

# United States Department of the Interior


NATIONAL PARK SERVICE  
1849 C Street, N.W.  
Washington, D.C. 20240

IN REPLY REFER TO:

(2410)

## Memorandum

To: Associate Director, Business Services

From: Chief, Commercial Services Program  JUL - 1 2013

Subject: Recommended Definition for Small, Individually-owned Concession Contracts for Purposes of Applying Simplified Procedures

The National Park Service (NPS) Concessions Management Improvement Act of 1998 (P.L. 105-391), and its implementing regulations, 36 CFR Part 51, direct the NPS to use “simplified procedures for small individually-owned concession contracts” in the competitive process for selecting concessioners. We have convened a Commercial Services Program workgroup to develop recommendations for continued streamlining of prospectus processes for smaller concession opportunities so prospective concessioners are not overwhelmed by the tasks associated with submitting an offer. We also will develop recommendations for more efficient processes to reduce burdens for small concessioners in the areas of Contract Management, Financial Management, and Asset Management as well.

As a first step, we recommend a definition for “small individually-owned concession contract” to define the concession contracts and concessioners who will benefit from this effort. Under 36 CFR Part 51, the NPS established two possible definitions for small concession contracts. First, 36 CFR § 51.12 states “[t]he Director will incorporate simplified administrative requirements and procedures in prospectuses for concession contracts that the Director considers are likely to be awarded to a *sole proprietorship* or are likely to have *gross receipts of less than \$100,000* (emphasis added).” Second, 36 CFR § 51.37 reiterates the right of preference in renewal found in Section 403 of P.L. 105-391 for satisfactorily performing concessioners *with gross receipts of \$500,000 or less* in the first 12 months of the new concession contract. To help reconcile the differences in these two definitions for purposes of this effort, we have concluded that using a threshold of concession contracts with annual revenue of \$500,000 or less would likely encompass all prospectuses that might attract proposals from sole proprietors.

### **Recommendation**

The NPS should apply simplified procedures to all concession contracts with anticipated gross receipts of less than \$100,000. Because we think sole proprietors also likely would submit proposals for concession contracts between \$100,000 and \$500,000, Regional Directors may use simplified procedures on a contract-by-contract basis for those concession contracts with gross receipts of more than \$100,000, but less than \$500,000. In order to be consistent with the rest of 36 CFR Part 51, NPS will use the estimated

gross revenue during the first year of operation to determine whether a contract qualifies. Using these parameters, the simplified procedures could apply to as many of 340, or approximately 70 percent, of our current concession contracts.

I Concur:

  
Associate Director, Business Services

JUL 03 2013