings		X	X	X	X	X (see note 6)
	(Structural & Systems) (see note 3)		X (see note 2)	X (see note 2)	X		X (see note 6)
	- Other Buildings		X	X	X		X
	(Unique to Operations) (see note 4)		X	X	X		
	- Golf Course Grounds						
	- - Remote & Isolated Locations						
	- - Other Locations (see note 5)						
	- Other NAF Owned						
8	- Grounds (Except Golf Courses)						

NOTES:

1. NAFs are the fund source used to reimburse applicable costs for federal prisoners used on golf courses.

2. NAFs are the fund source to reimburse civil engineer military and appropriated fund civilian labor rates (shop rates).
3. Exterior, structural work required to maintain facility systems, e.g., electrical, mechanical, heating, and air conditioning, plumbing, roofing, foundations, doors, windows, etc.
4. Functionally-unique items to support program operations, e.g., resurface bowling lanes, dishwashers in clubs, paneling, golf clubhouse lockers, marina docks, etc.
5. Civil Engineering Squadron Commander may provide specialized pest control services (herbicide and pesticide treatment) on a reimbursable basis.
6. Only federal prisoners on golf courses.

Chapter 5

PROGRAMMING FACILITY PROJECTS

5.1. General Guidance:

5.1.1. Multipurpose Facilities. Commanders should consider constructing multipurpose facilities, similar to modern municipal recreation centers and college student unions, designed for optimum use. Most multi-use facilities include revenue-generating activities such as fast food counters, delis, dining rooms, concession areas, sports bars, and amusement machines, as well as mission-sustaining functions. Therefore, proportional use of appropriated funds and nonappropriated funds can be used for construction with prior Deputy Assistant Secretary of the Air Force (Installations) approval. Installations must submit requests to MAJCOMs for transmittal to HQ USAF/CEC, for processing.

5.1.2. Multiple Construction Projects Within a 12-Month Period. Treat all known construction work on a single building as a single project. Deputy Assistant Secretary of the Air Force (Installations) must approve any exceptions to this rule. Installations must submit requests to MAJCOMs for transmittal to HQ USAF/CEC, for processing.

5.1.2.1. You may accomplish two or more unrelated requirements to add to or alter a single facility in the same 12-month period provided the combined cost does not exceed \$200,000. An example would be independent and separately generated operational requirements that require alteration or addition to exchange facilities. In any event, when the combination of multiple construction projects exceeds or is expected to exceed \$200,000 for the facility in a 12-month period, treat the combination of projects as a single undertaking. Installations must submit project requests to the MAJCOM for transmittal to HQ USAF/CEC, for review and submittal to Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) for approval and subsequent congressional notification.

5.1.3. Project Splitting. Installation and MAJCOM staffs must not plan a requirement for partial completion with one project and the remainder of the requirement with a separate project or projects programmed in successive years. This applies to both construction and repair (or combination maintenance and repair) projects. Identify and program the total known or projected requirements as a single project. This determines the appropriate project approval level. Identify all construction in a single project and all repair (or combination maintenance and repair) in a single project. This is true whether you plan the projects for simultaneous accomplishment or phased over a period of years. For example:

5.1.3.1. An officers' club needs work in various portions of the facility (lounge, kitchen, ballroom, restrooms, etc.) but funds are not available to cover the total requirement. Since all individual requirements have been identified, the installation must consolidate them into one project document and seek the appropriate approval authority. The installation can then phase execution as feasible within the dollar constraints. Make sure each phase is complete and usable.

5.1.3.2. A recreation area with cabins that need alteration or have deteriorated and require replacement. The installation must combine the total number of cabins requiring replacement into a single project for approval by the appropriate approval authority.

5.1.3.3. A golf course clubhouse that requires an addition and interior reconfiguration of the pro shop in addition to the repair of the air conditioning system and replacement of the windows. The installation must combine the addition and interior reconfiguration into a single construction

project and the air conditioning system and the window replacements into a single repair project. The total of each class of work determines the individual project approval authority.

5.1.4. Short-Term Facility Requirements. If the installation or MAJCOM determines a requirement for short-term facilities (temporary or relocatable) is generated by a nonappropriated fund project, use nonappropriated funds to pay all costs associated with the facility, both funded and unfunded. Include the costs in the project cost. AFI 32-1021 contains specific guidance on short-term facilities.

5.1.5. Appropriated Fund Maintenance and Repair Support to Facilities Leased or Constructed with Nonappropriated Funds. Do not use appropriated funds for maintenance or repair of facilities leased or constructed with nonappropriated funds until the Air Force acquires title to the facilities. If the nonappropriated fund activity, private organization, or a concession (such as Army and Air Force Exchange Service) retains ownership of the facility, do not use appropriated funds to maintain or repair the facility or equipment (see [Table 3.6](#)). However, within available resources, base engineering may perform maintenance and repair on a reimbursable basis. See AFI 32-9005, *Establishing, Accounting, and Reporting Real Property* (formerly AFR 87-5), for details on transfer of ownership.

5.2. Specific Programming Guidance:

5.2.1. Services Facilities. Normally, base and MAJCOM nonappropriated funds, or centrally controlled Air Force Morale, Welfare, and Recreation Advisory Board nonappropriated funds, fund all construction and minor construction projects with related furnishings, equipment purchase, and installation. DoD-approved remote and isolated locations must comply with the construction fund source as listed in the table in [Chapter 3](#). The installation must submit all Services projects planned for construction from central funds through the MAJCOM to the Air Force Morale, Welfare, and Recreation Advisory Board for funding approval. Normally, the Air Force Morale, Welfare, and Recreation Advisory Board only provides central funds for projects with a funded cost of \$200,000 or more. The installation or MAJCOM funds projects with funded costs less than \$200,000. Services projects require complete DD Forms 1391 and 1391c, **Fiscal Year 19XX Military Construction Project Data**. Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) approves all projects with a funded cost of \$200,000 or more but less than \$500,000. After funding approval and the 35-percent-design stage, the installation submits projects costing \$200,000 to \$500,000 to the MAJCOM for transmittal to HQ USAF/CEC, at any time during the year. Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) will report the projects after the fact in the next annual Nonappropriated Fund Construction Report to the Congress. All Services projects with a funded cost of \$200,000 and greater require a Needs Assessment Study. The installation must submit to the MAJCOM documentation for each project with a funded cost of \$500,000 or greater in the annual construction program and, if centrally funded, the MAJCOM will present it to the Air Force Morale, Welfare, and Recreation Advisory Board for funding approval. HQ USAF/CEC, submits the same documentation later for submittal to Secretary of the Air Force and Office of the Secretary of Defense in the annual Report Control Symbol: DD-MIL(A)1167, *Annual Nonappropriated Fund Report to the Congress for Nonappropriated and Private Capitol Projects*. [Table 5.1](#) provides the acquisition schedule.

5.2.1.1. Supervision, Inspection, and Overhead. This is a civil engineering responsibility which is an unfunded cost not reimbursable with nonappropriated funds if performed by in-house

personnel. The Civil Engineering Squadron Commander must make sure that enough installation resources will be available to fulfill this obligation when preparing the programming document. Pay Supervision, Inspection, and Overhead services by contract with nonappropriated funds as a funded cost (including the Army Corps of Engineers) or in-house overhires, if required for a specific project.

