Air Force Installation & Mission Support Center

Commercial On-Base Lodging (COBL) Program

Mr. Benjamin Kindt
COBL PMO
30 Oct 2024

Classification

The classification of the brief is Unclassified

Purpose

To provide information on the Department of the Air Force (DAF) COBL program

Current DAF Lodging

- DAF Lodging currently manages ~17,000 hotel rooms across the United States at approximately 60 installations
  - Does not include DAF Lodging operations at bases in foreign countries
  - Includes Visiting Quarters (VQs), Distinguished Visiting Quarters (DVQs), Temporary Lodging Facilities (TLFs)
- Since 2019, DAF Lodging has operated entirely with non-appropriated (NAF) funds, and not subsidized by Congressional appropriations
  - Only source of revenue is room rates and other ancillary revenue from hotel operations
- DAF has determined that NAF funds are not sufficient to sustain and recapitalize the lodging portfolio
- Many of the facilities in the DAF lodging portfolio are aged and do not meet industry standards

AIR FORCE INNS
USAF SERVICES

DAF COBL Program

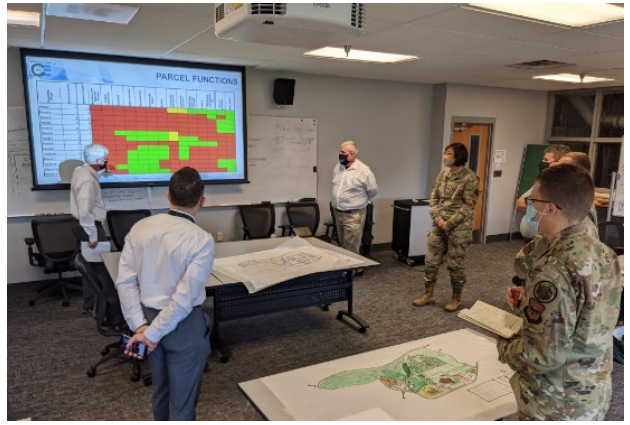
- On 26 Jan 24, Assistant Secretary of the Air Force for Manpower and Reserve Affairs (SAF/MR) approved potential commercialization of all DAF on-base lodging in the US
- Effort, known as DAF COBL, leverages previous success of Privatized Army Lodging (PAL) program
  - Establish lease to a partner including a national hotel brand, applying industry quality standards, traveler incentives
  - Leverage private capital to finance sustainment and recapitalization of portfolio over 50-year lease
- Commercialization will allow private sector partners to more quickly tackle recapitalization needs during the Initial Development Period using upfront private capital
- Commercialization allows private sector to offer official travelers service levels and standards equivalent to off-base hotels
- Strategy: Higher guest satisfaction >>> improved lodging utilization >>> sustained mission support capability

COBL Overview

- Process to competitively select private sector partner, then close lease will be phased over several years
  - Award includes initial subset of installations entitled “Group A”
  - Follow-on group(s) potentially exercised as options
- Analysis underway to estimate end state room number across portfolio; anticipate reduction from current 17,000 rooms
  - Current requirements for Official Travelers to stay on-base per the Joint Travel Regulations (JTR) will be relaxed – privatization programs cannot mandate on-base occupancy
  - Travelers currently required to stay on-base may choose to stay off-base given the option if quality not improved
  - Some locations may see room increase due to demand and mission need
  - Focus on eliminating excess room inventory, improving quality
  - Privatized Army Lodging (PAL) saw a reduction from ~16,000 rooms before privatization to ~12,000 rooms at end-state

How COBL Will Operate

- After selection, partner responsible for accomplishing installation environmental analysis support, finalizing development plans, legal documents, financing, etc. prior to closing. Planning effort can evaluate viability of expanded service offerings such as conference facilities, food service
- At closing, partner will obtain a loan and other private financing to fund agreed upon development
  - Some existing hotels will already meet brand standards
  - Most existing hotels will need renovations to reach to brand standards
  - Some hotels will be demolished and replaced with new branded hotels
- At closing, Hotel Operator will take over management of hotels and begin implementing service standard improvements to match off-base competition
- Developer to spend funds from closing to bring facilities to brand standard, execute renovations and new construction; make targeted improvements to existing hotels such as new furnishings, operational enhancements



COBL Timeline

- **Timeline is still preliminary and could shift, but current plan is:**
  - **Summer 2024 – Spring 2025: Data gathering, analysis, preparation of solicitation**
  - **Spring 2025: Issue Draft Request for Proposal (RFP), host Industry Forum/Tour**
  - **Summer 2025: Issue Group A RFP**
  - **Fall / Winter 2025: RFP Responses Due**
  - **Spring / Summer 2026: Group A Award**
  - **Summer 2026 – Winter '27: Finalize development plans, complete environmental work, draft legal documents, finalize financing, etc.**
  - **Winter 2027 / 2028: Close Group A**
  - **2029-2030: Decision to exercise Group B option**

Further Information

- COBL opportunity is posted on www.sam.gov
  - Interested parties are encourage to view the COBL opportunity at that site
  - All questions can be directed to the site and answers will be posted for all parties to view
  - Parties may add themselves to the interested vendors list to be notified of any updates, future Requests for Information (RFI) or other announcements
  - Parties may submit their contact information if they wish to be added to the publicly available Contact List for purposes of teaming with other parties
- DAF has already issued one RFI on www.sam.gov and anticipates issuing further RFIs or posting schedule updates, draft RFPs, Industry Forum information, and the eventual Group A RFP to that site

Your Success is Our Mission!