

National Park Service



Doing Business with the National Park Service Concession Program



Presentation Contents

- Concession Program Management
- Commercial Visitor Services Overview
- Contract Solicitation and Award Process
- Contract Categories
- Key Elements of Concession Contracts
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Concession Program Mission

- Through the use of concession contracts or commercial use authorizations, the National Park Service will provide commercial visitor services that are necessary and appropriate for public use and enjoyment. Concession operations will be consistent to the highest practicable degree with the preservation and conservation of resources and values of the park unit. Concession operations will demonstrate sound environmental management and stewardship. –*2006 Management Policies*



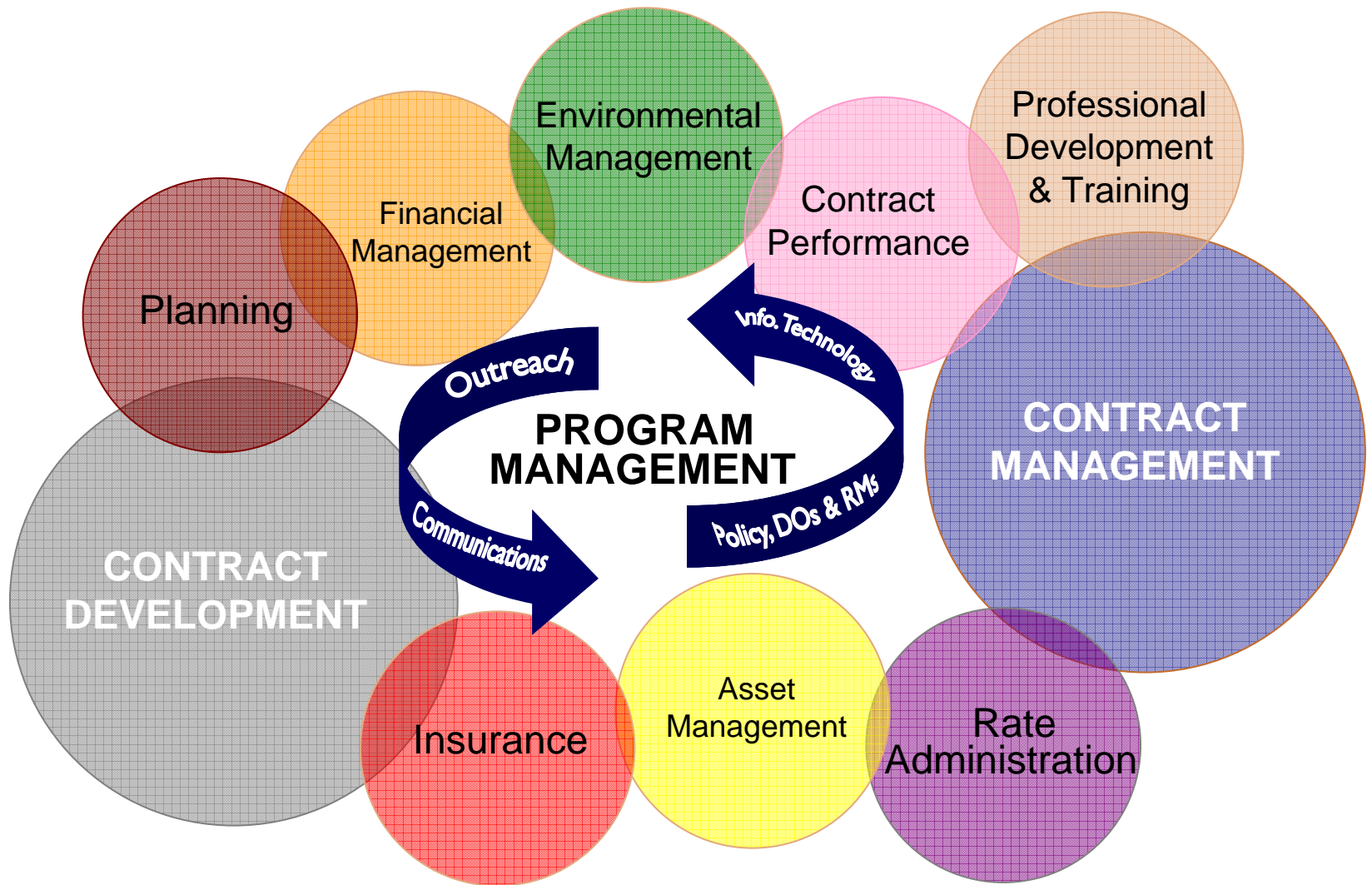
Concession Program Responsibilities

- Management of servicewide commercial visitor services