5.2.1.2. Design Services. Fund all contract design services with nonappropriated funds except in the following cases when you can use appropriated funds:

- A nonappropriated fund-authorized facility construction project is programmed by the MAJCOM in an Fiscal Year XX nonappropriated fund program. The Civil Engineering Squadron Commander can provide design services using in-house resources without nonappropriated fund reimbursement as long as there are no additional costs (overhires, etc.) to the Air Force. Fund contract design services, including the Army Corps of Engineers, with nonappropriated funds.
- An appropriated fund-authorized facility construction project has fallen out of an *Fiscal Year XX Military Construction Program* and the MAJCOM later reprograms it for construction with nonappropriated funds as a waiver to the DoD funding guidance.
- A nonappropriated fund-authorized facility construction project, according to DoD policy, is programmed in an *Fiscal Year XX Military Construction Program* as a waiver to the DoD funding policy.

5.2.1.3. Design Instruction. For a typical annual program of projects with funded costs of \$200,000 and greater, the Air Force Services Agency will request Design Instructions from HQ USAF/CEC, upon completion of the Needs Assessment Studies for grants and loans considered for funding by the Air Force Morale, Welfare, and Recreation Advisory Board. The MAJCOM staff provides the *Programming, Design, and Construction Program* initial input screen. MAJCOM staffs request design instructions from HQ USAF/CEC, for base- and MAJCOM-funded projects if nonappropriated funds are available at the MAJCOM or base for Architect-Engineer design or if design is in-house. MAJCOM staffs provide the program initial input screen.

5.2.1.4. Use of Appropriated Funds or Nonappropriated Funds for Maintenance and Repair. Most maintenance and repair applies to work needed to maintain buildings, grounds, and facility systems (electrical, mechanical, roofing, foundations, windows, doors, etc.). Use appropriated funds for maintenance and repair of all categories (A, B, and C), to include Army and Air Force Exchange Service facilities. Use appropriated funds for asbestos removal in all categories. A waiver is required to use nonappropriated funds for maintenance and repair of all categories, except for functionally-unique items. Submit waiver requests concurrently to HQ USAF/CEC and Headquarters, Air Force Services Agency.

5.2.1.5. Golf Courses. Nonappropriated funds are the normal source of funds for golf course maintenance and repair. You may use appropriated funds in certain cases: the club house, cart shed facilities, and parking lot. Additionally, the Civil Engineering Squadron Commander may provide base-wide services such as mosquito fogging, control of ticks, rats, forest pests, etc., as a common service. The Civil Engineering Squadron Commander may use appropriated funds to restore grounds destroyed by acts of God (hurricane, tornadoes, earthquakes). Do not use appropriated funds to correct situations such as recurring flooding, or normal erosion of a river or creek that is exacerbated by an above normal amount of rain or snow. As a general rule, do not use

appropriated funds for golf course grounds maintenance and repair. This includes latrines, shelters, pump houses, sprinkler systems, and driving ranges, etc. The Civil Engineering Squadron Commander, on a reimbursable basis, may provide specialized pest control services such as herbicide and pesticide treatment of fairways, greens, water hazards, sand traps, etc.

5.2.1.5.1. Remote and Isolated Locations. The Office of the Secretary of Defense officially designates certain installations as "remote and isolated" locations. With this designation, the installation may increase the use of appropriated funds to maintain golf course facilities. The following breaks out the appropriate fund source for various golf course requirements.

- **Appropriated Fund Support.** Use appropriated funds for routine golf course grounds maintenance and repair at remote and isolated locations. Routine grounds maintenance and repair includes mowing of grass, maintaining greens, irrigating, applying fertilizer and soil amendments, verticutting greens, aerating, top dressing of greens, green collars and tees, overseeding, revitalizing damaged areas (to include cart paths and bridges), weeding, removing debris, providing routine maintenance of cart sheds, latrines and shelters, changing holes, marking the course, maintaining trees and shrubs, maintaining sand traps and bunkers, maintaining water hazards, controlling erosion, controlling pest, and restoring grounds destroyed by vandalism and fire.
- **Nonappropriated Fund Support.** Use nonappropriated funds for major repairs, additions, alterations and replacements to existing golf courses, either by contract or reimbursement to appropriated funds at remote and isolated locations. This includes installing sprinkler systems, moving or rebuilding greens and tee boxes, installing new cart paths and bridges, planting trees and shrubs, expanding the golf course (for example, 9 holes to 18 holes), constructing water hazards, installing new traps and bunkers, and constructing new or replacement clubhouses, shelters, cart sheds, and latrines on the course itself.
- **Unrelated Costs.** Use appropriated funds for maintenance costs for facilities or environmental features adjacent to or within the boundaries of the golf course that would exist if the golf course was not there. Do not report these costs in golf course maintenance. This includes, but is not limited to, perimeter roads, drainage ditches, culverts, fences, structures, cemeteries, waterways, or appurtenances (power lines, runway approach lights, etc.).

5.2.2. Temporary Lodging Facilities. Normally, use loans or grants from Air Force Morale, Welfare, and Recreation Advisory Board funds or base nonappropriated funds for all construction and minor construction projects with related furnishings. AFI 65-106 provides the funding source for all associated expenditures. The installation submits all temporary lodging facility projects planned for construction from Air Force Morale, Welfare, and Recreation Advisory Board funds through the MAJCOM to Headquarters, Air Force Services Agency for processing to the Air Force Morale, Welfare, and Recreation Advisory Board for funding approval. Submit complete DD Forms 1391 and 1391c, **Fiscal Year 19XX Military Construction Project Data.** Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) approves all projects with a funded cost of \$200,000 or more but less than \$500,000. After funding approval, the installation submits these projects through the major command to HQ USAF/CEC, at any time during the year once they reach the 35 percent design stage. Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) reports the projects after the fact in the next RCS: DD-MIL(A)1167, *Annual Nonappro-*

priated Fund Construction Report to the Congress. The installation submits projects with a funded cost of \$500,000 and more through the MAJCOM to HQ USAF/CEC, before advertisement and award.

5.2.2.1. Supervision, Inspection, and Overhead. This is a civil engineering responsibility, which is an unfunded cost not reimbursable with nonappropriated funds if performed by in-house personnel. The Civil Engineering Squadron Commander must make sure that enough base resources will be available to fulfill this obligation when preparing the programming document. Pay Supervision, Inspection, and Overhead services by contract with nonappropriated funds as a funded cost (including the Army Corps of Engineers) or in-house overhires if required for a specific project.

5.2.2.2. Design Services. Fund all contract design services with nonappropriated funds. However, the Civil Engineering Squadron Commander can provide design services using in-house resources without nonappropriated fund reimbursement provided there are no additional costs (overhires) to the Air Force.

5.2.2.3. Design Instruction. For a typical annual program, the Headquarters, Air Force Services Agency will request design instructions from HQ USAF/CEC, for loans or grants approved for funding by the Board. MAJCOMs provide the *Programming, Design, and Construction Program* initial input screen.

5.2.2.4. Maintenance and Repair. See AFI 34-601, *Air Force Lodging Program* (formerly AFR 90-9).

5.2.2.5. Procedures for Submitting Temporary Lodging Facility Projects:

- The installation identifies the project and forwards the information to the MAJCOM.
- The MAJCOM compiles installation temporary lodging facility needs using needs assessment survey criteria and submits prioritized list to Headquarters, Air Force Services Agency for processing and presentation to the Air Force Morale, Welfare, and Recreation Advisory Board for funding. See **Table 5.1.** for facility acquisition schedule. Refer to AFI 34-601 for additional details concerning the *Temporary Lodging Facility Program*.

