



DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
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DCN 8854

July 28, 2005
DSE # 33

Chairman:
The Honorable Anthony J. Principi

Commissioners:
The Honorable James H. Bilbray
The Honorable Philip E. Coyne, III
Admiral Harold W. Gehman, Jr., USN (Ret.)
The Honorable James V. Hansen
General James T. Hill, USA (Ret.)
General Lloyd W. Newton, USAF (Ret.)
The Honorable Samuel K. Skinner
Brigadier General Sue Ellen Turner, USAF (Ret.)

Executive Director:
Charles Battaglia

Mr. Bob Meyer
Director
BRAC Clearinghouse
1401 Oak St.
Rosslyn VA 22209

Dear Mr. Meyer:

I respectfully request a written response from the Department of Defense concerning the enclosed document:

X OTHER: Please provide details of the contract for the "Swiss Chalet" contract at Naval Station Newport. Specifically, what are the provisions that describe how much money the Navy pays if room occupancy is below a specified threshold, is this based on monthly performance or annual performance, what is the threshold, how is the contract year defined, in what year does the Navy cease to have an obligation to make payments, and what has the payment history been, by month, under this contract. Please feel free to include additional information as this may reduce the workload for both of us.

I would appreciate your response by July 29, 2005. Please provide a control number for this request and do not hesitate to contact me if I can provide further information concerning this request.

Yours sincerely,

Frank Cirillo
Director
Review & Analysis

Enclosures (5): Questions for the record to the Secretary of Defense, Secretary of the Army, Secretary of the Navy, Secretary of the Air Force and the Under Secretary of Defense (Acquisition and Technology).



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

2 August 2005

The Honorable Anthony J. Principi
Chairman
Base Realignment and Closure Commission
2521 South Clark Street
Arlington, VA 22202

Dear Chairman Principi:

This is in response to the July 28, 2005 (DSE#33) inquiry from Mr. Frank Cirillo of your staff concerning the Swiss Chalet at Naval Station Newport, RI. The answers to the list of questions follow:

What are the provisions that describe how much money the Navy pays if room occupancy is below a specified threshold?

The Navy pays the nightly room rate minus tax for unoccupied rooms up to the threshold.

Is this based on monthly performance or annual performance?

Annual performance

What is the threshold?

The threshold is 75% annual occupancy (41,062.5 room nights per year).

How is the contract year defined?

The contract year is defined as 17 July – 16 July.

In what year does the Navy cease to have an obligation to make payments?

2024 is the last year of obligation for these payments.

What has the payment history been, by month, under this contract?

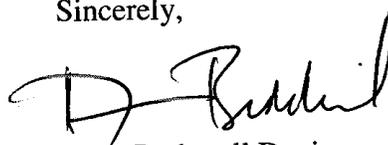
17 Jul 1992 – 16 Jul 1993	\$68,009.00 (1447 room nights)
17 Jul 1993 – 16 Jul 1994	\$0.00 (threshold met or exceeded)
17 Jul 1994 – 16 Jul 1995	\$0.00 (threshold met or exceeded)
17 Jul 1995 – 16 Jul 1996	\$0.00 (threshold met or exceeded)
17 Jul 1996 – 16 Jul 1997	\$0.00 (threshold met or exceeded)

17 Jul 1997 – 16 Jul 1998	\$0.00 (threshold met or exceeded)
17 Jul 1998 – 16 Jul 1999	\$0.00 (threshold met or exceeded)
17 Jul 1999 – 16 Jul 2000	\$0.00 (threshold met or exceeded)
17 Jul 2000 – 16 Jul 2001	\$0.00 (threshold met or exceeded)
17 Jul 2001 – 16 Jul 2002	\$0.00 (threshold met or exceeded)
17 Jul 2002 – 16 Jul 2003	\$0.00 **
17 Jul 2003 – 16 Jul 2004	\$0.00 (threshold met or exceeded)

** During this year, a number of rooms were out of service in excess of 30 days to perform cyclical renovation. The occupancy threshold was short by 1,174.5 room nights. The Government and the contractor agreed that no payment would be made due to the circumstances.

I trust this information satisfactorily addresses your concerns. If we can be of further assistance, please let me know.

Sincerely,



for
Anne Rathmell Davis
Special Assistant to the Secretary of the Navy
For Base Realignment and Closure