Municipal Services Agreement
Reimbursement
• **Municipal Services Agreements (MSAs)**
  - Between Army and RCI Partnerships governing provision of services to include (as applicable):
    - Utilities
    - Fire/Police and emergency services
    - Pest Control
    - Other

• **MSAs**
  - Should be reviewed with Army RCI Team / Partner annually
  - Updated as necessary
  - Disputes must be resolved within 90 days or forwarded through chain of command

• **Why is this important?**
  - Non-controllable expenses were 30% of total operating expenses for 2013
  - Per unit utility costs increased 7.2% from 2012 to 2013; per unit utility costs were $193/occupied unit per month annualized as of 31 Mar 14
  - Army budget challenges have resulted in greater focus on reimbursable expenses
10 USC 2872 (a) - Mandates that Army is reimbursed for utilities or services provided for privatized housing to include:

- Electric power
- Steam
- Compressed air
- Water
- Sewage and garbage disposal
- Natural gas
- Pest control
- Snow and ice removal
- Mechanical refrigeration
- Telecommunications service
- Firefighting and fire protection services
- Police Protection Services

MSAs

Ground Lease

ASA IEE memo: Utility and Services Reimbursement Policy for RCI and PAL partnerships – Policy Memorandum #5 dated 26 November 2012

DASA (IH&P) Reimbursement Policy for Emergency Services Provided to RCI and PAL Partnerships Policy Memorandum #6 dated 9 Dec 13 and clarification to policy dated 3 Jul 14
Utilities Reimbursement

• Utility Reimbursement
  – Starting point is the agreed to MSA
  – Should meet requirements detailed in the policy guidance

• Costs will include:
  – Actual commodity usage costs
  – Incremental costs incurred for operations and maintenance and sustainment
  – Capital investments and repair and restoration upgrades required outside of RCI and PAL points of demarcation will not be billed to RCI and PAL projects
  – Capital projects initiated solely to meet an RCI or PAL requirement shall have cost billed to the RCI or PAL project

• Incremental Cost Definition:
  – Cost of resources directly consumed by an individual activity that would not have been consumed if the individual activity did not require them, or a cost that is specifically identified with a single cost object
What is Reimbursable by RCI Projects

• Reimbursement only for:
  – Incremental Costs: Cost of resources directly consumed by an individual activity that would not have been consumed if the individual activity did not require them, or a cost that is specifically identified with a single cost object
  – Costs reimbursed only for those man-hours required exclusively for the project
  – Measurable and segregable on a reasonable and auditable basis
  – Services provided during special events specific to housing or put on by RCI project for the primary benefit of its residents (e.g. Halloween, neighborhood parties)
What is NOT Reimbursable by RCI Projects

- Calculations will not be made using square feet as the denominator (pro-rata share)
- Capital costs – (fire/police stations, cars, trucks, paramedic vans, etc.)
- Costs associated with airfield or range protection
- Army will not seek reimbursement for salaries paid to uniformed Military Police or Military Firefighters
- Access control points and security personnel
- Administration expenses including 911 call centers
- Costs associated with child development centers
- Costs associated with on-post schools
- Animal control services
- Traffic violations and control
- Installation access passes
- Non-dedicated housing patrols
- Civilian weapons management
- Suicide prevention
- Fire prevention inspections
- Sporting event support (where FMWRC or Army involvement is included)
• MSAs need to be reviewed and updated annually
• Process to set rates should include the RCI Partner and the Asset Management Team; discussions should be early and often in the process
  – Original rates and methodology are a starting point
• ACSIM can provide overall guidance, but up to the installation level to work out
• Reminder that if rates cannot be agreed to with all parties within 90 days dispute should be elevated through command channels to ACSIM PPD