Table 5.1. Services and Temporary Lodging Facility Acquisition System.

NONAPPROPRIATED FUND FACILITY ACQUISITION SYSTEM
SERVICES AND TEMPORARY LODGING FACILITY PROGRAMS
FISCAL YEAR 1996

DATE	ACTION
Oct 93	HQ AFSVA Call for Projects
Jan 94	MAJCOMs Submit Projects to HQ AFSVA
Feb 94	NAF Facilities Panel Review (Recommends for further study)
Mar-Jun 94	Needs Assessment Studies
Jun 94	NAF Facilities Panel Review (Recommends Funding and Design Instructions Issued)

NONAPPROPRIATED FUND FACILITY ACQUISITION SYSTEM
SERVICES AND TEMPORARY LODGING FACILITY PROGRAMS
FISCAL YEAR 1996

DATE	ACTION
Aug 94	AFMWRAB Approves NAF Program
Feb 95	AF/CE Call for 1391s
May 95	35% Design & 1391s Due to AF/CE
Aug 95	Report to the Congress
Oct 95	Release for Contract Award
By Sep 96	Contract Award

5.2.3. Army and Air Force Exchange Service Projects. Normally, the Army and Air Force Exchange Service funds all construction and minor construction projects with related supervision, inspection, and overhead, equipment purchase, and installation. This includes DoD-approved remote and isolated locations. (See [Table 3.2.](#)) Army and Air Force Exchange Service Board of Directors provide all authority for Army and Air Force Exchange Service projects. The Army and Air Force Exchange Service commander funds projects within amounts delegated by the Board of Directors. The Army and Air Force Exchange Service commander in turn delegates approval authority to over-sea region commanders and CONUS region directors. Projects that exceed the Army and Air Force Exchange Service Commander's approval authority are presented at an Army and Air Force Exchange Service Board meeting for funding approval. [Table 5.2.](#) provides the acquisition system schedule. The installation commander or designee must formally coordinate with Headquarters, Army and Air Force Exchange Service on all proposed construction that will directly impact on Army and Air Force Exchange Service operated facilities.

5.2.3.1. Design Services. Army and Air Force Exchange Service funds all design services except the following where Army and Air Force Exchange Service may use appropriated funds:

- An appropriated fund-authorized facility construction project has fallen out of an *Fiscal Year XX Military Construction Program* and the MAJCOM later reprograms it for construction with nonappropriated funds as a waiver to the DoD funding policy.
- A nonappropriated fund-authorized facility construction project, according to DoD policy, is programmed in an *Fiscal Year XX Military Construction Program* as a waiver to the DoD funding policy.

5.2.3.2. Design Instruction. HQ USAF/CEC, will provide the *Programming, Design, and Construction Program* initial input screen and issues design instructions. MAJCOMs will update the *Programming, Design, and Construction Program*.

5.2.3.3. Maintenance and Repair Projects. Most maintenance and repair is work needed to maintain buildings, grounds, and facility systems (electrical, mechanical, roofing, foundations, windows, doors, etc.). The installation and MAJCOM must fund maintenance and repair paid with appropriated funds, whether in CONUS or overseas. The Army and Air Force Exchange Service will fund the following repair and maintenance exceptions:

- 5.2.3.3.1. Structures to which the Army and Air Force Exchange Service holds title.

5.2.3.3.2. Interior finishes of space occupied by the Army and Air Force Exchange Service (e.g., paint, floors, ceilings, special lighting) and of building modifications and alterations solely for purposes unique to Army and Air Force Exchange Service operations.

5.2.3.3.3. Available Government equipment on loan to the Army and Air Force Exchange Service.

5.2.3.4. Procedures for Submitting Army and Air Force Exchange Service Projects. The Commander, Army and Air Force Exchange Service, determines requirements for exchange projects to comply with Air Force standards and MAJCOM and installation facility objectives. The Army and Air Force Exchange Service Commander bases requirements on the Base Comprehensive Plan (including exterior colors and building materials, signage, other surfaces visible from the facilities exterior). The MAJCOM approves requirements. The Commander, Army and Air Force Exchange Service, gives final concurrence and technical guidance.

- If Army and Air Force Exchange Service funds and contracts maintenance, repair, and minor construction projects within installation commander approval authority, the Army and Air Force Exchange Service submits the AF Form 332, **Base Civil Engineer Work Request**, to the Civil Engineering Squadron Commander. The Civil Engineering Squadron Commander processes the request as required for approval or disapproval. If approved, the Army and Air Force Exchange Service may proceed with the work without processing the DD Form 1391.
- The general manager level initiates Army and Air Force Exchange Service facility requirements, in coordination with the installation commander, Civil Engineering Squadron Commander, and other installation staff elements. After coordinating with the MAJCOM/CE, the Army and Air Force Exchange Service forwards the requirements through channels to Headquarters, Army and Air Force Exchange Service for validating and programming.
- Headquarters, Army and Air Force Exchange Service provides draft DD Forms 1391 and 1391c to installation and MAJCOMs for completion and for the addition of base unique requirements. The MAJCOM/CE forwards approved DD Forms 1391 to Headquarters, Army and Air Force Exchange Service. See **Table 5.2.** for acquisition system schedule.

Table 5.2. Army and Air Force Exchange Service Acquisition System.

**NONAPPROPRIATED FUND FACILITY ACQUISITION SYSTEM
ARMY AND AIR FORCE EXCHANGE SERVICE PROGRAM
FISCAL YEAR 1996**

DATE	ACTION
Apr 94	Starts Annual Long Range Capital Program (LRCP) Cycle - Project Identification
May 94	Receives All LRCP Input From Field. Elements - Develops Annual Report

**NONAPPROPRIATED FUND FACILITY ACQUISITION SYSTEM
ARMY AND AIR FORCE EXCHANGE SERVICE PROGRAM
FISCAL YEAR 1996**

DATE	ACTION
Sep 94	Commander, AAFES, Approves Program For Submittal to AAFES Board - Project Development
Jan 95	AAFES Board Approves - Obtains MAJCOM 1391 Approval
May 95	Submit 1391s to HQ USAF/CE - HQ USAF/CE Review
Aug 95	
Oct 95	Release for Contract Award
By Sep 96	Contract Award

5.2.4. Private Organization Programming. For purposes of documenting DD Forms 1391, include projects to be financed with private funds in the nonappropriated fund category; for example: banks, credit unions, and so forth, which are not nonappropriated fund instrumentalities (AFI 34-123, *Private Organizations Program* [formerly AFR 34-4]). Do not include private capital projects for contractors performing Research, Development, Test, and Evaluation or industrial contracts in the nonappropriated fund category (AFI 63-701, *Industrial Facilities* [formerly AFR 78-22]). Do not use appropriated funds or Services nonappropriated funds for constructing or relocating facilities for private organizations.

