



Civil Engineering

**PROVIDING UTILITIES TO US AIR FORCE INSTALLATIONS**

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**“HOLDOVER”**

***“The basic publication has changed; impact on supplemental information is under review by the OPR. Users should follow supplemental information that remains unaffected.”***

AFI 32-1061, 1 December 1997, is supplemented as follows: (A ★ indicates revision from the previous edition.)

1.4, Bullet 3. (Added)(AETC) Provides adequate training for all base utility service contract (BUSC) team members. As a minimum, all members will attend the Introduction to Utilities Contracting Course which is taught at Lackland AFB (L3OZR64P3 008) or can be arranged for on site (L40ST64P3-009). Contact HQ AETC/LGCE to make arrangements. When possible, all team members should attend the training together.

1.4, Bullet 4. (Added)(AETC) Appoints primary and alternate team members. The base civil engineer (BCE) chairs the BUSC. The contracting division sends the names, addresses, and telephone numbers of team members, in writing, to Headquarters Air Education and Training Command Logistics, Contracts Management Branch (HQ AETC/LGCM); The Civil Engineer, Maintenance Engineering Branch (HQ AETC/CEOE); and Staff Judge Advocate, Contract Law Division (HQ AETC/JACC). Send changes promptly as they occur. Keep the changing of team members at a minimum in keeping with mission accomplishment.

1.4, Bullet 5. (Added)(AETC) Makes the BUSC team available to support intervenors when directed.

1.7.1. Makes the designation in writing and sends a copy to the contracting division for inclusion in the utility contract files and notification to HQ AETC of appointment to the BUSC team.

1.7.6. Develops a written procedure to ensure concurrent supplier and government reading of supplier meters.

1.7.10. (Added)(AETC) Completes AETC Form 937, **Monthly Utility Report**, and submits reports to HQ AETC/CEOE monthly within 15 days after receipt of the final monthly utility invoice (for purchased utilities) and 15 days after the end of the month (for base produced utilities). Where bases have both purchased and produced utilities, AETC Forms 937 for both may be sent at the same time

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14 February 1995  
OPR: HQ AETC/CEOE (Ms J. Austen-Meyers)

Certified by: HQ AETC/CEO (Col R. Turner)  
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HQ AFCESA/CES - 1

within 15 days after the latter of receipt of the final monthly utility invoice or month-end. Indicate in the remarks section whether the data is for purchased or produced utilities. Exact replica electronic versions (i.e., Excel spreadsheet) of the form are authorized; font size must be in the 9-12 range. (Report control symbol [RCS] reporting requirements are exempt in accordance with AFI 37-124, *The Information Collections and Reports Management Program; Controlling Internal, Public and Interagency Air Force Information Collections*, paragraph 2.11.12.)

★2.5, **NOTES.** Bases should keep HQ AETC/CEOE informed of contacts with Defense Energy Support Center (DESC) (formerly DFSC), throughout the contracting process and delivery period. Frequently, issues arising on one base directly affect another base served under the same DESC contract.

★2.6.9. (Added)(AETC) Recycled water may be available from municipal or regional water supply facilities or from the private sector. Bases should consider using recycled water for nonpotable uses where practicable and where local conditions indicate use of recycled water is desirable to conserve potable water resources. Recycled water normally requires a new system, which should be supplier owned (paragraph 2.2.3 of basic).

2.7.5. (Added)(AETC) **Contract Approval Authority.** Authority is delegated to the BCE to initiate contract action requests and provide technical reviews, written comments, or recommendations to contracting for utility contracts and modifications that do not exceed \$100,000 annually, or cause an existing contract to exceed \$100,000 annually for the first time provided neither the contract nor the modification includes a refundable connection charge or termination liability of more than \$100,000. The BCE shall coordinate with and request approval authority from HQ AETC/CEOE prior to initiating contract action requests or providing written technical reviews, comments, or recommendations to contracting on contract actions exceeding \$100,000. The BCE is encouraged to provide the contracting and legal offices with copies of correspondence to HQ AETC/CEOE requesting such approval authority in order to expedite the action upon receipt of approval authority.

2.7.6. (Added)(AETC) **Format for Notifications to MAJCOM.** In all correspondence to HQ AETC/CEOE relating to contract approvals and modifications to existing contracts, etc., include the following in the subject line:

2.7.6.1. Contract modification number, if applicable.

2.7.6.2. Contract number.

2.7.6.3. Identification of the utility procured (i.e., gas, electricity, water, refuse collection).

2.7.6.4. Facility served (i.e., main base, recreation area, family housing).

2.7.6.5. Base.

2.7.6.6. If the correspondence relates to a rate change, identify it in brackets as "(rate increase)" or "(rate decrease)."

**NOTE:** Use Figure 2.1 (Added)(AETC) as an example subject line. E-mail notification must include coordination through the BCE.

**Figure 2.1. (Added)(AETC) Example Subject Line.**

Modification P0004 to Contract F41520-93-C-00111, Electric Service to Main Base, Boondock AFB (rate increase).
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2.8.4. (Added)(AETC) Approval authority for refundable connection charges or termination liability for not more than \$100,000 is delegated to the bases.

