



WASO Commercial Services Program

Brian Borda, Chief



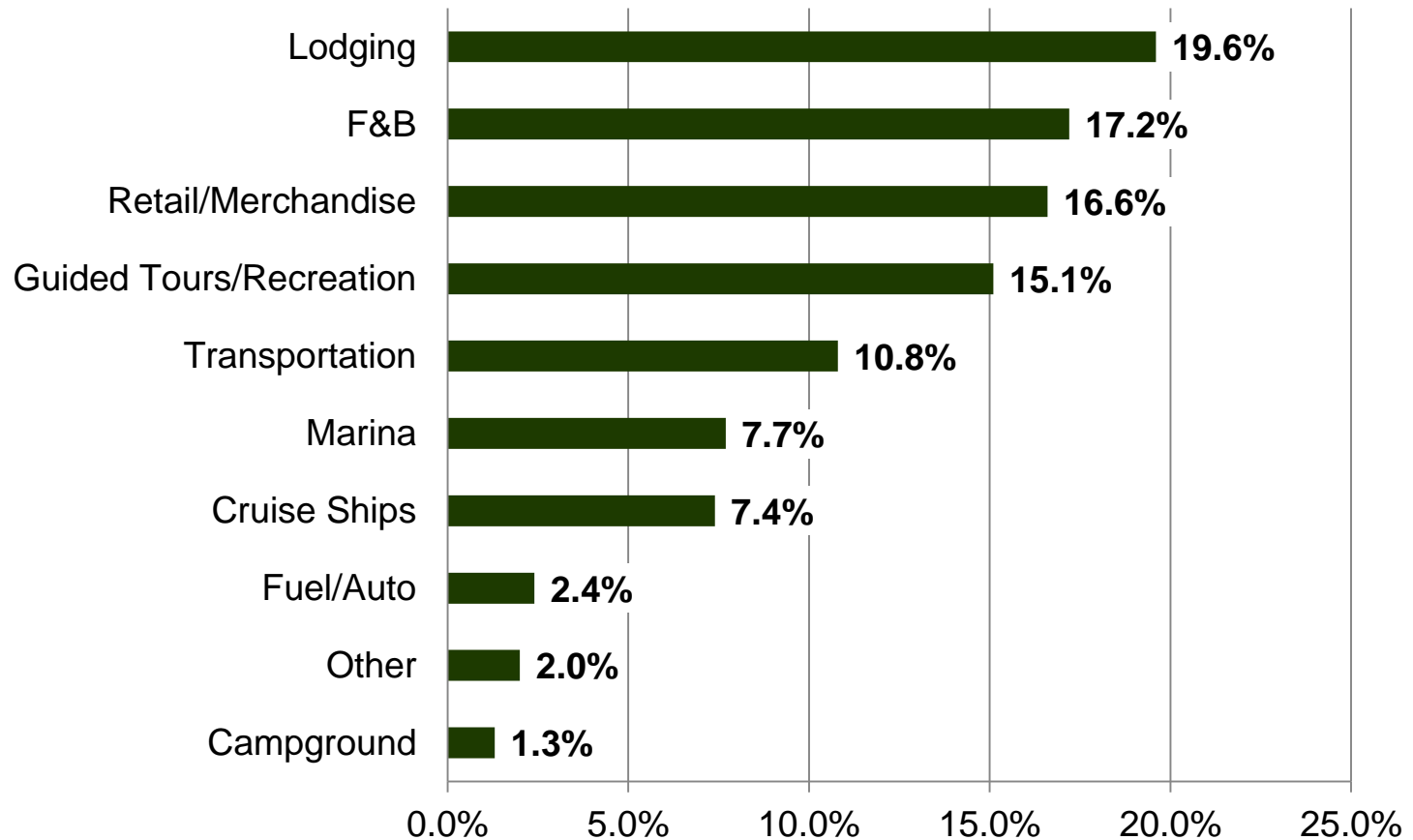
Commercial Services at a Glance

- Approximately \$1.2 Billion in concessioners' gross receipts
 - 19.6% in lodging
 - 17.2% in food and beverage
 - 16.6% in merchandise and retail
- 503 Contracts
 - Approximately 22% of contracts generate 94% of gross receipts
 - Approximately 60% of contracts generate under \$500,000
- 5.9% average franchise fee on all contracts
- 4,850 commercial use authorizations
 - The Service received \$1.5 Million in cost recovery charges
- 121 Leases
- Approximately 300 NPS and 14,400 concessioner employees



Commercial Services

Concession Contract Gross Receipts by Visitor Service*



*As reported through 2013 & 2014 Annual Financial Reports



Commercial Services

Concession Contracts by Size*

Gross Receipts on Individual Contracts	Contracts	% of Total	Gross Receipts of All Contracts (\$ Millions)	% of Total
\$3 Million and Above	66	13%	1,004.5	87%
\$1 Million to \$3 Million	47	9%	84.3	7%
\$500,000 to \$1 Million	39	8%	28.3	3%