5.2.4.1. Project Approval for Private Capital Funded Projects. HQ USAF/CE must approve projects for construction in support of private organizations (other than banks and credit unions), regardless of cost or source. The installation submits through the MAJCOM to HQ USAF/CEC, private capital funded projects with funded costs \$200,000 and greater. HQ USAF/CEC, obtains approval and reports to the Congress. Forward DD Forms 1391 and 1391c with a request for outlease to HQ USAF/CEC, and the Air Force Real Estate Agency concurrently. Submit these projects and requests for outlease as soon as both are fully developed, to permit progress on the outlease. Discourage private entrepreneurs from initiating design until they receive required outlease and project approval (AF Form 1241, **Engineering and Services Project Approval**). However, private entrepreneurs may initiate design on their own, at their own risk. Governing instructions are AFIs 32-1024, *Standard Facility Requirements* (formerly AFR 86-2), 32-9001, *Acquisition of Real Property* (formerly AFRs 87-1 and 87-19) and 32-9003, *Outgrant of Real Property* (formerly AFRs 87-3, 87-7, 87-9, and 87-16). For specific information on establishing the following see the referenced instruction:

- Banks, AFI 65-701, *Banking Services on US Air Force Bases* (formerly AFR 170-7). For example, Treasury Department approval.
- Credit Unions, AFI 65-702, *Credit Unions on US Air Force Installations* (formerly AFR 170-17).
- Museums, AFI 35-204, *Art Program* (formerly AFR 190-1).

5.2.4.2. Banks and Credit Unions. Deputy Assistant Secretary of the Air Force (Installations) and Secretary of the Air Force (Financial Management jointly approve these projects with a funded cost \$200,000 and greater. The installation must submit both the project and request for outlease simultaneously through the major command to Secretary of the Air Force (Financial Management and Air Force Real Estate Agency.

- The major commander, or designee, may approve projects with funded costs less than \$200,000 provided:
- The bank or credit union already is authorized to operate an office on the installation.
- The proposed lease or lease extension plus any previous lease held by the institution does not exceed 25 years.
- The building space is confined to the needs of the bank or credit union, and does not provide space for other commercial or government activities.
- The building does not exceed authorized space criteria in AFI 32-1024.
 - Installations may approve bank construction proposals within any authority delegated by MAJCOMs.

5.2.5. Offer of Gifts for Buildings. For any offer of gift that results in the construction of a building with a funded project cost of \$200,000 or greater, the installation must concurrently submit through the MAJCOM to Air Force Real Estate Agency and Headquarters, HQ USAF/CEC, the DD Forms 1391 and 1391c and offer of gift package for acceptance of the gift, appropriate approval, and subsequent reporting to the Congress. The installation must concurrently submit this package through MAJCOM to the Air Force Real Estate Agency and HQ USAF/CEC. This includes facilities not normally covered by this regulation, such as medical activities, museums, etc. Make sure the total amount of funds required for the construction project is available before submission of the package. See AFIs 32-9001, and 35-201, *Air Force Community Relations* (formerly AFR 190-1), 51-601, *Gifts to the Air Force* (formerly AFR 11-26) for specific guidance.

5.2.6. Red Cross Projects. See AFIs 36-3105, *Red Cross* (formerly AFR 211-11) and 65-601, volume 1, *US Air Force Budget Investment Appropriations* (formerly AFRs 172-1V1 and AFR 172-8), column 1, and for policies and procedures for Red Cross facilities in support of the Air Force.

Chapter 6

PROJECT APPROVAL, NOTIFICATION, EXTENSIONS, TERMINATIONS, SCOPE CHANGES OR COST VARIANCES, AND CANCELLATIONS

6.1. Nonappropriated Fund Construction Project Approval Levels. The following table applies to those facilities where nonappropriated fund is the fund source for construction.

Table 6.1. NAF Construction ¹ Project Approval Levels.

L	A	B	C	D	E	F
I N E	Approval Item	MAJCOM	HQ USAF/CE	SAF	OSD	Congress
1	Category B, C, TLF, AAFES	<200 ²			200-500 ^{3,4}	>500 ⁵
2	- Exception to Criteria - Waiver to Criteria - Waiver to Fund Source - Mixing NAF s & APFs Banks & Credit Unions ⁷	25 <200 Within Criteria	75	Unlimited Unlimited Within Source ⁶ Unlimited Unlimited	Unlimited	
9	Private Funds		>200		200-500 ³	>500 ⁵

NOTES:

1. This table is applicable to those facilities which have NAF as the fund source for construction in [Table 3.2.](#), 3.3, and 3.5.
2. The MAJCOM may delegate only approval authority within criteria; also the MAJCOM only has "proprietary" approval of AAFES projects.
3. These projects require after-the-fact congressional notification.
4. Installations may advertise these projects once SAF/MII forwards to DASD.
5. These require congressional release in the Annual NAF Construction Report to the Congress before advertisement and award.
6. Example: SAF/MII can approve the mix for an appropriated fund Military Clothing Sales Store within an AAFES (NAF) base exchange facility.
7. These projects use private funds, not appropriated funds or Services NAFs.

6.2. Maintenance and Repair Project Approval Levels. The [Table 6.2](#) details the approval level for maintenance and repair projects on facilities where nonappropriated funds are the specified fund source for construction.

Table 6.2. NAF Project Maintenance and Repair Approval Level.

L I N E	A	B	C
	Class of Work	MAJCOM	SAF
1	Maintenance	Unlimited	
2	Repair	500	Unlimited
3	Combination M&R	500	Unlimited

NOTE:

This table applies to those facilities that have NAF as the fund source for construction. MAJCOM approval authority can be delegated to the installation commander or his or her designee. The approval level for repair of Category C functionally-unique items can be delegated to the installation commander, but cannot be redelegated below the SV or CES commanders. Projects with a funded cost of \$500,000 and greater will be reported to the Congress in the annual report when the project is companion to a NAF construction project with a funded construction cost of \$200,000 and greater.

6.3. Requirements and Conditions on Projects Reported to the Congress (See Attachment 5 For Report Contents). The report includes only projects planned for award within the fiscal year following the 1 August date when Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) forwards it to the Senate and House Armed Services Committees. Make sure the projects are 35 percent designed before submitting them to HQ USAF/CEC, for inclusion in the report or for Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) approval and after-the-fact reporting to the Congress. Funds must be available for construction to meet the award schedules. Submit proposed design, advertising, and award schedules for each project reported. Deputy Assistant Secretary of the Air Force (Installations) will provide final release after the Congress approves the report.

6.3.1. Extension of Project Approval. The Congress continues to emphasize timely program execution. Those projects, \$500,000 and over, expire no later than the end of the fiscal year in which the project was reported to the Congress. HQ USAF/CE must approve extensions for projects that are not awarded by that date. HQ USAF/CE will consider any extension for up to 2 years after the reported year to accommodate unforeseen site problems, Architect-Engineer design delays, compliance with host-nation agreements, year-end procurement difficulties, etc., if award was not achievable through aggressive and prudent project management. The MAJCOM should send a clear and concise explanation of the delay to HQ USAF/CEC, as soon as the situation becomes apparent.

6.3.2. Re-Reporting to the Congress. Projects between \$200,000 and \$500,000 must be awarded within 2 years after the date the Congress was notified of the project in the annual report. If the project is not successfully awarded by this date the project must be re-reported to the Congress.

6.4. Scope Changes. The MAJCOM, Army and Air Force Exchange Service, Headquarters, Air Force Services Agency (on Air Force Morale, Welfare, and Recreation Advisory Board projects), or a private association may change a project's scope plus or minus 10 percent.

6.4.1. Scope Increases in Excess of 10 Percent. These require re-reporting to the Congress before additional commitment of either design or construction funds. Installation will submit revised DD Forms 1391 and 1391c through the MAJCOM/CE who will forward to HQ USAF/CEC, to initiate this process.

