

Part I

BUSINESS OPPORTUNITY

Automotive and Retail Services

at

Yellowstone National Park

National Park Service

Department of the Interior

Concession Contract No. CC-YELL004-23

Table of Contents

INTRODUCTION	1
Self-Guided Site Visit	1
Notification of Intent to Propose	1
Information Regarding This Solicitation	1
Proposal Overview	2
Doing Business with the Service	3
The National Park Service and its Mission	3
YELLOWSTONE NATIONAL PARK	4
Mission	4
Yellowstone National Park Visitation	6
CONCESSION OPPORTUNITY	7
Draft Contract Term and Effective Date	7
Overview of Required Services	7
Automotive Services	8
Retail Services	8
Employee Housing, Food Service, and Recreation	9
Revenue Assumptions	10
Expense Assumptions	10
Minimum Wage	10
Other Operating Considerations	11
INVESTMENT ANALYSIS	12
Initial Investment Summary	12
Personal Property	12
Maintenance	12
Additional Required Improvements	13
Utilities	13
Franchise Fee	14
Leasehold Surrender Interest	14
No Preferred Offeror	14
HISTORICAL CONCESSION DATA	14
OTHER COMMERCIAL SERVICE PROVIDERS.....	15
MARKET AREA OVERVIEW	16

All images herein are NPS photos unless otherwise stated.

INTRODUCTION

Self-Guided Site Visit

The National Park Service (“Service”) will not host an in-person site visit for organizations interested in bidding on this opportunity. Interested parties are encouraged to independently visit the areas of the operation open to the public. Prospectus Appendix D Self-Guided Site Visit Supplement provides interested organizations images of areas not open to the public in most of the facilities assigned to the Concessioner under the Draft Contract. Additionally, we ask anyone touring these sites respect the operations and Existing Concessioner’s space and remain in the areas open to the general public.

Notification of Intent to Propose

If you plan to submit a proposal in response to this solicitation, you must notify Jennifer Parker, Commercial Services Program Lead, NPS Regional Office Serving Interior Regions 6, 7, & 8, via email at Jennifer_Parker@nps.gov no later than 4:00 p.m. Mountain time on **July 25, 2022**. The Service will not accept proposals from entities that do not provide notice on or before this deadline.

Information Regarding This Solicitation

The Prospectus describes in general terms the existing business operation and the business opportunity for services allowed pursuant to Concession Contract No. CC-YELL004-23 (“Draft Contract”). It is comprised of five parts:

- I. Business Opportunity (this document)
- II. Proposal Instructions
- III. Proposal Package
- IV. Draft Concession Contract Including Contract Exhibits
- V. Appendix Table of Contents and Recommended Websites

This Prospectus includes Service estimates of revenue and expenses to assist Offerors in developing financial projections. These estimates reflect Service assumptions based on planning decisions, historical concession operating data, industry standards, economic conditions, and comparable and competitive operations. The Service does not guarantee these projections will materialize and assumes no liability for their accuracy. Offerors must compile and present their own financial projections based on independent assumptions, due diligence, and industry knowledge.

Offerors must review all sections of this Prospectus, especially the terms and conditions of the Draft Contract, including its exhibits (Part IV), to determine the full scope of a future concessioner’s responsibilities. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract, the Draft Contract will control.

Certain federal laws apply to this solicitation including the National Park Service Concessions Management Improvement Act of 1998 (Title IV, Public Law 105-391, and hereafter referred to as “the 1998 Act”), as amended and implemented by regulations in 36 C.F.R. Part 51. In the event of any inconsistency between the

Summary of Term and Conditions of the CC-YELL004-23 Opportunity

Location

Multiple locations in Yellowstone National Park

Draft Contract Term

10 Years

Projected Effective Date

November 1, 2023

Required Services

Automotive and Retail Services

2024 Projected Gross Receipts

\$12.0 million to \$14.7 million

Estimated Initial Investment

\$3,417,335

Minimum Franchise Fee

2.3% of gross receipts

Component Renewal Reserve

1.0% of gross receipts



terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. 36 C.F.R. Part 51 is available at the [Government Printing Office's Electronic Code of Federal Regulations website](#)¹.

Parts I, II, and III refer to Yellowstone National Park as "the Park."

"Concessioner" refers to the entity that will be the concessioner under the Draft Contract.

"Existing Concessioner" refers to Yellowstone Park Service Stations, Inc., the concessioner under temporary Concession Contract No. TC-YELL004-21 ("Existing Contract"). The Existing Contract commenced on November 1, 2021, and is due to expire on October 31, 2023. The Existing Concessioner operated previously under Concession Contract No. CC-YELL004-08 ("Prior Contract") from November 1, 2008, through October 31, 2021. See Prospectus Part V for how to request a copy of the Existing Contract or Prior Contract.

Proposal Overview

Part II of this Prospectus contains the instructions for submitting proposals. The Service will only accept digital versions of proposals for this solicitation submitted electronically per instructions, except for the submission of the "Offeror's Transmittal Letter," which the Offeror must also send as an original hardcopy with wet signature. Offerors must carefully read and comply with instructions provided in Parts II and III.