All Other Reporting	295	59%	37.6	3%
Not Yet Reported	56	11%	-	-
Total	503	100%	1,154.7	100%

*As reported through 2013 & 2014 Annual Financial Reports



Concession Contracts by NPS Region

Region	Parks	Contracts	Gross Receipts* (\$ Millions)	Franchise Fees* (\$ Millions)
Alaska	10	98	128.4	9.6
Intermountain	24	212	512.9	22.7
Midwest	6	11	50.7	1.3
National Capital	16	33	95.1	9.5
Northeast	13	51	33.4	2.9
Pacific West	25	59	291.6	19.4
Southeast	15	39	42.6	3.1
Total	109	503	1,154.7	68.6

*As reported through 2013 & 2014 Annual Financial Reports



Asset Management Branch

Deb Harvey, Chief



Asset Management Key Functional Areas

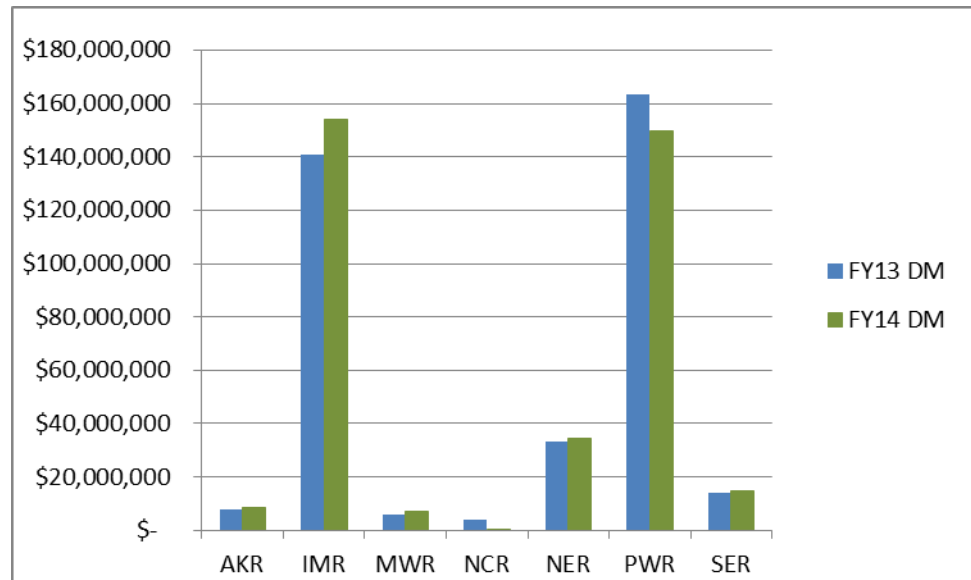
- Condition Assessments
 - Asset Condition
 - Life Cycle Requirements
 - Repair and Maintenance Reserve (Component Renewal)
 - Recurring Preventive Maintenance
 - Reconstruction Estimates
- Possessory Interest
 - Negotiations
- Leasehold Surrender Interest
 - Negotiations
 - Construction Facilities Improvement Program Reviews
- Real Property Insurance Replacement Values
- Federal Accounting Standards Advisory Board Reporting



