



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

MEMORANDUM FOR SEE DISTRIBUTION

03 SEP 2004

FROM: HQ USAF/ILE
1260 Air Force Pentagon
Washington, DC 20330-1260

SUBJECT: Operations and Maintenance (O&M) Project Execution Service Fee

Effective 1 October 2004, both the Air Force Civil Engineer Support Agency (AFCESA) and the Air Force Center for Environmental Excellence (AFCEE) will need to recover part of the costs associated with executing your O&M projects in FY05 and beyond. They will collect a 2.5 percent service fee for the O&M program that they execute on your behalf, including Sustainment, Restoration and Modernization (SRM) projects and O&M-funded environmental projects. The 2.5 percent was calculated based on historical data and represents direct costs to AFCEE and AFCESA for program management and the execution of O&M project work. I am convinced this is a fair and reasonable amount.

I recently announced AFCESA would stand-up a robust capability to execute O&M (SRM) projects and asked you to make AFCESA your first choice for non-environmental O&M (SRM) project work, just as you consider AFCEE for O&M-funded environmental projects. You can begin to transition your new CONUS O&M (SRM) project work to AFCESA starting 1 October 2004. AFCESA should be your first stop shop for this type of work. PACAF and USAFE will continue to use AFCEE for O&M (SRM) work during the FY05 transition period except DESC-funded projects, which will transition to AFCESA on 1 October 2004. After 30 September 2005, AFCESA will be ready to tackle all MAJCOM O&M (SRM) project work.

In order for this to work, AFCESA and AFCEE will need to receive funds early in the fiscal year. Attached is the guidance for the funds transfer procedure. Any unused funds in your account will be returned as soon as the funds are determined excess, giving you the ability to use them for other requirements. Also attached is a listing of points of contact at AFCESA and AFCEE for O&M project support.

A handwritten signature in black ink, appearing to read "L. Dean Fox".

L. DEAN FOX, Maj Gen, USAF
The Civil Engineer
DCS/Installations & Logistics

Attachments:

1. O&M Procedures for Paying Direct Costs of O&M Funded Projects
2. FOA POCs

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**PROCEDURES FOR PAYING DIRECT COSTS OF O&M FUNDED PROJECTS
EXECUTED BY AFCESA AND AFCEE**

- Funds must be provided to AFCESA and AFCEE based on the expected workload. Timely coordination with your AFCESA or AFCEE MAJCOM POC is required to calculate the amount of project work anticipated for execution in FY05.
- Provide 2.5 percent of the actual project cost to your project provider in early October. This will allow AFCESA or AFCEE to determine the correct level of support needed to execute your program.
- Provide funding to AFCESA or AFCEE via an Operating Budget Account Number (OBAN) for your MAJCOM. This allows you to see monthly status of your funds through the DFAS financial system and helps control the costs of administering this program.
- To establish an OBAN with AFCESA, contact Ms. Peggy Kearns, HQ AFCESA/FM, DSN 523-6477. If an OBAN must be established with AFCEE, contact Ms. Louise Lueb, AFCEE/MSR, DSN 240-3530.

NOTE: Neither AFCESA nor AFCEE is allowed to make a profit. Both AFCESA and AFCEE will do an in-depth, mid-year project cost analysis of the 2.5 percent service fee. Any excess funds identified will be returned to you by the end of the third quarter for your use against other requirements. If the analysis indicates additional funding is required due to significant growth beyond the original planning numbers, you will be advised after the mid-year review.

AFCESA O&M PROJECT MANAGEMENT POCs

Financial Issues	Ms. Peggy Kearns	FM	523-6477
Project Support Issues	Mr. Myron Anderson	CES	523-6470

Note: Additional O&M Project Management POCs for AFCESA will be provided at a later date.

AFCEE O&M PROJECT MANAGEMENT POCs

MAJCOM	AFCEE POC	OFFICE SYMBOL	DSN PHONE NUMBER
Financial Issues	Ms. Louise Lueb	MSR	240-3530
ACC	Mr. Dale Clark	ICC	240-3668
AETC	Mr. Gene DeRamus	ISE	240-3553
AFMC	Maj Joseph Fox	ISE	240-5661
AFRC, AFSOC, ANG	Maj James McClain	ISA	240-4412
AFSPC, USAFA	Mr. Roger Lozano	ICS	240-5322
AMC, 11th Wing	Mr. Gene Gallogly	ICM	240-5246
PACAF	Mr. Matt Parker	IWP	240-6591
USAFE	Maj Tom Williams	IWE	240-5230