

NWX-NTL PARK SERVICE-1

**Moderator: Erica Chavis
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3:10pm CT**

Coordinator: At this time, participants will be in a listen-only mode until the question and answer portion. If at that time you would like to ask a question to press star 1.

Today's conference is also being recorded. If you have any objections, please disconnect at this time.

And now I'd like to turn the call over to your host today to Miss Kat Berry. Ma'am, you may begin.

Kat Berry: Terrific. Thanks, (Alissa). Hello everyone. This is Kat Berry. I'm the Environmental Audit Coordinator for Commercial Services in the Washington office. I will be interjecting whenever it's relevant throughout this presentation, but the bulk of the presentation is being given by (Gabrielle McDonald) and (Jamie Paradise) who are both environmental auditors. So, over to you (Gabrielle).

(Gabrielle McDonald): Great. Excellent. So I'm on the second slide where it gives a brief overview of what we're going to be covering today. So our agenda for our chat today includes an overview of the scope of an environmental audit, which

will highlight the types of audits that we do and what the environmental audit criteria is. We're going to talk in-depth about what the site visits entail, the audit priority and finding levels, post-audit processes and timelines, what you can expect for the final audit report, and closing out the environmental audit as a whole.

And then if you're participating in the telephone audit process this year, hang on until the end because there will be a couple of additional slides at the very end that will highlight what's going on with the telephone audit process -- which of course varies just a little bit from the site visit process.

Kat Berry: And I would like to interject here that although it looks overwhelming, there is absolutely no need to panic.

(Gabrielle McDonald): Exactly. Absolutely no reason to panic.

So on slide three just to give a brief introduction to the environmental audit program, we'll briefly let you know who we are. So the concessions environmental audit coordinator is the title that we give to Kat Berry. So she's in the Washington DC office and she gave you a brief overview of who she is and where she is and what she does.

We work with the regional concessions chiefs throughout the year and they're all located in their regional offices and oversee the concessions program and coordinate with the park concession specialists who are located at the specific parks and probably work with all of you on a very regular basis throughout your contract period.

And then lastly, the Hitachi Consulting Audit Team -- so (Jamie) and I will be presenting to you today as Kat mentioned we're auditors. We also sit in the

Lakewood, Colorado office and work on a variety of different things in the commercial services environmental program -- the audits just kind of being one of those big pieces of what we do.

So our job as a whole with all of the folks in the program is to work with parks and concessioners to provide you with a really solid, third-party, independent environmental audit and also to provide you with a compliance assistance while we're out there. Okay.

(Jamie Paradise): Slide four. All right. So to begin, we'll talk about what all entails the scope of an environmental audit and that will include the types of facilities and services that are audited, the audit types -- that would be site versus telephone -- the criteria of the audit, and then the period under review.

And this last bullet, the concessioner tools and information, that is a hyperlink to the external concessioner NPS website and it's got a lot of great resources and just additional information about the audit program itself. So it's a good link to bookmark for yourself.

So slide five, just to begin about the facilities. We will be looking at any facilities that are located within park boundaries. We also audit any operations that take place within park boundaries. So that could be horse guides or flow trips, things like that.

And then finally, generally we do not look at anything outside of park boundaries but if there is something specifically mentioned in your concession contract that identifies that that needs to be part of the scope, then we will go ahead and look at those operations as well.

Kat Berry: Now, my understanding is that there are remarkably few of these. (Jamie) and (Gabrielle) do we know any better?

(Jamie Paradise): Correct, yes. I don't think there's any.

(Gabrielle McDonald): I think there was something a couple of years ago. We keep this bullet here because it pops up every now and then because there are so many contracts. But I can't recall in like the last three or four years that we've had to do anything that was mentioned in the contract outside of the park land.

Kat Berry: So in other words, I reiterate not to panic here...

(Gabrielle McDonald): Right.

Kat Berry: ...concessioners because this is not you.

(Jamie Paradise): Okay. Slide six. We're going to talk a little bit about the types of environmental audits. And generally the standard audit is where we conduct a site visit and then there's also pre- and post-visit phases to this. And this is in alignment with the Department of Interior policy as well as the National Park Service Environmental Audit Program.