Asset Management

Deferred Maintenance in Concession Occupied Assets

- FY13 - \$369M
- FY14 - \$373M

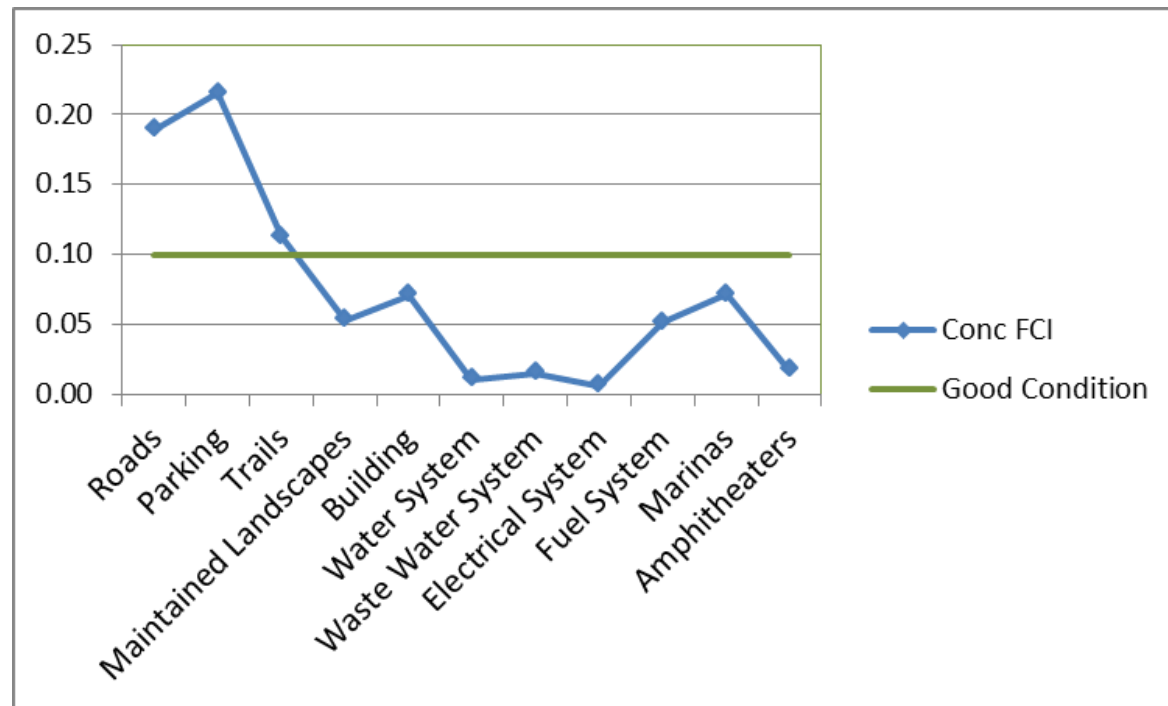


Source: FY13 and FY14 OMB 8 Industry Standards.rpt



Asset Management

Concession Occupied Assets in Good Condition!