6.4.2. Limits on Scope Increases. A scope increase must not result in a project that exceeds space criteria in AFI 32-1024 unless Deputy Assistant Secretary of the Air Force (Installations) approves a waiver to criteria. Submit requests to HQ USAF/CEC. A scope increase must not exceed the space approved in the Needs Assessment Study without Headquarters, Air Force Services Agency approval. Also, if a scope increase will result in a funded cost that requires a cost variation, the installation must obtain funding authorization and funds before commitment of any funds for either design or construction.

6.5. Cost Variations:

6.5.1. Cost Variations of Less Than 25 Percent. MAJCOMs, Army and Air Force Exchange Service, and private organizations may fund increases to 25 percent of the approved funded amount provided there is enough of a percentage remaining afterward to complete construction and provided they do not exceed an approval threshold. In the case of Air Force Morale, Welfare, and Recreation Advisory Board centrally funded projects, Board funding approval is not required if the funds being proposed are base or MAJCOM funds. If central funds are required, MAJCOMs must request approval and funding from the Board. To request this, the MAJCOM/CE and MAJCOM/ Services must submit a joint request to HQ USAF/CE, with an information copy to Headquarters, Air Force Services Agency, which completely details the justification and the proposed corrective action to preclude further increases on that project and the entire nonappropriated fund program. Include the data specified in **6.5.3.** When a cost variance takes a project to the next level for project approval, submit all programming documents normally required by that level to HQ USAF/CEC, for processing to Secretary of the Air Force or Office of the Secretary of Defense. If the total cost does not exceed \$500,000, HQ USAF/CEC will re-report the project after the fact to the Congress in the next annual report to the Congress.

6.5.2. Cost Variations Greater than 25 Percent in Projects With or Resulting in a Total Cost Over \$500,000. Submit to HQ USAF/CEC, all nonappropriated fund and privately funded projects costing \$500,000 and more that require a cost variance greater than 25 percent of the approved amount for Deputy Assistant Secretary of the Air Force (Installations) reconsideration and Congressional renotification address the reasons for the variance. Do this before commitment of funds. The MAJCOM Vice Chief must submit requests for central funds that exceed 25 percent of the approved amount to HQ USAF Vice Chief of Staff. Send information copies to HQ USAF/CE, Services, and Headquarters, Air Force Services Agency.

6.5.3. Data Required For Centrally Funded Cost Increase Requests. As a minimum the request must contain:

- Revised DD Forms 1391 and 1391C documentation.
- Reference to previous approval document, including scope and cost.

- Statement of availability and source of additional funds required.
- Detailed explanation of how and why the new funded cost exceeds the amount previously approved.
- If bids are open, a statement that an acceptable bid has been received and that the acceptable bid is the low bid or an explanation as to why the low bid does not qualify.
- If applicable, the number of bids received, bid range, and bid expiration date.
- Tabulation of both original and revised funded cost with totals.
- Statement that the scope of the project has not changed or was changed according to conditions outlined.
- Corrective action required to preclude further increases in the project and the overall nonappropriated fund program.
- Statement on availability of base and MAJCOM nonappropriated funds.
- Impact statement if funds are not made available or if the increased amount is not approved.

NOTE:

Notwithstanding the above re-reporting requirement, if for any reason (currency fluctuation, unforeseen site conditions, design deficiencies, high bids, etc.) the cost of any project (nonappropriated fund construction project, companion repair project, or any associated project) or the total cost of the combined projects will exceed 25 percent the initially reported amount cleared by the Congress, the base must immediately report the revised amount, with complete explanation, to the MAJCOM/CE who advises HQ USAF/CE and Secretary of the Air Force by message. When MINIMIZE is in effect, the MAJCOM/CE will use alternate means to transmit.

6.6. Exchange Projects Cost Variations. Headquarters, Army and Air Force Exchange Service must approve all increases in funding approval.

6.7. All Other Nonappropriated Fund Projects and Cost Variations. The nonappropriated fund instrumentality providing or authorizing project funds must approve funding for all increases or authorizing project funds.

6.8. Project Cancellation. When it is necessary to cancel a Services, Headquarters, Army and Air Force Exchange Service, or private organization project, the appropriate agency must immediately inform HQ USAF/CEC. Notify Headquarters, Air Force Services Agency on all Air Force Morale, Welfare, and Recreation Advisory Board-funded projects cancellations. HQ USAF/CEC will then cancel the *Design Instruction in the Programming, Design, and Construction Program*. This notification requirement applies only to projects with funded costs of \$200,000 and greater.

JAMES E. McCARTHY,, Maj General, USAF
The Civil Engineer

Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, AND ACRONYMS

References

AFPD 25-2 *Support Agreements*

AFPD 32-10 *Installations and Facilities*

AFI 32-1021 *Planning & Programming of Facility Construction Projects*

AFI 32-1023 *Design and Construction Standards and Execution of Facility Construction Projects*

AFI 32-1024 *Standard Facility Requirements*

AFI 32-9001 *Acquisition of Real Property*

AFI 32-9005 *Establishing, Accounting and Reporting Real Property*

AFI 34-123 *Private Organizations Program Management*

AFI 34-601 *Air Force Lodging Management*

AFI 35-201 *Air Force Community Relations*

AFI 35-204 *Air Program*

AFI 36-3105 *Red Cross*

AFI 63-701 *Industrial Facilities*

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

AFI 65-601 *US Air Force Budget Guidance and Procedures*

AFI 65-701 *Banking Services on US Air Force Bases*

AFI 65-702 *Credit Unions on US Air Force Installations*

Abbreviations and Acronyms

AAFES—Army and Air Force Exchange Service

AFMWRAB—Air Force Morale, Welfare, and Recreation Advisory Board

AFSVA—Air Force Services Agency

CEC—Military Construction Directorate

CES—Civil Engineering Squadron

DM/CM—Design Manager/Construction Manager

APFs—Appropriated Funds

CONUS—Continental United States

DoD—Department of Defense

FY—Fiscal Year

MAJCOM—Major Command
M&R—Maintenance and Repair
NAFs—Nonappropriated Funds
NCO—Noncommissioned Officer
OCONUS—Outside Continental United States
OSD—Office of the Secretary of Defense
RCS—Report Control Symbol
RED HORSE—Rapid Engineer Deployable Heavy Operational Repair Squadron, Engineer
REPR—Repair
SAF—Secretary of the Air Force
SAF/FM—Office of the Assistant Secretary of the Air Force (Financial Management)
SAF/MII—Deputy Assistant Secretary of the Air Force (Installations)
SV—Services
TLF—Temporary Lodging Facility
USAF—United States Air Force
UST—Underground Storage Tank

Attachment 2

MAINTENANCE AND REPAIR, CATEGORY C FUNCTIONALLY UNIQUE ITEMS

Nonappropriated funds will pay for the maintenance and repair of functionally unique items required to support Category C program operations. Below is a representative listing for your use. If a particular work requirement is not addressed below, contact HQ USAF/CEC, for clarification.

A2.1. Building Interior:

- Rearrangement or removal of non-loadbearing walls
- Resurface bowling lanes.
- Repair pin-setting equipment.
- Install floor coverings (carpet, hardwood, or marble floors).
- Install wall coverings (paneling, wallpaper).
- Replace ornate bathroom fixtures.
- Repair open mess bars, lounges, snack bars, kitchens (including grease traps).
- Repair golf clubhouse lockers, lounges, snack bars, kitchens.
- Repair equipment that is a direct function of the activity, i.e., dishwashers, ice machines, liquor systems, walk-in coolers, etc.