Our non-standard audits include telephone audits and cruise ship audits. Telephone audits are generally the most common type of audit for our category three concessioners and some category two concessioners. Generally as I mentioned before, these are concessioners that are typically don't have any facilities inside park boundaries but may just be passing through the park.

Cruise ship audits we generally do not do because they are generally subject to comprehensive environmental evaluations through a third-party auditor

such as the US Coast Guard. And so that can serve as a replacement of the National Park Service environmental audits.

Slide eight is our last type of audit, which is conditionally exempt. And that's more the concessioner than the audit type. These will be, you know, your national park foundations or partners. They are exempt from environmental audits.

Slide nine, we're going to look at the environmental audit criteria. And it includes a lot of different types of regulations and codes and policies, and that includes federal environmental laws, applicable executive orders, any state or tribal or local laws and regulations, regional and local codes and ordinances, and then any applicable Department of Interior, National Park Service, or specific park policies and procedures.

And finally, the audit against any requirements that are in your concession contract. And that includes your operating and maintenance plans.

So the audit finding priority scheme -- there are three priorities for audit findings. Priority one findings are very few and far between, but they are usually a non-conformance that poses an immediate or actual potential harm to human health or the environment. And then there's also potential for significant liability.

If we see a priority one, most likely it would be something that needs immediate action and we would kind of stop the audit and let you address anything that needs to be addressed immediately to try to get that under control. But as I mentioned we very rarely see these, so again not to panic.

Priority two findings are non-conformances with laws and regulations, but they don't necessarily pose an immediate threat to the health or environment.

And finally, priority three findings represent non-conformance with executive orders, Department of Interior, NPS, or park policies, or contract requirements.

So slide 11, in that audit finding priority scheme we also have what we call isolated findings, and these are only for priority two and priority three findings. But they may be ranked as isolated. If we see that this non-conformance is not necessarily a programmatic issue or it's consistent throughout the operation, it would just generally be a one-off.

And then the perk with these is that you can prioritize your corrective action because it's only, you know, like I said a one-off and then it's usually easy to close out. And since they are generally easy to close out, we do allow that if the isolated finding has been properly addressed or corrected, then we would potentially remove that finding from the final environmental audit report if it's been corrected in between the issuance of the preliminary to the final.

So for the audit process itself, on slide 12 we start with the pre-audit. And that consists of your audit team leader -- which would be someone from Hitachi Consulting -- who would contact the park point of your contact -- your concessions management specialist -- and we would schedule the site visit and then, you know, ask any questions or answer any questions for the park that they may have.

The park will then contact you, the concessioner, to conform those dates. And then finally, the park will forward a blank questionnaire to you, the concessioner, and then any documentation that we can get beforehand too to

save time. And the questionnaire consists of just more detailed information about your operations and maybe different employees that we might need to speak to while we're there.

So then for the actual site visit -- slide 13 -- this portion actually focuses on the full inspection of your concession facilities, services, and operations. So this would be a walk-around of all your different properties.

At all times, we have to have concession staff and a park representative with us. And this is for safety reasons and, you know, in the instance we may need to get into an area that's locked. So we just like to make sure we have enough people around to be able to make the process run smoothly.

It's also an opportunity to exchange information between the audit team, park staff, and concession staff. You know, it's not just a got you exercise. We are there to help you. So it's definitely to your advantage to take the time and use us while we're there to pick our brains, ask any questions you've got, if you're struggling with anything in particular we might be able to help you with. You know, just take advantage of our time while we're there on-site.

Usually a typical site visit is about a day, one working day. But sometimes for the larger contracts that have several lodges and restaurants, you know, it could take up to a week to get to see all of the different facilities.

So when we first get to the park for the site visit, we'll start with an in-brief. So slide 14 talks about the in-brief presentation. It's generally short -- about 20 minutes -- and just highlights you know, the activities of an environmental audit, what we'll be doing while we're there, the different topics we cover, the different regulations, the scope is under, and just kind of give you a rundown of what's going to happen over the next couple days.

We require that the concessioner point of contact -- and if you have one, the concessioner departmental manager -- be there. We also require that there be a park representative, whether that's the concessioner management specialist or just your liaison. But we do require that someone at the park be there we well.