Source: FY14 OMB 8 Industry Standards.rpt

National Park Service



Planning and Development Branch

Debra Hecox, Chief



Planning and Development Key Functional Areas

- Prospectus Development
 - Policy and guidance for all prospectuses
 - Standard forms and templates
 - Insurance consultation
 - Feedback and support to regions
 - Direct involvement with WASO-level contracts
 - Hospitality consultants
- Commercial Use Authorizations
 - Policy and guidance
 - Standard forms
 - Workgroup to develop policy
 - Feedback and support to parks and regions



Planning and Development Key Functional Areas

continued)

- Leases
 - Policy and guidance
 - Strategic plan development



Commercial Use Authorizations

- 2013 information reported
 - 4850 CUA's issued
 - Generated \$150 million in gross revenue to CUA holders
 - Served over 6 million visitors
- Services include
 - Transportation and tours (air, land, water)
 - Recreation (backcountry, fishing, bike rentals, horseback rides, photography, windsurfing)
 - Support services (towing, repairs, locksmiths)
 - Personal services (art instruction, catering, fitness)
 - Food carts
 - Miscellaneous (firewood, step on guides)



New Services in Recent Years

- Pacific West Region
 - Trolley tour at Crater Lake NP
 - Full service camping at Kings Canyon NP
 - Yoga, street fairs, fitness camps, Segway tours
- Northeast Region
 - Mobile food vending at Gateway NRA
 - New F&B operations at Cape Cod NS and Assateague Island NS
- National Capital Region
 - Boat rentals at Rock Creek Park



New Services in Recent Years (continued)

- Intermountain Region
 - Bicycle rentals at Grand Canyon NP
- Southeast Region
 - Ferry operations at Cape Lookout NS
 - Seaplane to Ft. Jefferson at Dry Tortugas NP
 - Tube rental and F&B at Chattahoochee River NRA



Projected Prospectus Releases through 2015

- 36 prospectuses projected for 79 contracts
- WASO level contracts include
 - Denali National Park (DENA001)
 - Sequoia National Park (SEKI004)
 - Mount Rushmore National Memorial (MORU001)
 - Fort Sumter National Monument (FOSU001)
- Other contracts include
 - Virgin Islands National Park (VIIS001)
 - Lake Mead National Recreation Area (LAKE007)
 - Olympic National Park (OLYM008)
 - Glen Canyon National Recreation Area (GLCA001)
 - Mount Rushmore National Memorial (MORU002)



Term of Contracts

“A concession contract entered into pursuant to this subchapter shall generally be awarded for a term of 10 years or less. However, the Secretary may award a contract for a term of up to 20 years if the Secretary determines that the contract terms and conditions, including the required construction of capital improvements, warrant a longer term.”

Section 404, Concessions Management Improvement Act



Considerations for Longer Terms

Financial models provide information to NPS decision-makers on contract terms from 10 to 20 years.

- Substantial initial investment
 - Initial LSI
 - New construction
 - Unique personal property
- NPS projects that interrupt operations
 - Gov't funded building rehabilitation
- New concession operations with significant concessioner investment
- Reopening suspended operations with significant concessioner investment



Current 1998 Act Contracts with Terms over 10 Years

Rocky Mountain National Park	ROMO002-02 (15)
Crater Lake National Park	CRLA001-02 (15)
Yellowstone National Park	YELL002- 03 (15)
Glen Canyon Nat'I Rec Area	GLCA007-03 (20)
Gateway Nat'I Recreation Area	GATE015-03 (20)
Grand Teton National Park	GRTE001-07 (15)
Whiskeytown Nat'I Rec Area	WHIS002-09 (20)
John D. Rockefeller, Jr., Nat'I Pwy	JODR002-11 (15)



Current 1998 Act Contracts with Terms over 10 Years

Grand Teton National Park	GRTE003-12 (15)
Hawai'i Volcanoes National Park	HAVO001-12 (15)
Grand Teton National Park	GRTE004-12 (13)
Yellowstone National Park	YELL077-13 (20)
Lake Roosevelt Nat'l Rec Area	LARO001-14 (15)
Glacier National Park	GLAC002-14 (15)
Mount Rainier National Park	MORA002-15 (15)
Grand Canyon National Park	GRCA003-15 (15)



- **Current Prospectuses with Terms over 10 Years**

Grand Canyon National Park (15)

GRCA001-16 Lodging, F&B, retail, tours

- **Pending Selections with Terms over 10 Years**

Yosemite National Park (15)