A2.2. Other Than Building Interiors:

- Repair marina docks, dredging, and bulkheads.
- permits will continue to be funded with appropriated funds.)
- Replace underground and above ground fuel storage tanks for other than correcting environmental, health, and safety deficiencies.
- Maintain or repair golf course grounds, latrines, shelters, pump houses, and sprinkler systems.
- Repair riding stables and fencing.
- Provide hazardous waste storage, e.g., for golf course grounds if a consolidated base area is not available.

A2.3. Remote and Isolated Facilities. Category C facilities at remote and isolated locations qualify for Category B level appropriated fund support for maintenance and repair.

Attachment 3

WAIVERS AND EXCEPTIONS TO AUTHORIZED SPACE CRITERIA

A3.1. Waivers. A waiver is required when the authorized space criteria in AFI 32-1024, or other approved nonappropriated fund agency criteria, is exceeded. Facilities should be built to "need," not necessarily to the maximum authorized space criteria. Use AFI 32-1024, Military Handbook 1190, or other approved nonappropriated fund agency criteria as a guide. Submit requests for waivers on DD Forms 1391 to HQ USAF/CEC. Waivers and exceptions for Army and Air Force Exchange Service projects are processed through the Army and Air Force Exchange Service to HQ USAF/CEC. Show in the first sentence in item 11 following "Requirement" the amount authorized and the reason the project must exceed Air Force criteria. Show how the size of the facility over and above authorized criteria was determined. Include in the justification:

- Current customer use, by category (for example, military, dependents, transients, authorized civilians, and so forth).
- Actual usage data, showing the extent of the need for waiver.

A3.1.1. Computation of Areas:

A3.1.1.1. Mechanical Equipment Space. Space criteria for nonappropriated fund facilities excludes mechanical equipment space. When the overall scope of a proposed facility (external dimensions) exceeds the published criteria, but deduction of mechanical equipment space returns the project within the limits, include a statement to this effect after "Project" in item 11. In this statement, reflect the overall scope, the area for mechanical equipment space, the net space chargeable against the criteria, and match the square footage of the floor plan in the DD Form 1391c.

A3.1.1.2. Enclosed Spaces. The gross area includes the total area of all floors, including basements, mezzanines, penthouses, and other enclosed spaces as determined by the effective outside dimensions of the building.

A3.1.1.3. One-Half Spaces. Include one-half of the area in the gross area for balconies and porches, covered raised loading platforms, covered ground level or depressed loading facilities, covered but not enclosed passageways or walks, covered and uncovered but open stairs, and covered ramps.

A3.1.1.4. Excluded Spaces. Exclude crawl spaces; exterior uncovered loading platforms or facilities, either depressed, ground level or raised; exterior insulation applied to existing buildings; open courtyards; open paved terraces; roof overhangs and outfits for weather protection; uncovered ramps; uncovered stoops; and utility tunnels and raceways from the gross area.

A3.2. Exceptions. An exception is required when no criteria exists in AFI 32-1024, Military Handbook 1190, and other approved nonappropriated fund agency criteria. Submit requests for exceptions to HQ USAF/CEC, on DD Forms 1391. State in item 11 following "Requirement," that "no criteria has been established for this item" and justify the need for the requirement. Base justification on: number of miles to the nearest military or civilian facility offering the same services; limited hours of operation, high rates, inability of civilian community to fulfill need; or other unique circumstances, such as adverse climatic conditions or isolated location.

A3.3. Approval of Alteration Projects Where Previous Waivers or Exceptions Exist. If a waiver or exception to criteria has been granted, subsequent projects for altering that particular space are within the authority of the MAJCOM provided the conditions that supported the request for waiver or exception remain substantially the same and the alteration does not exceed the MAJCOM project approval level.

A3.4. Renewal of Waivers. Once a waiver has been obtained, you may continue to occupy that space without periodic renewal of the waiver. However, if the installation programs an addition or replacement project that still requires waiver or exception, Deputy Assistant Secretary of the Air Force (Installations) must approve a new waiver. HQ USAF/CEC, can expedite approval if the installation or MAJCOM can cite or furnish the document that authorized the original waiver as part of the justification.

A3.5. Converting an Existing Facility for Services Use. Make maximum practicable use of existing structures. Program a new facility only when no available structure economically satisfies the requirement. Increase space criteria, outlined in AFI 32-1024 and Military Handbook 1190, by 20 percent only when necessary to effect the economical and efficient use of an existing structure through a conversion project. In that event, do not request a waiver if no new space is added.

A3.5.1. Documentation Required. When change in use is effected through a conversion project and class construction or minor construction funding is required, do not process an AF Form 123, **Request for Changed Use of Real Property**. Instead, for all such conversions, regardless of cost, use DD Forms 1391 and 1391c.

A3.6. Diverting Constructed Facilities Outside Direct Support of Services Programs. Obtain Air Force Morale, Welfare, and Recreation Advisory Board approval before diverting a building or structure constructed or purchased with nonappropriated funds to a use other than in direct support of the Services program. Submit AF Form 123 and justification to the Air Force Morale, Welfare, and Recreation Advisory Board for this purpose.

Attachment 4

DOCUMENTS REQUIRED FOR PROJECT APPROVAL AND FUNDING SUPPORT

A4.1. Required Documentation. The amount and complexity of the required documentation is dependent on the required approval level for the project.

A4.1.1. Within Installation Commander's Approval Authority. Nonappropriated-funded construction work within the installation commander's approval authority typically requires an AF Form 332 or DD Form 1391, Needs Assessment Study for Services projects (as determined by Headquarters, Air Force Services Agency), and an Installation Commander's Certificate. For the Installation Commander's Certification, use DD Form 1391c. This certificate is used to ensure accountability. The installation commander signs the certificate verifying compliance with governing policies and requirements. Approval level can not be delegated below installation commander.

A4.1.2. Within MAJCOM Approval Authority. These projects normally require a DD Form 1391, single line drawings, site plan, detail cost estimate, existing facility/deficiency detail data sheets using DD Form 1391c, Needs Assessment Study for Services projects (as determined by Headquarters, Air Force Services Agency), Installation Commander's Certificate, and other appropriate certificates required by the major command. For the Installation Commander's Certification, use DD Form 1391c. This certificate is used to ensure accountability, the installation commander signs the certificate verifying compliance with governing policies and requirements. The commander cannot delegate this requirement below his or her level.

A4.1.3. Projects with Funded Costs of \$200,000 to \$500,000. These nonappropriated fund-funded projects require front page DD Form 1391; Installation Commander's Certificate (For the Installation Commander's Certification, use DD Form 1391c. This certificate is used to ensure accountability. The installation commander signs the certificate verifying compliance with governing policies and requirements. Certification level can not be delegated below installation commander. The Services Commander/Director, Exchange General Manager and the Civil Engineering Squadron Commander must also sign the certificate.); Return on Investment for Category C Revenue-Generating Activities; and Needs Assessment Study for Services projects (as determined by Headquarters, Air Force Services Agency) to be retained at MAJCOM for review, if required.