For recommended attendees, any facilities managers or general managers in your concessions operations that you think this will be useful for or if you have issues with something. And then we do recommend that the superintendent attend, but it's not required.

So for slide 15 this is our data collection process. This is what we do while we're actually on-site. We'll obviously do physical observations while we're walking around and touring the facilities. And we'll take notes and photographs but that is only because we don't have photographic memories. But, you know, if you see us jotting something down, you can feel free to ask us what it's about. We're not trying to hide anything.

In addition to that, the data collection includes interviewing any relevant concessioner staff. So if you have a purchasing officer or a pesticide manager, we would to specifically talk to those people.

Again, we would be doing any record and document review, so any plans that you have, any training records, things along those lines. And then as I mentioned before, you know, concessioner and park staff should ask questions. You know, it's a good opportunity to exchange information.

And so finally to wrap up this site visit, slide 16 will have the exit brief presentation. This is essentially a high-level overview of what we've observed while we were on-site. It won't entail every single thing that we've seen but

you can get an idea of what you can expect to see in the preliminary report. We do these separate for each concession operation because it is confidential. So it would not be a group setting.

We also use the exit brief to highlight best management practices -- excuse me -- and exceptional practices that we observe while we're doing the site visit. These are not - the best management practices are not included in audit reports anymore. So we use this exit brief to highlight those for you. And then if we identify an exceptional practice and it gets approved, then that will go into the report.

And finally at the end of the exit brief, the audit team leader will use that time to schedule a post visit conference call. And that will be used to discuss any comments or questions you have on the preliminary audit report. So about three weeks after the site visit, you'll get the preliminary audit report and then we'll have this called scheduled so that you've had time to review the report and then when we get on the phone you can have your questions and comments ready to go.

(Gabrielle McDonald): Okay. So that kind of took us through the site visit audit process. So once we leave our on-site activities, we come back home. We come back to the office and we get ready for the post-visit process.

So the first thing we do is develop this preliminary audit report and submit that to the park point of contact who will then take a quick look at it and forward it on to each of you, the concessioner.

You then have an opportunity to comment on the preliminary audit report. Last year we started a new process with a form for you to submit your comments. I will highlight that in a little bit more detail in a couple of slides.

Again, no need to panic. It is a new process. It's new for us as well. So we're all working through this together. We used it last year. It went really well. So we're looking forward to using it again and improving it and making it work even better this year.

Once we're all in agreement and we've received comments on the preliminary audit report and make any changes or close out any isolated audit findings, we then prepare the final audit report which is then submitted all the way up to actually the WASO office and a memo is prepared and then it's submitted back down to the park point of contact. And again from that point forwarded on to you, the concessioner.

So as a quick timeline, after we leave about three and a half weeks you will see the preliminary audit report. Your park (PSC) is always going to be your primary contact through this entire process. So they will be the one that forwards that report onto you and then they will also correspond with you on comments and getting that corrective action tracker and comments identified.

And then two weeks from distribution of that preliminary audit report, you all will work together on anything that could potentially be closed out if they're isolated findings. We'll make sure that the tracker is filled out with all of your comments. And we'll hop on the phone and we'll all be prepared to discuss any questions or comments.

If there's anything that's not clear, if it seems like we haven't addressed things quite right or we haven't identified the right roles or responsibilities or the right locations, it's a great opportunity for us to discuss that. It's also a great opportunity for you to ask any questions if you're unsure or unclear about an audit finding or if it just doesn't make sense.

And then lastly, as (Jamie) mentioned we do have this category of an isolated P2 or P3 audit finding. If during the time we've distributed the preliminary audit report and the time we get on the phone you have closed those findings and the point of contact at the park, the concession specialist, is comfortable closing that finding, we can then officially close the finding during that phone call and the isolated findings can then actually be pulled off of the final audit report.

Okay slide 19 -- within a week of that comment call you should receive the final audit report memo that comes from the Commercial Services Program Chief. Once everything is distributed out, it comes from the park POC and at that point things start coming from a different communication process.

So on an ongoing basis until you hit the 180-day time period, you will receive a bi-monthly request for corrective action updates. And that email request will come from your park POC in which case you'll be using that same spreadsheet -- which we'll talk about here in a couple of minutes -- to fill in progress that you're making on closing out your findings.

