



MANPOWER AND
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
1500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-1500

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (IEE)
ATTN: MS. JACQUELYN ANTHONY
ASSISTANT SECRETARY OF THE NAVY (EIE)
ATTN: COMMANDER TERRANCE WHITE
ASSISTANT SECRETARY OF THE AIR FORCE (IEE)
ATTN: MR. ROBERT WYNN
DIRECTOR, DEFENSE COMMISSARY AGENCY
ATTN: MR. CHRISTOPHER LYONS

SUBJECT: Fiscal Year 2025 Commissary Surcharge, Nonappropriated Fund, and Privately Financed Construction Program

The DoD Components' submissions for the Fiscal Year 2025 Commissary Surcharge, Nonappropriated Fund, and Privately Financed Construction Program are due on or before Wednesday, May 15, 2024. Please deliver documents electronically via <https://safe.apps.mil/>. Please note: Users should select their SIGNATURE certificate issued through the DoD email Certificate Authority (CA) or select the AUTHENTICATION PIV certificate issued by the DOD Identifier (ID) Certificate Authority (CA) to connect.

The FY 2025 program submission must contain seven reporting elements: (1) executive summary; (2) individual project narrative for each major construction project; (3) program workbook; (4) 5-year recapitalization summary; (5) initial post-occupancy review on completed projects; (6) cost assessment and program evaluation report; and (7) cost and/or scope change reports. In addition to any required narratives, complete the required workbook template (TAB A). The remaining reporting requirements contained in DoDI 7700.18, "Commissary Surcharge, Nonappropriated Fund (NAF), and Privately Financed Construction Reporting Procedures," will be maintained on file with the DoD Component and are not required to be included with your submission. However, these documents may be requested at any time during the review and approval process if needed. All financial information in the submitted project documents and briefings must use net income/loss vice net income before depreciation (NIBD).

We request that all Category C activity projects are either: (1) a fact-of-life project required to keep a financially healthy Category C program going (i.e., activity has a positive net income), or (2) the project itself will provide a significant return on investment and either resolve a non-profitable situation to a net profit or increase the net income that it generates to support other MWR programs.

The following information must be provided with each Category C major construction project submitted for approval: (1) projected net income (not NIBD) of the facility project for a five year period (or the net income data for the MWR activity supported by a fact-of-life project); (2) population assigned to the installation and prospective customers documented by the project validation assessment; net income and capital purchase expenses broken down by amortization (if

applicable), furniture, fixtures and equipment (FFE) depreciation expense, locally funded facility depreciation expense and centrally funded facility depreciation expenses over the previous five-year period; replacement costs of all capital items (FFE and facilities) that have fully depreciated but remain in use.

For the five-year recapitalization summary, please include the planning/programming assumptions in determining the requirements and proposed courses of action for dealing with any resourcing shortfall. Please be prepared to discuss your Service's plan to address the recapitalization of MWR activities that have a sustained net loss over the last 5 years.

To meet the post-occupancy review requirements, please include an analysis of the design of facility, equipment requirements, building layout, and financial/operational performance versus projections, programming expectations, and the lessons learned for all major construction projects completed in FY 2020 (TAB B). The FY 2020 major construction projects should be operational for three years to capture all data points. Please be sure to highlight any FY 2020 projects that will be deferred to next year for review and include any FY 2019 projects that were deferred from last year's review.

The DoD Component program briefings are not required and will be upon request only. If requested, the briefings must address each major construction project, including all privately financed projects; major changes to the management, administration, and funding of the construction program; the overall capital investment goals; the specific goals for major and minor construction; the five-year recapitalization summary; and a summary of post-occupancy reviews.

My point of contact is Mrs. Mary Sandborn at O: 571-372-6606/C: 202-961-9533 or mary.k.sandborn.civ@mail.mil.



Glenn T. Garrison
Director, MWR and Resale Policy
(Military Community and Family Policy)

Attachments:

- TAB A – FY2025 Construction Workbooks (required)
- TAB B – FY2025 Post Occupancy template (required)
- TAB C – FY2025 Project Certification
- TAB D – FY2025 Project Documentation (required)
- TAB E – FY2025 Cost/Scope change template

cc:

- Ms. Karan Reidenbach, SAMR-MQ
- Ms. Evonne Carawan, OASN(MRA)
- Mr. Michael Coltrin, SAF-MR