2.12. Adjust procedures as necessary to accommodate payment processing through regional Defense Finance and Accounting offices and report any problems with regional payment processing to HQ AETC/CEOE/FMF.

2.12.3. (Added)(AETC) Use the following procedures to validate monthly invoices:

2.12.3.1. Verify the utility service invoices under the supervision of the engineering member of the team. Furnish a copy to base contracting and accounting and finance.

2.12.3.2. Review jointly (engineering and contracting team members), at least annually, the invoice validation procedures to ensure rates and conditions of service information are current. Annually, the contracting member of the team should make the computations considered necessary to confirm invoice validation procedures. When a rate change occurs, the first billing under the revised rate should be reviewed jointly to ensure team understanding of the new rate. Keep alternate members of the team informed on current conditions to ensure continuity and proper action if a team member is absent.

2.12.3.3. Use of electronic calculation is highly recommended for validation of invoices with multiple elements to prevent inadvertently paying inappropriate penalties that may be incorporated within a billing element. One such example is an electric rate composed of charges for demand, energy, fuel cost adjustment, load factor, peak, partial-peak, or off-peak load levels, seasonal adjustments, and application of utility company rules or riders. Appropriate calculation may be available in commercial software or may require local development of a spreadsheet to accommodate the multi-element rates for a specific installation.

2.12.4. (Added)(AETC) Report inconsistencies in the supplier's application of rate elements (i.e., fuel adjustment, commodity adjustment, power factor) for service to government agencies. Send an information copy of any communications with the area utility regulatory authority (i.e., municipal board, state commission) to HQ AETC/CEOE. Certify only the invoiced amounts consistent with the supplier's rate schedule until inconsistencies are resolved and coordinate with comptroller and Defense Finance and Accounting Service (DFAS) personnel to commit funds for disputed amounts as a contingent liability.

2.13. For all rate increase requests over \$100,000, bases will complete AETC Form 935, **Rate Increase Impact**, within 1 week of notification and forward to HQ AETC/CEOE, along with appropriate rate schedules, rate increase analyses, and other information related to the rate change.

2.13.3.3. The base informs HQ AETC/CEOE within 24 working hours if the potential annual increase to an installation is: (1) more than \$100,000 a year, (2) causes the cost for an existing contract to exceed \$100,000 for the first time, or (3) is unreasonable, unjustified, or discriminatory.

2.15. The BCE initiates the review process and retains the original signed form.

2.15.7. Send one copy of each completed signed form separately to HQ AETC/CEOE and HQ AETC/LGCM. Complete and forward annual reviews of utility service contracts and open utility procurement agreements according to Figure 2.2 (Added)(AETC).

**Figure 2.2. (Added)(AETC) Annual Review Schedule.**

January	Altus	July	Luke
February	Columbus	August	Little Rock
March	Lackland, Randolph	September	Maxwell/Gunter
April	Keesler	October	Sheppard
May	Laughlin	November	Vance
June	Goodfellow	December	Tyndall

3.1.4. (Added)(AETC) Send a copy of each signed utility sales contract and utility sales agreement to HQ AETC/CEOE.

★3.5. Suspend billings until cumulative reimbursable charges in a fiscal year are \$500 or more. Waive reimbursement when the cumulative value of materiel or services furnished is less than \$500 in a fiscal year (reference AFI 65-601, Volume 1, *Budget Guidance and Procedures*, paragraph 5.5). Notify the customer of the waiver in writing. Once charges have been billed in a fiscal year, any accumulated charges, regardless of amount, will be billed periodically throughout the remainder of the fiscal year (DFAS-DER 7010-2, *Commercial Transactions at Base Level*, paragraph 29-1c).

★3.5.1.3.1. (Added)(AETC) Provide the purchaser with AF Form 3555, **Utility Sales Rates, Exhibit \_\_\_\_\_**.

★3.5.1.3.2. (Added)(AETC) Distribution line losses, system operation and maintenance costs, and other utility costs must be included for all portions of the base distribution system outside the military family housing (MFH) area that is used to provide the utility to the housing units.

3.8, Bullet 1. Send copies of utilities sales rate calculations to HQ AETC/CEOE for review no later than 7 December, and within 30 days of recalculation due to change in cost to the Air Force.

3.8, Bullet 4. (Added)(AETC) Review MFH rate methodology to ensure the account is charged at the basic rate plus distribution line losses, operations, and other costs of government owned systems when used to provide utilities to MFH units.

3.9. Complete AETC Form 936, **Utilities Sales Agreement Review**, for each sales contract and agreement, along with AF Form 3557, **Utility Sales Annual Review**. Forward signed copies of both forms to HQ AETC/CEOE by the end of February of each year for the preceding fiscal year.

★3.11. (Added)(AETC) **Forms Prescribed.** AETC Forms 935, 936, and 937.

Attachment 2, Bullet 10. Copies of all rules, riders, or supplemental documents that modify supplier rate schedules.

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