And again, it's another opportunity to just give an update on any issues that you're having with closure or any questions or comments you have and then go ahead and close out with final dates and provide evidence of closure to your park POC.

After the 180 days of the issuance of the preliminary audit report -- which is the actual deadline for the closure of priority two and priority three audit findings -- the NPS Commercial Services will then start requesting corrective action status on an annual basis.

Kat Berry: And I would like to interject here that any outstanding open audit findings will mean that you get a marginal on your environmental management program annual overall rating report.

(Gabrielle McDonald): Right. Okay. Slide 20 kind of just gives you a high-level graphic of what I just highlighted for you as far as how that final audit report goes out and how that's notified.

So once the chief has signed off on and approved the report, it goes to Kat as our audit coordinator. She then sends out two emails -- one goes to the superintendent. The superintendent gets a memo with results and notification of the final report and that it was sent out. It has a handful of high-level details about the audit report.

And then the second email that Kat sends out will be for the park point of contact. And it lets them know that the final audit report is ready, and it also includes instructions for how to transmit it out to you, the concessioner.

At that point, the park point of contact should distribute that out to you. And that will also include, along with the report, instructions and guidance on managing the corrective action status and how to close out remaining audit findings.

On slide 21, it is expected that concession staff will prioritize and implement corrective action for each open audit finding. Concession staff will complete the corrective action tracker for closed findings and submit to the park point of contact.

The park point of contact will always review that the concessioner has completed the tracker and verify closures. This is done in person, coming out

to visit with you, via photograph if that's easier, or anything that the park point of contact deems as an applicable way to document and provide evidence that that finding is closed.

They then forward the results to us -- the audit team leaders -- so that we can verify closure. We can come back and ask any questions that we may have and then close out those audit findings for you.

On slide 22, for priority three findings just a little bit of additional information here. Many priority three findings are nonconformances that are pretty specific to your maintenance and operating plan requirement. Your contract plan requirements are determined in consultation with park staff. And if they are evaluated and determined to be unfeasible, they can be voided if the contract requirements are revised.

So what this does mean is, you know, we will still write an audit finding according to what's written in the maintenance and operating plan. However, if you all deem in your conversations after the audit that you're going to be making changes to an operating and maintenance plan, you would just want to keep Kat Berry as well as your audit team apprised of what changes those are.

And always keep in mind that unfeasible plan requirements must be replaced with an attainable requirement that provides for an equal or greater benefit to the environment. So we don't want to just pull things out of the concessions contract and operating and maintenance plan just because they're not feasible and not replace them with something else that seems to fit a little better for your operation.

Okay. On slide 23, the next two slides give you just a snapshot of what the corrective action tracker form looks like. Again as I mentioned previously,

this is a new process. We're just in our second year. It can be a little bit overwhelming. And what I'm going to show you might look a little intimidating but what I did just want to highlight is the majority of the information that you're going to receive on this tracker is already filled out for you.

So the first tab of the tracker is going to give you a really cool snapshot of where you're at and where your status is. It's going to tell you, you know, what the priorities of your findings are, your percentage of closure. And it's got this really great graphic in the middle that kind of helps you understand your status.

So with each iteration of this form, you're going to see as you close your findings you're going to really be able to track and watch your progress right here from this form.

Now, the second tab is the one that looks really overwhelming. But I want to walk you through really quickly how this works. So again, most of this information is going to be prepopulated for you. Your audit team is going to put in everything over on the left that's highlighted in the multiple colors. And this is going to be basically what comes right out of your audit report.

This is a full listing of all of your audit findings. And the different colors actually indicate whether they've been voided, whether, you know, there are some questions that need to be discussed, whether the concessioner or the park disagrees with the findings. Green is going to indicate closed and then red is going to indicate that they're still open. So this all happens automatically for you as you start filling out the form.

So basically if you go to the right and you say you agree with the finding, it's then going to be really simple for you to fill out. And the form actually blacks out areas that you don't need to worry about any longer. So then you just scroll over to the right and you answer any questions that are still left open that you need to answer in the form.