- Development and implementation of concessions and commercial use authorization regulations, policies, Director's Orders, and reference manuals
- Service as liaison with Department of Interior, Office of Management and Budget, Congress, and other agencies
- Coordination of Concessions Management Advisory Board
- Oversight of program budget
- Oversight of leasing activities
- Management, tracking, and analysis of concessions data
- Provision of technical assistance to regions, parks, and concessioners



Concession Program Primary Functional Areas

- Contract Development
- Contract Management
- Asset Management
- Financial Management



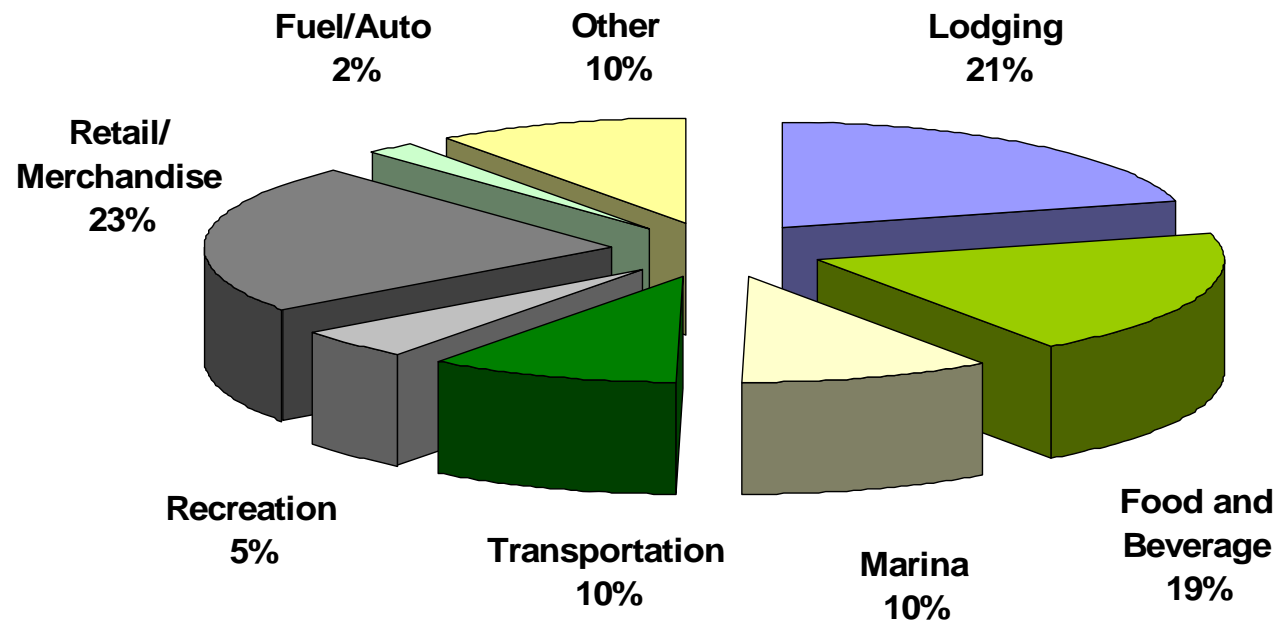


Commercial Visitor Services at a Glance

- \$885 million in concessioners' gross receipts
 - 23% in merchandise and retail
 - 21% in lodging
 - 19% in food and beverage
- 589 contracts
 - 10% of contracts generate 82% of gross receipts
 - 70% of contracts generate under \$500,000 annually in gross receipts
- 3.4% average franchise fee on all contracts
- About 6,000 commercial use authorizations
- 200 NPS and 23,000 concessioner employees



