

National Park Service



Commercial Visitor Services

Doing Business In The National Parks



National Park Service Commercial Services 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



History of National Park Service Concessions

- 1916 Organic Act Established National Park Service and codified issuance of leases or contracts for visitor services
- 1928 Congress allows the Secretary to grant contracts non-competitively
- 1965 Concessions Act provides first legislation specific to program management with preference in renewal and possessory interest compensation
- 1970s through 1990s reforms and improvements
- 1998 Concessions Management Improvement Act



What is a Commercial Service?

- Any product, activity, service, or agreement...
- offered to park visitors for recreational purposes...
- that uses park resources, and is undertaken for or results in compensation, benefit, or profit...
- to an individual, organization, or corporation...
- regardless if such entity is organized for purposes recognized as non-profit under local, state, or federal laws.



Commercial Service Vehicles

- Concession Contracts
- Commercial Use Authorizations
- Leases



Commercial Visitor Services at a Glance

- \$1 billion in concessioners' gross receipts
 - ~ 25% in merchandise and retail
 - ~ 20% in lodging
 - ~ 20% in food and beverage
- 575 concession contracts
 - ~ 60 contracts generate 85% of total gross receipts
 - ~ 75% of contracts are under \$500,000
- 5% franchise fee average on all contracts
- 6,000 commercial use authorizations
- 25,000 concessioner employees



1998 Concessions Management Improvement Act

- “It is the policy of the Congress that the development of...services in units of the National Park System shall be limited to those accommodations, facilities, and services that...are necessary and appropriate for public use and enjoyment of the unit of the National Park System in which they are located; and...are consistent to the highest practicable degree with the preservation and conservation of the resources and values of the unit”



1998 Concessions Management Improvement Act

- Enacted Title IV of Public Law 105-391 (November 13, 1998)
- Established the Concessions Management Advisory Board
- Implemented public comment and adoption of new concession contracting regulations and standard language contract forms
- Abolished special accounts
- Revised franchise fee system
- Replaced incidental business permits with commercial use authorizations



1998 Concessions Management Improvement Act

- Mandated increased competition for NPS concession contracts due to elimination of some preferential right of renewal
- Changed compensation for real property improvements from Possessory Interest to Leasehold Surrender Interest
- Established a comprehensive environmental management program with the goal of promoting environmental awareness and advancing sound environmental strategies for all concessioners
- Increased “professionalization” of concessions management personnel, with an emphasis on private sector business background and training



Is it necessary and appropriate?

- It's necessary if
 - needed to accomplish the park's mission
 - services are otherwise unavailable in or around the park

- It's appropriate if
 - it is not in conflict with law, regulation, or policy
 - it promotes the park mission



Who decides what's necessary and appropriate?

- Park Superintendent and Concessions Management Team
- Decision based on
 - park enabling legislation
 - park planning documents



Concessions Contracting Life Cycle

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



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



Selecting the Best Proposal

- 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



Environmental Management

- Achieve and maintain environmental compliance as a minimum performance level for concessioners
- Promote environmental management and advance sound environmental strategies
- Increase NPS staff and concessioner awareness and knowledge of environmental programs
- Lead by example and promulgate recognition of commercial visitor services that demonstrate environmental excellence



Commercial Use Authorizations

- Limited-term permits
- Must not be a derogation of park values
- Generally begin and end outside park areas
- Structured for cost recovery of administering the permit, monitoring the activity, and mitigating the effects of that activity



Commercial Visitor Services are...

- intrinsically tied to the history of parks
- filled with tradition
- expected by the visitor
- a vital part of the National Park System

National Park Service



Commercial Visitor Services

concessions.nps.gov