Part III of this Prospectus contains the Proposal Package Offerors must complete in its entirety. The Proposal Package contains a required transmittal letter, five principal selection factors and two secondary selection factors. Each selection factor identifies the minimum and maximum points the Service may award depending on the quality of the response. The following paraphrases the information sought under each selection factor. The wording of the actual selection factors controls.

Principal Selection Factor 1 requires Offerors to describe how they will protect, conserve, and preserve the resources of the Park. Offerors must demonstrate their ability to provide a comprehensive repair and maintenance program for both historic and non-historic structures by describing how they will cure deferred maintenance within the first two years of the Draft Contract's term, avoid incurring deferred maintenance by implementing a proactive program, and manage challenges due to the seasonal nature of the operations. Additionally, Offerors must describe how they will staff their maintenance program.

Principal Selection Factor 2 requires Offerors to describe how they will provide vehicle repair, roadside assistance, and towing services, and how they will manage fuel deliveries in the Park.

For Principal Selection Factor 3, Offerors must describe their organizational structure and provide documentation to help the Service understand the Offeror and its relationship to related entities that will affect how the Offeror will perform under the Draft Contract. The Service does not score this organizational structure information but may use it to understand responses elsewhere in a proposal. Incomplete submissions may lead to a lower score elsewhere if the information submitted does not support claims made in response to specific subfactors in this and other selection factors. We provide forms Offerors must complete depending on their organizational structure. The rest of this principal selection factor requires Offerors to describe their experience providing similar services, aspects of employee management, and history of adverse events.

For Principal Selection Factor 4, Offerors must provide documentation demonstrating their financial resources to commence and carry out operations under the Draft Contract, including a business history form. Offerors also must complete the provided Excel workbook and provide other information to demonstrate an understanding of the financial obligations under the Draft Contract.

For Principal Selection Factor 5, Offerors must provide the franchise fee they will pay on gross receipts generated under the Draft Contract. Failure to agree to pay at least the minimum franchise fee set out in the

¹<https://www.ecfr.gov/current/title-36/chapter-I/part-51>



selection factor will result in the Service finding the proposal non-responsive and ineligible for award of the Draft Contract.

Secondary Selection Factor 1 requires Offerors to describe environmental management programs and activities they will implement, specifically their approach to energy efficiency and solid waste reduction.

Secondary Selection Factor 2 requires Offerors to describe how they will enhance and improve the in-park employee housing experience.

Doing Business with the Service

The Service has worked with private parties to provide services to visitors dating back to the earliest times of national parks. Many of the iconic lodges and other structures found in America's national parks were constructed and operated by private parties, and that relationship continues today.

We use the term "commercial visitor services" when generally describing services, benefits, and goods provided to visitors within an area of the National Park System by a third party for a fee. Simply put, the term "commercial visitor services" includes lodging, food and beverage, retail, marina operations, guided recreation, rental of equipment, experiential transportation, and similar services the National Park Service itself does not provide. Congress has passed several laws guiding the Service in contracting with third parties to provide these services, including the 1998 Act. The Service implemented regulations for many aspects of the law, primarily to set out the process for soliciting bids for new contracts and managing concessioner investment in structures owned by the United States.

Working with the Service in providing commercial visitor services differs from operating outside a park in several respects. By law, we approve rates to ensure park visitors do not pay higher fees for goods and services merely because such transaction occurs within a park. Section 2)B)(1) of Exhibit B, Operating Plan to the Draft Contract lists the rate methods for all visitor services provided under the Draft Contract. As with the private sector, concessioners must develop and follow environmental management programs, risk management programs, and similar programs to ensure operations comply with applicable laws. Service employees review the quality of concession operations and compliance with contract requirements including the maintenance of facilities.

Even with those regulatory actions, concessioners in national parks enjoy significant benefits. Many parks function as unique visitor destinations. Concessioners frequently operate with few, if any, in-park competitors, even though we do not grant exclusive rights to provide any visitor services. Although we approve rates, our processes ensure rates are competitive with similar services near the operating locations. Our contract oversight reflects the best management practices of the private sector industries. We developed operating standards based on similar ones in the private sector to reflect best industry practices for the services provided under the concession contract.

The National Park Service and its Mission

In 1916, President Woodrow Wilson approved legislation creating the National Park Service within the Department of the Interior. That law states that Congress created America's National Park Service to:

...conserve the scenery, natural and historic objects, and wild life in the System units and to provide for the enjoyment of the scenery, natural and historic objects, and wild life in such manner and by such means as will leave them unimpaired for the enjoyment of future generations. 54 U.S.C. § 100101(a).

Additionally, Congress has declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. 54 U.S.C. § 100101(b).

To learn more about the Service, visit www.nps.gov. The website includes information about the Service's mission, policies, and information on individual park units.