A4.1.4. Projects with Funded Costs of \$500,000 and More, or Greater Than \$200,000 for Banks and Credit Unions, or that Require Waiver, Exception, or Mixing of Funds. For these nonappropriated-funded facilities the following documentation is required:

- **DD Form 1391.** Use the Programming, Design, and Construction 1391 Processor.
- **Existing Facility/Deficiency Detail Data Sheet.** Use DD Form 1391c.
- **Disposition of Existing Facilities Sheet.** Use DD Form 1391c.
- **Supporting Financial Data for Category C Revenue-Generating Activities (as prescribed annually by Headquarters, Air Force Services Agency).** This requirement does not apply to Army and Air Force Exchange Service projects.
- **Needs Assessment Study for Services Projects.**
- **Patronage Data for Services Projects.** Use DD Form 1391c. In addition to active duty personnel and dependents, identify all patrons that will use the facility, e.g., foreign nationals, retirees, etc. [Figure A4.1.](#) outlines a format to be included on a DD Form 1391c.

- **Joint Use With Nearby Installations.** Use DD Form 1391c. Consolidation can achieve substantial savings. Work with your counterparts at nearby installations, including the other Services, and develop a regional analysis.
- **Single-Line Drawing.** Use DD Form 1391c. Prepare the drawing in enough detail to show location, scope, and dimensions of the work to be done. If the work involves alteration to an existing facility, show the existing facility and identify the work required with functional relationship to the new facility. Provide a symbol key.
- **Project Site Plan.** Use DD Form 1391c. Major commands and installations are responsible for the compatibility of each nonappropriated fund-funded project with the established *Comprehensive Plan*, and *Architectural Compatibility Program*, regardless of level of approval authority.
- **Certification of Environmental Compliance.** Use DD Form 1391c. Complete certification for each project.
- **Detail Programming Cost Estimate.** Use Programming, Design, and Construction 1178 Processor. Develop a detailed programming estimate of costs listed in item 9 of the DD Form 1391 using the Programming, Design, and Construction 1178 Processor, if available. After the cost estimate from the 1178 is transferred to item 9 of the DD Form 1391, add those costs which cannot be reflected in the 1178, e.g., unfunded and excluded costs (for example, Donated Labor and Materials and Equipment) opposite each cost. On a separate DD Form 1391c, provide details of donated labor to include estimated hours (civilian and military) and the unit hourly rate. Provide footnotes to indicate the source of the rates applied. Show cost estimates for furnishings, furniture, and equipment in lump sum with a total for each category in Block 9 of the DD Form 1391. If costs for supporting facilities are unusually high because of extensive site preparation, utilities, parking, walks, curbs, landscaping, and so forth, an accompanying explanation must justify the costs. Include the foreign currency exchange rate in the 1178.
- **Installation Commander's Certification.** Use DD Form 1391c. To ensure accountability, the installation commander must sign the certificate verifying compliance with governing policies and requirements. The commander can not delegate this requirement below his or her level. The Services Commander/Director, Exchange General Manager and the Civil Engineering Squadron Commander must also sign the certificate.
- **Companion Repair Projects.** For companion repair projects costing less than \$500,000, submit the front sheet DD Form 1391. For companion appropriated fund or nonappropriated fund repair projects costing \$500,000 and greater, submit complete DD Forms 1391/1391c for Deputy Assistant Secretary of the Air Force (Installations) approval.
- **Identification of all Associated Facility Projects.** Identify on the DD Form 1391 all appropriated fund or nonappropriated fund facility projects in the vicinity that are or could be perceived or be associated with the nonappropriated fund construction.
- **Results of the 70 Percent Calculation.** Use DD Form 1391c. Provide results of the 70 percent calculation if the project involves a combination of construction and repair.

Figure A4.1. Population Data.

1. COMPONENT	FY 19__ MILITARY CONSTRUCTION PROJECT DATA		2. DATE																																							
3. INSTALLATION AND LOCATION																																										
4. PROJECT TITLE		5. PROJECT NUMBER																																								
<p>POPULATION DATA</p> <p>Projected Military Strength</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Permanent Party Military</td> <td style="width: 10%; text-align: right;">6,700</td> <td style="width: 60%;"></td> </tr> <tr> <td>DoD Civilians</td> <td style="text-align: right;">500</td> <td></td> </tr> <tr> <td>Satellited/Supported Units</td> <td style="text-align: right;">100</td> <td>101st Radar Sq - 6 MI Distance</td> </tr> <tr> <td></td> <td style="text-align: right;">140</td> <td>45th Spt Sq - 8 MI Distance</td> </tr> <tr> <td>Transients (Daily Average)</td> <td style="text-align: right;">120</td> <td></td> </tr> <tr> <td>Rotational (Daily Average)</td> <td style="text-align: right;">0</td> <td></td> </tr> <tr> <td>Students (Daily Average)</td> <td style="text-align: right;"><u>60</u></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Total Authorized</td> <td style="text-align: right;">7,620</td> <td></td> </tr> </table> <p>Additional Patrons Served*</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Foreign Nationals</td> <td style="width: 10%; text-align: right;">20</td> <td style="width: 60%;"></td> </tr> <tr> <td>Retirees</td> <td style="text-align: right;">200</td> <td></td> </tr> <tr> <td>Dependents</td> <td style="text-align: right;"><u>9,800</u></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Total Additional</td> <td style="text-align: right;">10,020</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Grand Total Supported</td> <td style="text-align: right;">17,640</td> <td></td> </tr> </table> <p>*Identify all patrons that will use the facility.</p>				Permanent Party Military	6,700		DoD Civilians	500		Satellited/Supported Units	100	101st Radar Sq - 6 MI Distance		140	45th Spt Sq - 8 MI Distance	Transients (Daily Average)	120		Rotational (Daily Average)	0		Students (Daily Average)	<u>60</u>		Total Authorized	7,620		Foreign Nationals	20		Retirees	200		Dependents	<u>9,800</u>		Total Additional	10,020		Grand Total Supported	17,640	
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Grand Total Supported	17,640																																									

Figure A4.2. Installation Commander's Certificate.

1. COMPONENT	FY 19__ MILITARY CONSTRUCTION PROJECT DATA		2. DATE
3. INSTALLATION AND LOCATION			
4. PROJECT TITLE		5. PROJECT NUMBER	
DEPARTMENT OF DEFENSE COMMISSARY SURCHARGE AND NAF CONSTRUCTION PROJECT INSTALLATION CERTIFICATION			
<p>This certification cannot be delegated below the designated officials.</p> <ul style="list-style-type: none"> - The project is based on actual need and not solely on authorized space criteria. - All known requirements (at time of programming this project) have been included in the project and there is no incremental construction or "project splitting." - Analysis of revenue generating facilities forecast a positive return on investment of ____percent and a payback in ____years. - The site selection is the most appropriate location. - The work proposed is properly classified as either construction, renovation, or repair in accordance with the definitions found in AFI 32-1021. - The correct fund source is being used. - Quality standards are reasonable for building systems and finishes, furnishings, and fixtures. - Where the project combines more than one fund source, separate contracts will be awarded or if a single contract is awarded, separate cost accounting schedules are required. - For repair or combination of construction and repair projects, the total funded cost does not exceed 70% of the replacement cost, calculated in accordance with AFI 32-1021. - Repair or combination maintenance and repair projects costing \$500,000 and greater on buildings for which Nonappropriated Funds are authorized fund source for construction, are submitted for SAF/MII approval. - Project documentation identifies all maintenance, repair, and construction projects being done in conjunction with or in the vicinity of this nonappropriated fund project, regardless of fund source. 			
SV Commander/Director, Exch Gen Mgr or Commissary Officer Signature		Date	CES Commander Signature Date
Installation Commander Signature		Date of Certification	