YOSE004 for Lodging, F&B, retail, recreation



Prospectus Responses

- We see proposals with creative initiatives to provide high quality visitor services and protect park resources.
- Contracts with preferred offerors tend to have fewer proposals.
- High interest in new operations
 - Grand Canyon bicycle rentals – 5 proposals
 - Yellowstone “oversnow” tours – 158 proposals from 20 companies
23 contracts
- Interest in lucrative operations with small initial investment
 - Acadia National Park (ACAD001) – 4 proposals
 - Mt. Rainier National Park (MORA002) – 4 proposals
 - Blue Ridge Parkway (BLRI004) – 4 proposals
- The only significant prospectuses without a responsive proposals in the last two years were Everglades NP (EVER001) and Grand Canyon NP (GRCA001).



Prospectus Planning/Development

- For WASO-level contracts (revenue over \$5 million)
 - Concessioner interview is a formal part of the early due diligence process
 - Program developing guidance to ensure this occurs in other prospectus processes
- Planning processes involving commercial services
 - Concessioner participates in public comments period and public meetings
- Ongoing communication with NPS during term of contract
- Would like to see more visitor/private sector input in prospectus development



New or Enhanced Services to an Existing Contract

- Full contract compliance with the most recent AOR at a satisfactory level
- Concessioner submits written proposal for service
 - If approved:
 - Update operating plan and consider insurance requirements.
 - Concessioner reports on the results of offering the new service including financial and safety reports and visitor feedback.
 - NPS will consider its evaluation and concession provided information to determine whether to continue the service.
 - If not approved:
 - Superintendent provides written findings and explanation of the decision.