YELLOWSTONE NATIONAL PARK

Mission

On March 1, 1872, President Ulysses S. Grant signed what is commonly referred to as the Yellowstone National Park Act into law, creating the world's first national park. The Yellowstone National Park Act says, in part, that:

The tract of land in the States of Montana and Wyoming, lying near the headwaters of the Yellowstone River...is reserved and withdrawn from settlement, occupancy, or sale...and dedicated and set apart as a public park or pleasuring ground for the benefit and enjoyment of the people. (16 U.S.C. § 21)

The mission of Yellowstone National Park, is as stated in the State of the Park's report (1999):

Preserved within Yellowstone National Park are Old Faithful and the majority of the world's geysers and hot springs. An outstanding mountain wild land with clean water and air, Yellowstone is home of the grizzly bear and wolf and free-ranging herds of bison and elk. Centuries old sites and historic buildings that reflect the unique heritage of America's first national park are also protected. Yellowstone National Park serves as a model and inspiration for national parks throughout the world. The National Park Service preserves, unimpaired, these and other natural and cultural resources and values for the enjoyment, education, and inspiration of this and future generations.

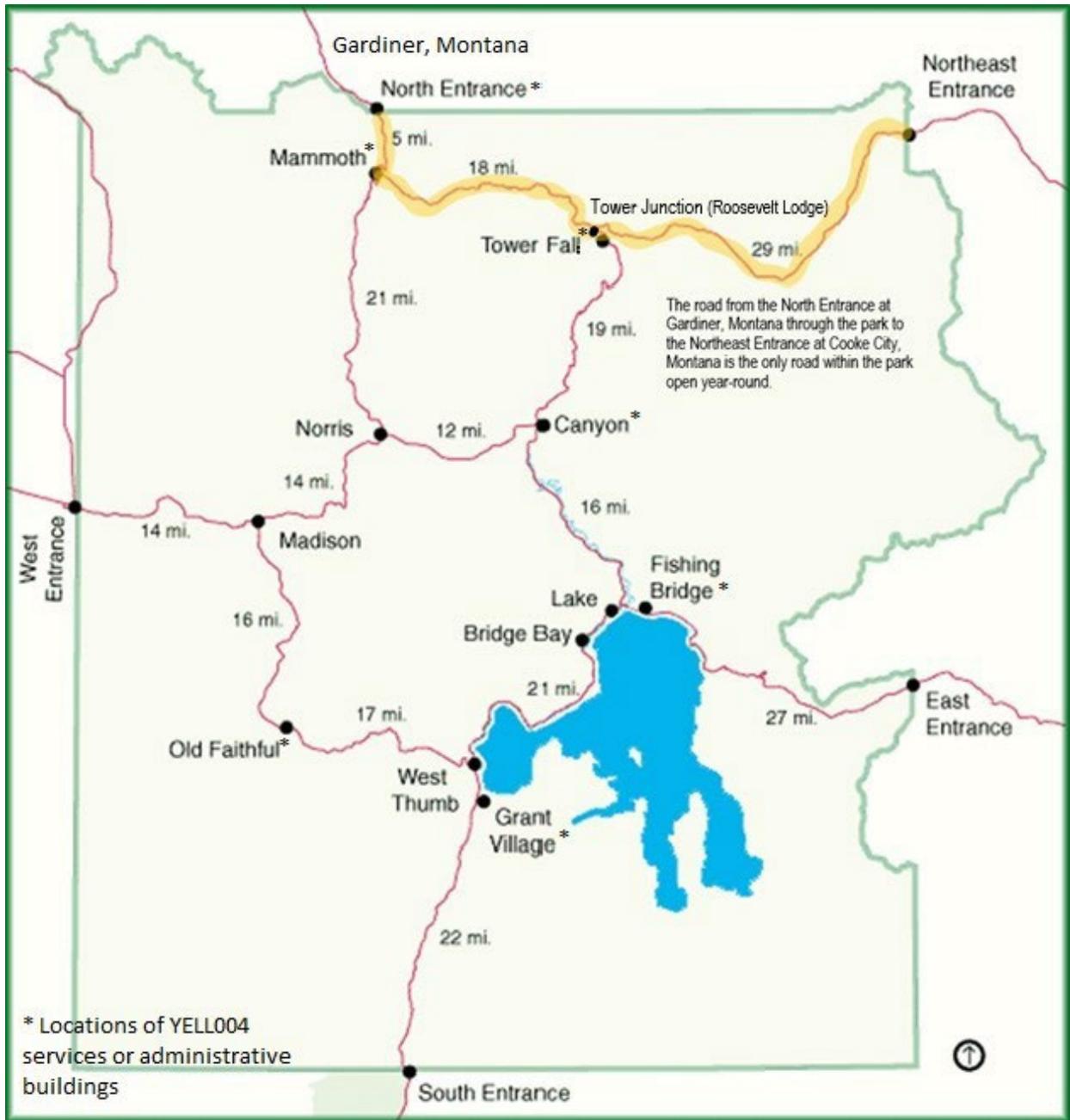


Upper Geyser Basin

The Park considers concessioners and other business operators within the Park as critical participants whose actions have dramatic and important effects upon visitors and Park resources. As such, concessioners should understand and embrace the Park's mission and work to achieve the Park's objectives while also striving to fulfill their own organizational and business goals. In 2019, the Park announced new strategic priorities that revolve around the concepts of *core*, *resources*, *experience*, *infrastructure*, and *partnerships*. Additionally, in spring 2021, Yellowstone released a *State of the Park* report that highlights substantial successes and challenges over the past two years, along with many of the priorities and actions. Find information about the Park, including the Park's Strategic Priorities and the *State of the Park* report, at www.nps.gov/yell.