Concession Contract Revenue by Visitor Service





Concession Contract Revenue Breakdown

Gross Revenue on Individual Contracts	# of Contracts	% of All Contracts	Gross Revenue of All Contracts	% of Gross Revenue
\$3 Million and Above	55	10.2%	\$ 727,000,000	82.1%
\$1 Million to \$3 Million	47	8.7%	88,000,000	9.9%
\$500,000 to \$1 Million	39	7.2%	29,000,000	3.3%
All Other Reporting	382	70.9%	41,000,000	4.6%
Not Reporting	16	3.0%	-	0.0%
Total	539	100%	\$ 885,000,000	100%

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Business Processes

Contract Development and Management

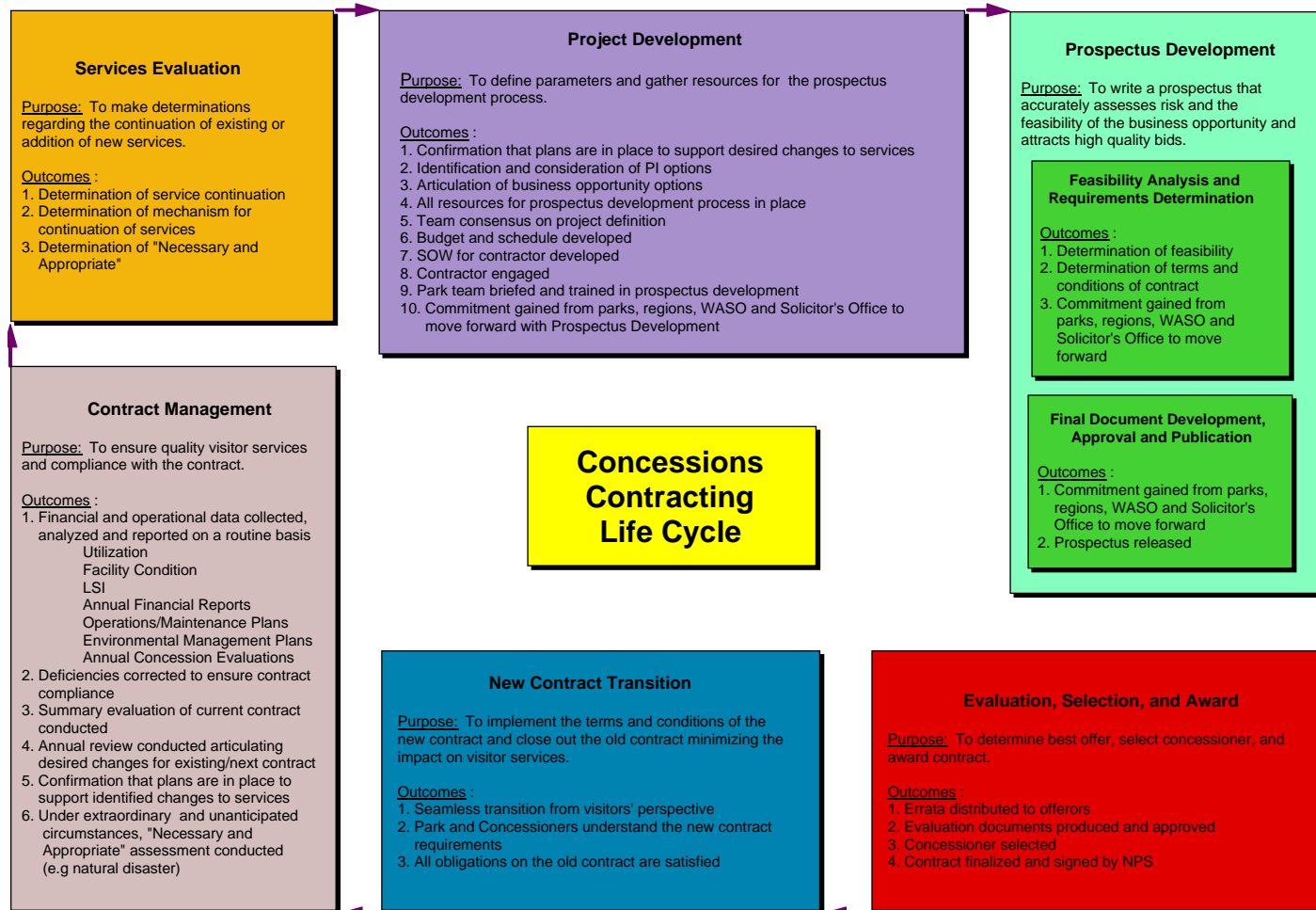


Concessions Contracting Life Cycle

- Commercial Services planning
- Project development
- Prospectus development
 - Feasibility analysis and requirements determination
 - Final document development, approval, and publication
- Evaluation, selection, and award
- Contract transition
- Contract management