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Finance Branch

Thomas Drake, Acting Chief



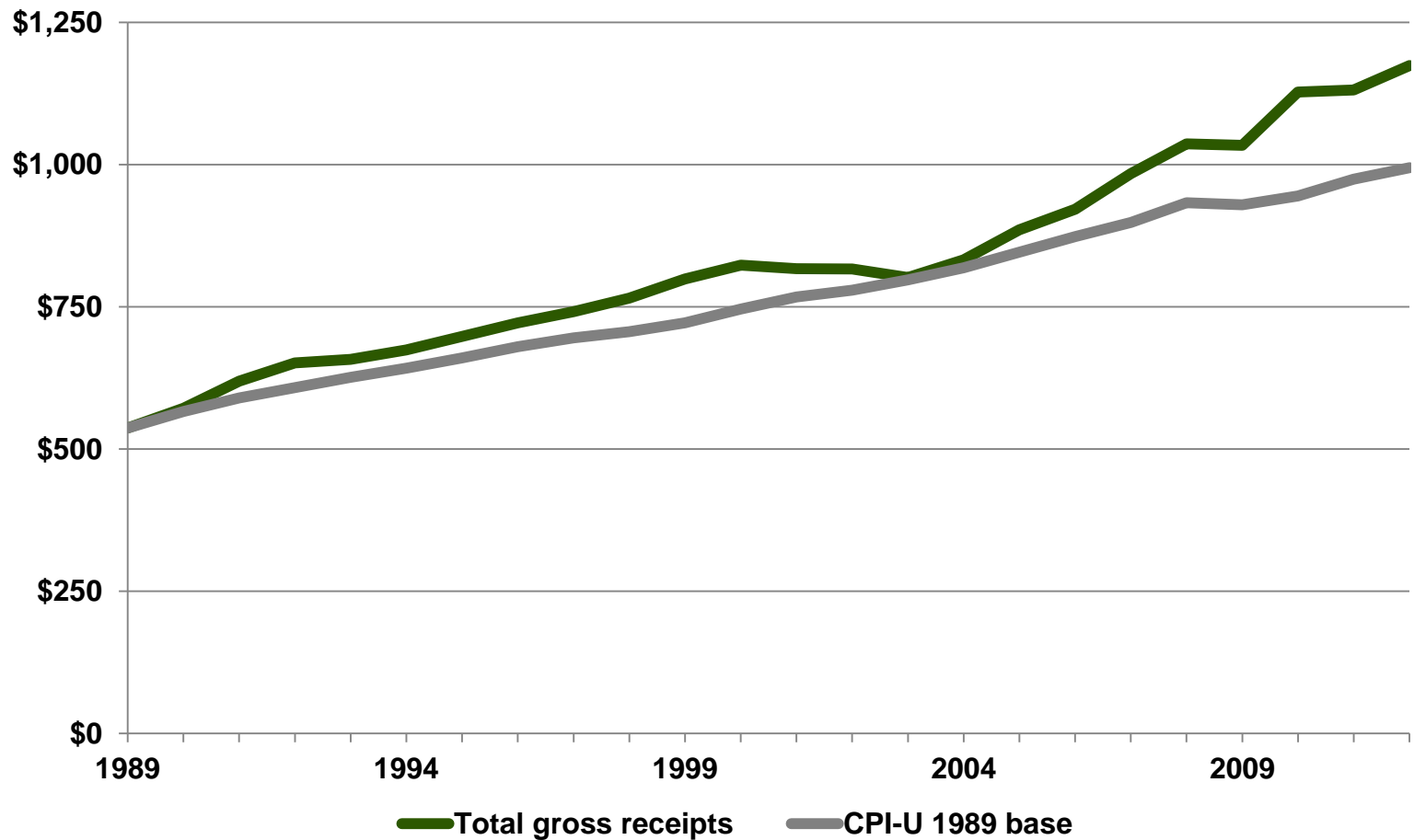
Finance Key Functional Areas

- Oversee and track franchise fee spending
- Support prospectus and lease development
- Manage concessioner financial reporting
- Provide financial support to regions and parks
- Review franchise fee reconsiderations
- Review utility add-ons



Commercial Services

Historical Gross Receipts (\$ Millions) 1989-2012





Finance Hot Topics

- Minimum Wage EO
 - Included in the franchise fee determination for all new contracts
- October 2014 Franchise Fee Suspension
 - Approximately \$6 Million benefit to concessioners



Contract Management Branch

Greg Kimmitt, Acting Chief



Contract Management Key Functional Areas

- Contract Management
 - Concessioner Review Program
 - Operational and contract compliance programs
 - Insurance compliance tracking
 - Performance reporting, tracking and management
 - Recognition Programs
 - Rate Administration Program
 - Pricing and Utility add-ons
 - Operational Support
 - Operating Plans
 - Environmental, Safety and Public Health Management
 - Accessibility, Centennial, Plan Your Visit, Healthy Parks/Healthy People, Etc.



Contract Management - Standards, Evaluations, and Rate Administration (SERA)

- Operational Standards
 - 95% complete - remainder to be completed in 2015
 - New standards being integrated into contracts
 - Looking for volunteers to integrate into existing contracts
- Annual Overall Review
 - Updated process includes asset management and visitor satisfaction scores
 - Scoring expanded to include “Superior”
 - Begin implementation in 2015



Contract Management - SERA

- New/expanded rate approaches
 - Rate studies conducted via contract during prospectus development
 - Increased emphasis on market pricing
 - Core Services
 - CPI adjustments during period of contract to streamline
- Implementation underway
 - New methods and tools for contracts beginning in 2015
 - Looking for piloting opportunities for existing operations



Contract Management – Other Programs

- Recognition
 - Award program for beyond superior performance under consideration
- Insurance Compliance System
 - Program being implemented for Cat I, II and “high risk” Cat III
- Healthy Parks/Healthy People
 - Thank you for your support
- Centennial Update
 - Facilitation and advocacy through Centennial Coordinator
 - Assisting with licensing, donator recognition, events, participation, etc.



Regional Program Managers

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Questions