Below is a map of the Park with approximate miles between key locations. All roads within the Park close to standard auto traffic in winter, converting to use by over snow vehicles, like snowcoaches and snowmobiles, only, except for the road through the Park between the North Entrance and Northeast Entrance.





Yellowstone National Park Visitation

Visitation

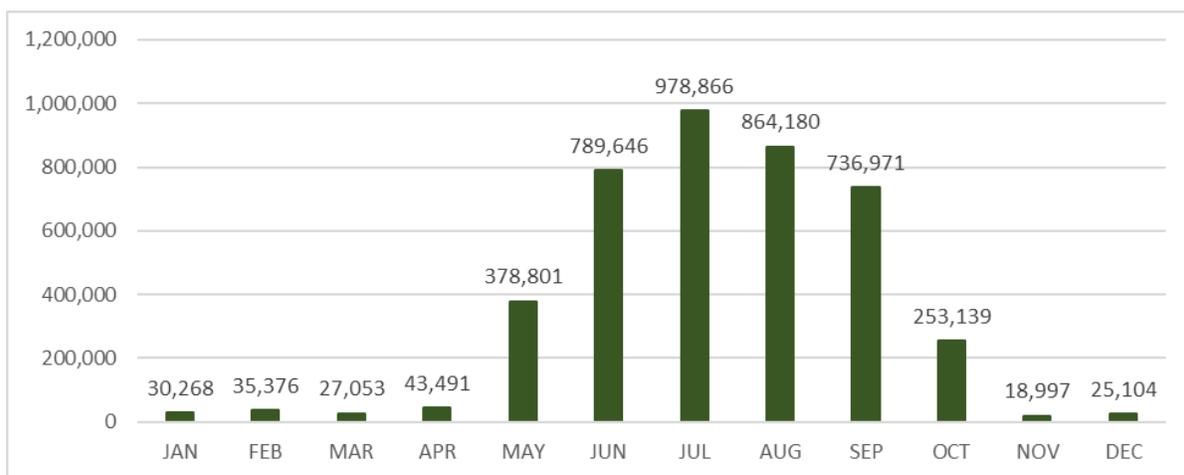
Annual visitation at the Park over the past twelve years has fluctuated. Overall, Park visitation grew at an average annual rate of 2.8% from 2010 to 2019. The Service believes the widely publicized 2016 Centennial celebration of the establishment of the Service spurred strong increases in visitation over previous years to a peak in 2016, followed by a mild relative decline in 2017 through 2019. Though a decrease in visitation was experienced compared to 2019, visitation was still high in 2020 despite the park being closed through April and part of May and operating with limited visitor services due to the COVID-19 pandemic, such as fewer open lodging rooms and restaurants. The Park saw an increase in visitation in 2021. The table below displays the total number of recreational visits to the Park from 2015 through 2021.

2015	2016	2017	2018	2019	2020	2021
4,097,710	4,257,177	4,116,524	4,115,000	4,020,288	3,806,306	4,860,242

A January 21, 2022 Park news release explained the large jump in visitation numbers throughout 2021 in this way: “Although the [P]ark accurately counted 4.86 million visits in 2021, a close analysis of visitor use data shows that over 350,000 vehicles re-entered the park in 2021 compared to 2019 (before COVID-19). This is likely due to approximately 20% fewer overnight stays in the park during the year. Due to a variety of factors including construction projects and COVID-19, the park had approximately 20% fewer campsites and hotel rooms available in 2021 compared to previous years. This translated to more visitors leaving the park to overnight elsewhere and then returning than in previous years. Additionally, statistical categories the park tracked, including trail counters, tonnage of trash, water usage, and public safety calls, showed visitor-use levels more comparable to 2019, when the park counted 4 million visits.” ([Yellowstone National Park News Release January 21, 2022²](#)) The Service projects visitation will level out in the range of 4.2 to 4.5 million annually for the duration of the Draft Contract.

Seasonality

The Park is open year-round, with five entrances open from mid-April to early November, and two entrances, the North and Northeast, open for standard vehicles year-round. Approximately 63% of annual visitation occurs from June through August. During winter months, snow blankets the area making skis, snowshoes, snowcoaches, and snowmobiles the primary modes of transportation to interior areas of the Park, including Old Faithful, where limited visitor services remain open. This graph shows the average monthly visitation for 2015–2021.



² <https://www.nps.gov/yell/learn/news/22003.htm>



CONCESSION OPPORTUNITY



The Draft Contract requires the Concessioner to provide automotive services, including the sale of fuel, towing, vehicle repair, electric vehicle charging, and roadside vehicle assistance, as well as retail sales of a variety of items. The Concessioner must offer fuel sales from automated, self-serve dispensers at all service stations as listed below year-round, except for the Mammoth Warming Hut Fuel Station where fuel sales are from mid-December to mid-March only to provide fuel for oversnow vehicles. The Concessioner must operate all other services throughout the “summer season,” which is from mid-April through early November. The “winter season” is from early-November through mid-April, though each season’s exact dates for starting and ending vary from year to year due to weather and road conditions.