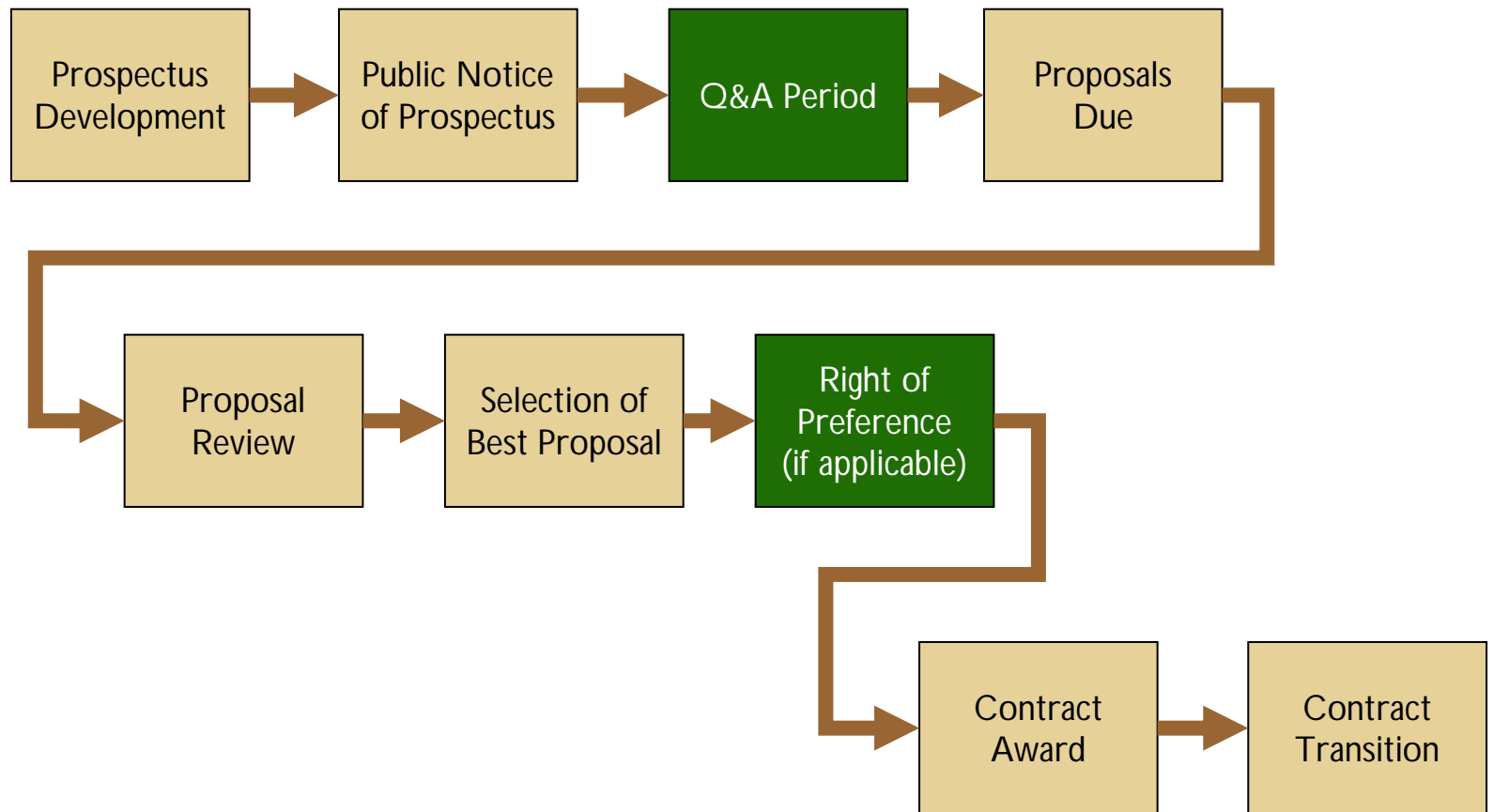


Concessions Contracting Life Cycle





Contract Solicitation & Award Process





Financial Feasibility Analysis

BUSINESS OPPORTUNITY

NPS Planning

Necessary and Appropriate

Market Influences

Supply/Demand
Industry/Market trends

Facilities/Services

Orientation/Positioning
Product quality/Service

Historical Operations Analysis

Rev	\$XX
Expenses	\$XX
NOI	\$XX

FUTURE FIN. PERFORMANCE

Rev	\$XX
Expenses	\$XX
NOI	\$XX

INVESTMENTS

Possessory Interest
Deferred Maintenance
Concessioner Facility Improvements
Personal Property
Working Capital

Cash Flow

\$(Inflows)

Investment

\$(Outflow)

Contract Term

Risk

ROI



Contract Categories

- **Category I:** Concessioner constructs capital improvements on park lands
- **Category II:** Concessioner operates on assigned land or in a government building (but no construction of capital improvements)
- **Category III:** Concessioner is not assigned land or buildings



Key Elements of a Concession Contract

- Term
- Visitor Services
 - Required
 - Authorized
- Satisfactory Operation (Contract Performance)
- Possessory Interest / Leasehold Surrender Interest (if applicable)
- Rate Administrations
- Franchise Fees



Proposal Review – Selecting the Best Offer

- NPS Evaluation Panel
 - Federal employees with possible technical advisors
- Panel reviews all proposals
- Develops recommended scores
- Evaluation summary drafted by panel
 - Recommended scores and narrative explanation
- Deciding Official
 - Reviews proposals, evaluation summary, selects responsive proposal with highest score



Selection Factors and Scoring

- Five principal factors (0-24 points)
 - Protecting the resources of the park (0-5)
 - Quality of services to be provided (0-5)
 - Background and Experience (0-5)
 - Financial Capability (0-5)
 - Franchise Fee (0-4)
- Secondary selection factors (0-3)
 - Environmental protection/management
(e.g. recycling, energy & water conservation, sustainability)
- Optional secondary factors (0-3)
 - Specific to the park area



Right of Preference

- A “right of preference” is a right to match the better terms and conditions of the best proposal
- Who may have “right of preference”
 - Existing concessioners for new contracts grossing less than \$500,000 and all outfitter and guide contracts
- How is it applied?
 - Offeror with right of preference is given opportunity to amend proposal to match better terms.
- If done, selected over original best proposal

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WASO Concession Program