So again, I think this looks a little intimidating but once you dive into it and use it, it's not that difficult. And we have been working with the park points on contact on this since last year. And of course, you know, if you run into questions or comments or you're really stumbling with this, we're happy to help you fill it out while we're on the phone during that post-audit conference call.

So don't let yourselves get too hung up on this. It is a required part of the audit but it's not something that you have to take on entirely by yourself. We're happy to help you with it. And we're also always looking for any feedback on improvement so keep us posted on how things are working as you're filling out the form.

Okay. Slide 25 -- this talk about closing out your environmental audit. Concessioners are required to identify and implement corrective actions for all audit findings. Updates then need to be made to the tracker and documentation always provided to the park point of contact. The park point of contact will always verify whether the findings have been closed and forward those updates onto us monthly.

After all findings are corrected and all the corrective actions are verified, your audit report is then officially closed.

So Kat talked about this just a couple of minutes ago -- open findings and the annual overall rating. Concessioners with open findings after the closure deadline will be cast as a marginal on your rating which will prevent you from acquiring a superior on your overall rating. WASO also will do spot checks on AORs submitted for contracts with open audit findings to make sure the (ANP) has then been completed correctly.

So you want to make sure that you are staying on track of those deadlines for those audit findings, corresponding with your park POC, and letting them know if there are concerns so that we can work with you to make sure that everything is being tracked properly and you're getting the credit.

Okay. The next couple of slides are just going to highlight the differences for a telephone audit. So a telephone audit obviously is not going to consist of the site visit portion because you don't have to fill these for us to take a look at.

So basically, we take the initiative to contact the park point of contact and work with the concessioner to schedule a time that we can do a telephone audit. The telephone audits generally require about an hour -- sometimes a little bit more. Typically honestly a little bit less than an hour.

You will actually receive your pre-telephone call audit questionnaire well before we hop on the phone. It's not required that you fill out the pre-visit questionnaire ahead of time and send it back, but you can. A lot of concessioners find it helpful. And then you can send it back to us if you'd like.

But the main reason that we send the questionnaire is just to help you prepare for the audit and be aware of what types of questions we're going to be asking

so that you can, you know, hop on the phone and we can make the most of that time that we have on the phone together.

So the phone call itself is actually going to include a really brief introduction. So rather than doing an in-brief, a formal in-brief, we'll introduce ourselves. We've give everybody on the phone a chance to introduce themselves. We'll do a really high-level overview similar to what we did here just about what the audit process is and what it looks like. And then we'll hop into the audit questionnaire and do all the review of each question and answer any questions that you may have as well.

We also talk about any programs or documentation. And if there is anything that's relevant to your operation, any photos that we might want to review, again just like the site visit this is an opportunity for you to ask questions and for us to exchange information back and forth.

So I would say especially for the phone audits, you know, we don't get to see you in action. We don't get to see your everyday day to day activities. So it's definitely important for you to share a lot with us -- especially, you know, things that you're doing really well, things that you think you're doing above and beyond. We definitely want to hear about everything that's going on in your operation.

The post-audit process is pretty similar actually to the post-audit process for the site visit. Any documentation that we identify while we're on the phone that hasn't been provided already we always just ask that you send that along. And then we usually take a few days to review our notes and review any other information that you send along to us, at which we hop in and we start preparing the preliminary audit report and the process resumes with all of the same procedures that we do for the site visits.

And that takes us to our questions segment.

Kat Berry: So I hope that wasn't too overwhelming and that none of you are panicking as ordered at the beginning of the chat.

(Gabrielle McDonald): Yes.

Kat Berry: (Melissa) if you could now open up the phone line for any questions, that would be great.

Coordinator: Yes, ma'am. Thank you. At this time if you would like to ask a question, please press star 1 and record your name. Again, to ask a question please press star 1. One moment for questions.

Kat Berry: (Gabrielle) and (Jamie) do either of you have anything to say that will fill this gap?

(Gabrielle McDonald): I always have something to say to fill a gap.

((Crosstalk))

Kat Berry: Okay.