Draft Contract Term and Effective Date

The Draft Contract has an effective date of November 1, 2023, and is for a term of ten (10) years, as long as the Concessioner satisfactorily completes the Concession Facilities Improvement Program as described in the Draft Contract.

Overview of Required Services

The following table provides a detailed overview of the required visitor services of the Draft Contract. The Draft Contract has no authorized visitor services, which are services the Concessioner is authorized, but not required, to provide.

	Required Service	Location
i.	Automotive Services	Mammoth, Tower Junction, Canyon, Fishing Bridge, Grant Village, and Old Faithful
ii.	Retail	Mammoth, Tower Junction, Canyon, Fishing Bridge, Grant Village, and Old Faithful

The Service sets the operating standards for required and authorized services and evaluates the Concessioner’s compliance as set out in the Service standards and periodic evaluation forms available on the *Concessioner Tools* page of the National Park Service Commercial Services website³.

³ <https://www.nps.gov/subjects/concessions/standards-and-evaluations.htm>



Automotive Services

The Draft Contract requires the Concessioner to operate service stations that offer automotive services including the sale of fuel (comprising of gasoline, diesel, and propane), vehicle towing, roadside vehicle assistance, repair services in some locations, and when applicable, electric vehicle charging. The Service defines "roadside vehicle assistance" as providing repairs or assistance, such as changing a flat tire, jump starting a battery, assisting with a lock-out, or delivering and installing fuel or a new battery, to visitors stranded on Park roads or parking lots with inoperable vehicles or as requested by the Park's Communication Center. The Concessioner must provide vehicle towing and roadside vehicle assistance service throughout the Area, except in the Park's Bechler area and along Highway 191, throughout the summer season (mid-April through early November). A towing and roadside assistance protocol describes the Service's policy for dispatching and handling vehicle assistance requests received within the Park. (Attachment 1 to Draft Contract, Exhibit B, Operating Plan). This protocol states the Concessioner is the first company the communication center and field rangers call when a visitor requests towing services during their operating season, giving the Concessioner the first right of refusal.

The table below indicates with an "x" which services are required at each location through the summer season (mid-April to early November), with the exception that the Concessioner must provide automobile fuel for sale year-round at all service stations. The marks in the Tow Vehicle column show the minimum locations where the Concessioner must stage tow vehicles and licensed operators. In addition, the Concessioner must provide propane tank exchange and fillable liquid propane where indicated.

Operation	Fuel*	Retail	Vehicle Repair	Tow Vehicle	Propane tank exchange	Fillable Liquid Propane
Mammoth Service Station	x	x			x	
Tower Service Station	x	x			x	
Canyon Service Station	x	x	x	x	x	
Fishing Bridge Service Station	x	x	x	x		x
Grant Village Service Station	x	x	x	x		x
Old Faithful Lower Service Station	x	x		x	x	
Old Faithful Upper Service Station	x	x	x			

* The Existing Concessioner has a contract with Sinclair Oil to deliver gasoline and diesel fuel. The Concessioner may choose another fuel vendor.

Winter Towing

The Concessioner may, but is not required to, also provide vehicle towing and roadside vehicle assistance service between the Area's North entrance and Northeast Entrances during the winter season, from early-November through mid-April. The Concessioner may provide these services directly or through a subconcession contract(s) approved by the Service. The Draft Contract includes a Draft Subconcession Contract (Appendix 1) for the provision of vehicle towing and roadside vehicle assistance services between the Area's North entrance and Northeast Entrances during the winter season.

Electric Vehicle Charging Stations

The Service intends to install electric vehicle charging stations within the Concessioner's land assignment during the term of the Draft Contract. After installation, the Concessioner will operate and maintain the charging stations and set reasonable rates for their use.

Retail Services

The Draft Contract requires the Concessioner to provide retail services at each service station. The Service intends the retail operations to mirror private sector-operated convenience stores attached to fuel stations and focus on products that are consumed regularly and considered necessary for the comfort and



convenience of visitors within the Park. The Concessioner must offer for sale the following products, at a minimum: automotive supplies, basic camping supplies, convenience items (such as ice, personal care products, over-the-counter medication, etc.), sun-protection items, prepackaged snacks, grab-and-go light meals, and hot and cold drinks. While the Service will not prohibit the sale of gift or souvenir items, the Draft Contract, Exhibit B, Operating Plan only allows for a limited supply of Yellowstone National Park-themed souvenir items. The Concessioner may assist the Service in selling fishing permits to visitors as described in Attachment 2 to Exhibit B, Operating Plan

Section 8(e)(3) of the Draft Contract requires the Concessioner to make personal property improvements to repurpose one of the automobile service bays at Grant Service Station to accommodate expanded retail offerings, which echoes trends seen in the automobile fuel industry of enlarging convenience stores while reducing automotive services.

Employee Housing, Food Service, and Recreation

In addition to required visitor services, the Concessioner must provide housing, food service, and recreation for its seasonal and permanent staff. The Concessioner may charge employees an amount sufficient to recover the cost of providing these services and must ensure that room and board charges do not exceed employee earnings.