Attachment 5

ANNUAL NONAPPROPRIATED FUND CONSTRUCTION REPORT TO THE CONGRESS FOR NONAPPROPRIATED FUND AND PRIVATE CAPITOL PROJECTS (REPORT CON- TROL SYMBOL: DD-FM&P(A)1167)

A5.1. Submittal Schedule. Installation and MAJCOM staffs must program, design, and obtain higher authority approval of projects costing \$500,000 and more to respond to the annual report. The installation initiates the projects and submits its annual program to the MAJCOM which forwards the MAJCOM program to HQ USAF/CEC, for submittal to Deputy Assistant Secretary of the Air Force (Installations), Deputy Assistant Secretary of Defense (Personnel Support, Families and Education), and the Congress. Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) must deliver the report to the House Armed Services Committee and Senate Armed Services Committee no later than 1 August each year. The four Services submit their respective reports to Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) 1 July each year. It is imperative the major commands submit their programs by 1 May to meet this schedule.

A5.2. Report Contents. The report is in two parts: Part one contains DD Forms 1391 for each individual project with funded costs of \$500,000 and more. The MAJCOM must submit to HQ USAF/CEC: DD Forms 1391 using the Programming, Design, and Construction 1391 Processor, DD Forms 1391 and 1391c information and Needs Assessment Studies (for Services projects) for House Armed Services Committee and Senate Armed Services Committee review, and companion appropriated fund repair or combination maintenance and repair projects costing \$500,000 and over for inclusion in the report. While only companion appropriated fund projects \$500,000 and greater will be included in the report, installations and MAJCOMs must identify all companion, related, and vicinity appropriated fund and nonappropriated fund projects on the nonappropriated fund construction DD Form 1391. Part two contains DD Forms 1391 for all projects previously approved and released by Deputy Assistant Secretary of Defense (Personnel Support, Families and Education) during the year with funded costs from \$200,000 to \$500,000. The MAJCOM must submit DD Forms 1391 using the Programming, Design, and Construction 1391 Processor. Make sure full DD Forms 1391/1391c and Needs Assessment Studies (for Services projects as determined by Headquarters, Air Force Services Agency) are available at the originating office, i.e., MAJCOM or Army and Air Force Exchange Service, for House Armed Services Committee and Senate Armed Services Committee review. Submit companion appropriated fund repair or combination maintenance and repair projects costing \$500,000 or greater for inclusion in the report. While HQ USAF/CEC, will include only those companion appropriated fund projects \$500,000 and greater in the report, identify all companion, related, and vicinity appropriated fund and nonappropriated fund projects on the nonappropriated fund construction DD Form 1391.

Attachment 6

FUNDED, UNFUNDED, AND EXCLUDED COSTS

The total project cost of nonappropriated fund projects includes funded, unfunded, and excluded costs. Project approval thresholds are based on funded costs. These costs and categories are broken out below:

Funded Costs:

- Contract Administration.
- Contractual services for construction.
- Excess Air Force equipment and materials priced at fair market value.
- Government owned mobile equipment (equivalent rental costs).
- Labor costs (includes US military and appropriated fund civilian labor see note).
- Materials and supplies.
- Real property installed equipment except when relocated on the same installation.
- Supervision, inspection, and overhead, e.g., US Army Corps of Engineers; Navy Facility Engineering Command; contract; in-house, if additional manpower is required for a specific project.
- Transportation.
- Travel and per diem costs.

Unfunded Costs:

- Donated labor (performed during a non-duty status).
- Non-Air Force excess equipment and materials.
- Planning and design, contract and in-house.

Excluded Costs:

- Nonappropriated fund-owned equipment.
- Real property installed equipment relocated on the same installation.

NOTE:

Do not use military training exercises performed by Rapid Engineer Deployable Heavy Operational Repair Squadron, Engineer, Base Engineer Emergency Forces, USAFR, ANG, and other military personnel to accomplish construction, maintenance, or repair projects when nonappropriated fund is the fund source for construction, regardless of cost. However, you can use military training labor on all Category A facilities and child development centers in Category B.

Attachment 7

REIMBURSABLE, NONREIMBURSABLE, AND EXCLUDED COSTS

Costs To Be Reimbursed From Nonappropriated Funds:

All elements below must be reimbursed when nonappropriated funds are the funding source for construction, maintenance, and repair.

- Contract Administration.
- Contractual services for construction.
- Government-owned mobile equipment (equivalent rental costs).
- Labor costs (includes US military and appropriated fund civilian labor (see note)).
- Materials and supplies.
- Planning and design, by contract.
- Real Property Installed Equipment except when relocated on the same installation.
- Supervision, Inspection, and Overhead, e.g., US Army Corps of Engineers; Navy Facility Engineering Command; contract; in-house, if additional manpower is required for a specific project.
- Temporary/portable buildings (purchased or leased).
- Transportation.
- Travel and per diem costs.

Nonreimbursable Costs:

- Donated labor and materials.
- Excess Air Force equipment and materials priced at fair market value.
- Planning and design, in-house (provided that no additional manpower authorizations are required).
- Supervision, inspection, and overhead, in-house (provided no additional manpower authorizations are required).

Excluded Costs:

- Nonappropriated fund owned equipment.
- Real Property Installed Equipment relocated on the same installation.

NOTE:

Do not use military training exercises performed by Rapid Engineer Deployable Heavy Operational Repair Squadron, Engineer, Base Engineer Emergency Forces, USAFR, ANG, and other military personnel to construct, maintain, or repair projects when nonappropriated funds are the fund source for construction, regardless of cost. However, you can use military training labor on all Category A facilities and child development centers in Category B.

Attachment 8

DATA DISTRIBUTION

Table A8.1. Distribution Data.

ITEM	SENDER	RECIPIENT (COPIES)
Call for Grants or Loans	AFMWRAB	MAJCOM (1) INFO: HQ USAF/CEC (1)
FY XX Candidate List (Services)	HQ AFSVA	HQ USAF/CEC (1)
Call for DD Forms 1391 (AAFES Projects) (Banks/Credit Unions)	HQ USAF/CEC	MAJCOM (4) AAFES (1) SAF/FMPB (1) INFO: AFSVA (1) INFO: AFMWRAB (1) INFO: MAJCOM/DM/CM (1)
Draft DD Forms 1391 (AAFES Projects)	AAFES	MAJCOM (1), BASE (1)
Complete DD Forms 1391 (Services Projects)	MAJCOM	HQ USAF/CEC (4) INFO: HQ AFSVA (1)
Complete DD Forms 1391 (AAFES Projects)	MAJCOM	AAFES (original)
Complete DD Forms 1391	AAFES	HQ USAF/CEC (4)
Complete DD Forms 1391 (Banks/Credit Unions)	MAJCOM	HQ USAF/CEC (4)
Complete DD Forms 1391 (Civilian Welfare Projects)	AFCWFB	HQ USAF/CEC (4)
Projects Approval AF Form 1241	HQ USAF/CEC	MAJCOM (2) AAFES (1) AFSVA (1) SAF/FMPB (1) AFCWFB (1)
Review Comments	ALL	ALL (1)

NOTE:

The importance of timely and accurate distribution of data cannot be over emphasized. The distribution specified by the various agencies and organizations is outlined above.