(Gabrielle McDonald): Yes, I just, you know, I think I probably worked with a number of the concessioners that are on the line. So, you know, if there aren't any questions today I just want to remind everybody that, you know, our phone lines are always open. Our emails are always welcoming to any questions you have. And I know Kat is always available as a resource to - I always feel like we really throw a lot of information out there at folks on these chats and

webinars. But you know, once the process gets going I dare to say that many of our concessioners and park POCs have said that this can be a fun process and it's really educational. So I hope you find that to be the case, too.

Kat Berry: And there's also an environmental audit help desk email address which we forgot to include in the PowerPoint. I apologize. It's CS for Commercial Services underscore ENV for Environmental Audit at NPS dot gov. And that gets checked on a regular basis.

(Gabrielle McDonald): Yes. And also, we can provide - and in the toolbox that (Jamie) highlighted, there's a link at the very beginning of this presentation that also takes you to the green line resources. So, you know, there's all of the previous green line blog articles. There's a link to that email that you just mentioned. There's also a link to the green line email where you can provide suggestions and ideas for further articles or, you know, highlights for your concessions operation.

So again, you know, outside of the audit process we're always looking for what are you doing out there that's innovative that other concessioners can learn from, that we can learn from and then highlight.

Kat Perry: Terrific. (Melissa) are there any questions?

Coordinator: Yes ma'am there are. The first question we have is from (Deb). Your line is open.

(Deb Friedel): Great. Good afternoon. I'm (Deb Friedel) with Delaware North. And I just had a question about the scope of the audit itself. Is safety regulations or safety items addressed during this audit?

(Gabrielle McDonald): That's a really great, fantastic question. And actually no, safety is not covered under the commercial services environmental audit program. However, there is a separate risk management program that would cover safety programs.

But for the purposes of our audit, we're covering only environmental criteria. There's a tiny bit of crossover. (Haz Com) programs as it pertains to chemical storage are things that we would ask about. And then also for emergency action planning, we typically just ask about like chemical spill procedures or fuel spill procedures. But other than that, safety items are not covered during these audits.

(Deb Friedel): Great, thank you.

(Gabrielle McDonald): Yes.

Coordinator: Thank you. The next question is from (Pam). Your line is open.

(Pam Donald): Hi. This is (Pam Donald) at Lake Crescent Lodge from (unintelligible). And we weren't able to see the presentation at all. Can you send that out to us?

Kat Berry: (Pam) do you have access - well of course you do. Do you have internet?

(Pam Donald): Yes. (Annie Sandover) from Log Cabin Resort is here as well and (Patrick Cullman), our sustainability manager...

Kat Berry: Fantastic. We should have been clear at the beginning. The PowerPoint is posted on the NPS website under concessions.

(Pam Donald): Okay.

Woman: Thank you.

Coordinator: Thank you. And once again if you would like to ask a question, please press star 1. The next question is from (Kevin). Your line is open.

(Kevin Crosby): Hi. This is (Kevin Crosby) from Xanterra at Mount Rushmore. I'm just wondering what the intended frequency of the audits is or does it vary by property.

(Gabrielle McDonald): Sure. That's also a very good question. So the frequency is every - there's a couple of different things that go into the audit scheduling process. So it's typically every three to five years. So it needs to happen at a minimum every three and at a maximum every five.

We also have an audit prioritization ranking tool that we use to evaluate concessioners that maybe fall higher on the list as needing more frequent audits. So we evaluate that tool every year based on previous audits, the amount of audit findings and severity of audit findings, and that goes into the scheduling consideration as well.

And then also Kat does correspondence a lot and talks a lot with the parks. So any, you know, any park concerns or concessioner concerns that might arise could also move a concessioner up or down in the prioritization scheme of the scheduling. But the requirement is that environmental audits take place every three to five years.

(Kevin Crosby): Thank you.

Coordinator: And once again as a reminder to ask a question please press star 1. Ma'am at this time I'm showing no further questions.

Kat Berry: Well thank you all so much for attending our now annual environmental audit guide for concessioners. And if you think of some other questions after you've actually seen the slides, or it suddenly occurs to you that you forgot to ask, please don't hesitate to send any one of us an email.

And thank you (Gabrielle) and thank you (Jamie).

(Jamie Paradise): Thank you Kat.

(Gabrielle McDonald): Thanks, Kat. Thanks everyone.

Coordinator: Thank you. And this does conclude today's conference. All parties may disconnect.

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