The Concessioner must provide employee food service; however, the Draft Contract does not require a dedicated employee dining room. The Existing Concessioner has arrangements for its employees to eat in the employee dining rooms of other in-Park concessioners throughout the Park, if they choose. While the other in-Park concessioners have been receptive to such an agreement to date, the Service does not require those concessioners to provide this service and would not coordinate or facilitate the arrangement.

The Concessioner must develop and implement an employee recreation program that may include recreation equipment or facilities, opportunities to socialize, transportation options, and participation in the Yellowstone Cooperative Employee Recreational Program.

The following table lists the employee housing assigned to the Concessioner under the Draft Contract. The Lake Employee Recreational Vehicle Park (LERVP) is described in Section 2)l)(9) of Exhibit B, Operating Plan to the Draft Contract.

Location	Description	# Bedrooms	Estimated # People
Gardiner	Small house next to Laundry Building	1	1-2
Mammoth	Employee Dorm	4	4
Canyon	Employee Dorm	8	8
Fishing Bridge	Employee Dorm	9	9
Grant Village	Employee Dorm 1	3	3
Grant Village	Employee Dorm 2	3	3
Grant Village	Employee Dorm 3	2	2
Old Faithful	Employee Dorm	12	12
Lake	LERVP	3 RV sites	

In addition to the assigned employee housing listed above, the Existing Concessioner also provides housing for employees in Gardiner, Montana and arranges supplementary housing with other in-Park concessioners. Historically, the Existing Concessioner arranges for a few employees who work at the Tower Junction location to room seasonally in the employee dorms assigned to other in-Park concessioners. While the other in-Park concessioners have been receptive to such arrangements to date, the Service does not require those concessioners to provide this service and would not coordinate or facilitate the arrangement. In addition to assigned housing units, the Service may have trailer sites in developed areas to rent to the Concessioner,



though this availability varies within and across seasons. In the past, through the Service's housing program, the Service rented two recreational vehicle sites with hookups at Canyon Village, two at Grant Village, and two at Old Faithful for employee housing, but the availability of these sites is not guaranteed. The Service is aware that there are limited options for additional housing in gateway communities outside of the Park and is developing multiple projects to expand housing throughout the Park to address needs.

Revenue Assumptions

In developing prospective revenue estimates, the Service made the following assumptions beginning in 2024:

- Estimated inflation at 2.3% on an annual basis for all services except fuel
- Estimated inflation at 3.0% on an annual basis for fuel
- Additional revenue in the retail department due to expanded retail service areas

Projections by Department

The following table provides a summary of projected departmental utilizations for the first full calendar year of the Draft Contract term (2024).

Department	2024 Projected Utilization
Fuel Gallons Sold	2,568,000 - 3,013,500
Fuel Average Price per Gallon	\$3.65-\$3.80
Towing and Repair Service Revenue	\$814,000 - \$995,000
Retail Revenue	\$1,995,000 - \$2,438,000

Projections by Location

The following table provides a summary of projected revenue by location as a percentage of total revenue for the first full calendar year of the Draft Contract term (2024).

Location	All Services	Fuel	Repair/Towing	Retail
Old Faithful	19%	21%	19%	15%
Grant Village	17%	16%	14%	20%
Fishing Bridge	13%	12%	30%	11%
Canyon	29%	29%	37%	30%
Tower	9%	9%	0%	14%
Mammoth	11%	12%	0%	9%

Note: Columns may not add up to 100% due to rounding.

Expense Assumptions

In developing projected expense estimates, the Service assumed adjustments of certain departmental, indirect, and fixed expenses to reflect costs associated with changes in operations. The Service projects departmental and indirect expenses will be within industry average ranges.

Minimum Wage

The Concessioner must comply with all provisions of Executive Order 14026 of April 27, 2021, (Increasing the Minimum Wage for Federal Contractors) and its implementing regulations, including the applicable contract clause, codified at 29 C.F.R. pt. 23, all of which are incorporated by reference into the Draft Contract. The Service considered the implications of these requirements in the analysis of the minimum franchise fee. Offerors must consider the impacts of these requirements when developing their financial projections.



As stated in 29 C.F.R. Part 23, the United States Department of Labor will increase the actual minimum wage for federal contractors during the term of the Draft Contract each year based on the annual change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Other Operating Considerations

The Service continuously works to identify and fund road and bridge construction projects throughout the Park. The following represents known projects currently in various stages of planning. The Service may identify and complete additional projects during the term of this contract that may have operational impacts on the Concessioner. The potential impacts include delayed response time to towing/roadside assistance calls, increased commute time for employees, and alternative access to service stations.

- Lewis River Bridge Replacement. This project includes the removal and replacement of the Lewis River Bridge with a new bridge installed immediately to the south. The Service anticipates construction to occur in 2022 and 2023 and be completed in 2023, before the Draft Contract effective date.
- Yellowstone River Bridge Replacement. This project consists of replacing the 1963 Yellowstone River Bridge near Tower Junction with a new bridge located just upriver of the existing bridge. The Service plans to begin construction in the fall of 2022 and continue for multiple seasons.
- Road rehabilitation from Old Faithful to West Thumb. This project includes the rehabilitation of approximately 22 miles of the Grand Loop between Old Faithful and West Thumb. The Service anticipates construction to occur in 2022 and 2023 and be completed in 2023, before the Draft Contract effective date.
- Norris Parking Lot: This project is the redesign of the Norris Geyser Basin parking lot to better facilitate pedestrian and vehicular access. The Service anticipates construction to occur and be completed in 2023, before the Draft Contract effective date.
- Widening the road from Norris to Golden Gate. This project includes widening approximately 5.5 miles of road to the Park's standard 30' template. The Service plans for construction to begin in fiscal year 2023 and last for multiple seasons. The Service anticipates traffic delays and or closures that it will define later as the design process progresses.
- Widening the Northeast Entrance Road. This project includes widening approximately several miles of road and installing guardrails, vault toilets, pullouts, and trailheads. This project is currently in the design phase and scheduled for construction beginning in fiscal year 2024 and could last multiple seasons
- Painting and Repairs to Gardner River High Bridge. The Service plans to paint and repair the Gardner River Bridge beginning in fiscal year 2025.
- Road Rehabilitation from Canyon to Fishing Bridge. While the planning for this project is just starting, the Service plans for it to include rehabilitation of the Grand Loop Road corridor between Canyon and Fishing Bridge Junction starting in fiscal year 2025 and lasting multiple seasons.



Sharing the Road in Yellowstone National Park

INVESTMENT ANALYSIS

Initial Investment Summary

As shown in the following table, the Concessioner's total estimated required initial investment as projected by the Service is \$3,417,335 in 2024 dollars. This includes personal property, inventory, working capital, start-up costs, operating supplies, and expenditures in the first year of the contract for deferred maintenance, the Concessioner Facility Improvement Program (CFIP) as described in Section 9(d) of the Draft Contract, and Personal Property Improvement Requirement (PPIR) as described in Section 8(e)(3) of the Draft Contract. This figure includes the first year of deferred maintenance (DM) only; the full estimate for DM is described later in this section.

Initial Investment	Amount in 2024 dollars
Personal property	\$1,874,000
Inventory and other working capital	\$372,000
Start-up costs and operating supplies	\$244,070
Deferred maintenance (Year 1)	\$427,000
CFIP (first 18 months)	\$390,000 - \$477,000
PPIR (first 12 months)	\$19,035 - \$23,265
Total	\$3,417,335*

*This total is based on upper limit of the estimated range for the CFIP and PPIR.

Personal Property

The Existing Contract does not require the Existing Concessioner to sell and transfer to its successor its personal property associated with the concession operations. The Service estimates the initial personal property investment associated with the Draft Contract totals \$1,874,000. This includes, but is not limited to, vehicles, computers, tow trucks, automobile fuel dispensers, vehicle repair equipment, furniture, etc. A list of the Existing Concessioner's personal property is provided as an appendix to the Prospectus. While the list is dated, the Service believes the list properly represents the personal property required to operate the services under the Draft Contract. The Concessioner will be expected to purchase from the Existing Concessioner all the fuel remaining in the tanks at the start of the Draft Contract.

The Service will assign to the Concessioner government-owned personal property (including four wreckers) as described in Exhibit E to the Draft Contract. During the term of the Draft Contract, the Concessioner will likely need to replace the government-owned personal property items at its own expense, at which time the Concessioner will return the government-owned items to the Service.

Maintenance

The Concessioner is solely responsible for maintenance, repairs, housekeeping, and groundskeeping for all Concession Facilities (as defined in Section 2(e) of the Draft Contract) as explained in the Draft Contract and detailed in Exhibit H, Maintenance Plan.

Component Renewal Reserve

The Draft Contract requires the Concessioner to establish a Component Renewal Reserve to fund component renewal of Concession Facilities that is non-recurring within a seven-year time frame as set out in Section 10(c) of the Draft Contract. The Concessioner must fund the Component Renewal Reserve under the Draft Contract by allocating to the Reserve one percent (1.0%) of the Concessioner's annual gross receipts. This establishes the minimum amount the Concessioner must expend on Component Renewal Reserve activities. As further explained in the Draft Contract, the Concessioner must expend sufficient additional monies, as needed beyond the Reserve, to maintain and repair the Concession Facilities to the satisfaction of the Director.



Deferred Maintenance

The Concessioner must cure, within the first two years of the Draft Contract's term, all DM for all Concession Facilities assigned under the Draft Contract. The Draft Contract requires the Concessioner to maintain Concession Facilities according to the Maintenance Plan (Exhibit H to the Draft Contract), which ensures DM will not accumulate. Draft Contract, Exhibit H, Attachment 2: Deferred Maintenance Work Order Supplement lists DM work orders the Concessioner must address.

The following exhibit presents total estimated DM costs. The Service has estimated these costs for illustrative purposes only; Offerors must develop their own estimates. In addition, the Concessioner must cure the DM to the satisfaction of the Service even if the actual costs exceed the estimates provided in this Prospectus.

DM Amount (2024 dollars)	DM Amount (2025 dollars)	Total
\$427,000	\$445,000	\$872,000

Opening, Closing and Winterkeeping

At the end of each facility's operating season, the Concessioner must winterize most facilities and prepare for winterkeeping and spring re-opening. At the beginning of the season, the Concessioner must inspect each facility to ensure it is ready for reopening. See Exhibit H, Part B, 1.B) for further information. Furthermore, as staffing needs are seasonal, the Concessioner must manage human resources to ensure appropriate staffing levels throughout the year.

Assigned Facilities

The Draft Contract, Exhibit D, Assigned Land and Real Property Improvements (Concession Facilities), contains a complete list and maps of assigned land and real property improvements. In addition to the service stations and dorms mentioned above, the assigned facilities include office and warehouse space in a joint-use building shared with the Service and other concessioners located within the Park near the North Entrance.

Additional Required Improvements

Concessioner Facility Improvement Program (CFIP)

The Draft Contract requires the Concessioner to undertake and complete improvements to the employee dorm at Old Faithful within the first eighteen months of the Draft Contract. The Concessioner must install a pre-action dual-interlock fire suppression and notification system in the 12-room employee dorm at Old Faithful (Asset # 14248) that meets or exceeds current International Fire Code (IFC). For this project, the Concessioner's costs for the real property improvements must be not less than \$390,000 and not more than \$477,000 (estimated in 2024 dollars). The Service will credit eligible Leasehold Surrender Interest for this project in accordance with the Draft Contract.

Personal Property Improvement Requirement (PPIR)

In addition to the CFIP, the Draft Contract requires the Concessioner to make personal property improvements to repurpose one of the automobile service bays at Grant Service Station to expand retail offerings in the first year of the Draft Contract. For this project, the Concessioner's costs to complete the personal property improvements must be not less than \$19,035 and not more than \$23,265 (in 2024 dollars). Additional information about this requirement is described in the Draft Contract, Exhibit B, Operating Plan.

Utilities

The Concessioner must contract with independent suppliers to provide year-round telephone service, electrical service, and propane/fuel oil. The Service provides water, wastewater, and solid waste disposal services to the Concessioner. Under Service policy, the Service charges utility users, including Concessioners, rates established annually based on actual operating costs and the amortized cost of capital improvements to utility systems. Refer to Director's Order #35B (a link to which is included in the Appendices to this Prospectus) for more information on this policy. Since the Service plans to perform major infrastructure improvements to the Park's water, wastewater, and other systems beginning in 2023, it expects to increase park-provided utility rates to about 20% over historical rates by the effective date of the Draft Contract and



by 10% per year thereafter. Based on the Service's utility billing data from 2017–2019, the Existing Concessioner paid on average per year about \$21,548 for 1.38 million gallons of water/wastewater and about \$20,663 for 30.21 tons of solid waste disposal.

The Service reviews its operating costs for utilities annually and notifies the Concessioner of the new rate in writing at least 90 days prior to rate changes. The table below presents the utility rates in 2022.

Water	Wastewater	Solid Waste Disposal
\$9.26 per 1,000 gallons	\$9.06 per 1,000 gallons	\$744.77 per ton

Franchise Fee

The minimum franchise fee is two and three-tenths percent (2.3%) of the Concessioner's annual gross receipts for the term of the Draft Contract. Offerors must agree to pay the minimum franchise fee, as set out in Principal Selection Factor 5 of the Proposal Package (Part III of this Prospectus), although Offerors may propose a higher minimum franchise fee, in accordance with terms of the Prospectus. In determining the minimum franchise fee, the Service, using available industry data, considered the probable value to the concessioner of the privileges granted by the Draft Contract. This probable value is based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of the contract including anticipated revenues and expenses.

Leasehold Surrender Interest

The Existing Concessioner does not have any Leasehold Surrender Interest (LSI) under the Existing Contract. The Concessioner will be eligible to obtain LSI as outlined in the Draft Contract and Exhibits A ("Leasehold Surrender Interest") and F1 ("Concessioner New Construction and Major Rehabilitation Project Procedures") to the Draft Contract, subject to all requirements set forth therein.

No Preferred Offeror

The Director has determined that no preferred offeror for this Draft Contract exists pursuant to the terms of 36 C.F.R. Part 51. This solicitation for commercial services is fully competitive.

HISTORICAL CONCESSION DATA

This section presents information regarding basic financial, utilization, and operating data for the past three years to assist Offerors in developing projections for future operations associated with the Draft Contract.

Yellowstone Park Service Stations, Inc. has operated the YELL004 concession operation since November 2008, first under the Prior Contract CC-YELL004-08 and currently under the Existing Contract TC-YELL004-21. Though described differently in the older contract, visitor services are essentially the same under the Prior, Existing, and Draft Contracts.

The following table lists annual gross receipts by category between 2019–2021.

	2019	2020	2021
Fuel and Oil	\$8,667,291	\$6,047,918	\$9,291,248
Parts, Service, Towing, and Retail	\$2,253,080	\$2,705,172	\$3,380,906
Total Gross Receipts	\$10,920,371	\$8,753,090	\$12,672,154
Franchise Fee Paid*	\$0	\$0	\$0

* CC-YELL004-08 required a franchise fee equal to zero percent (0%) of the Concessioner's gross receipts.



OTHER COMMERCIAL SERVICE PROVIDERS

In addition to the services offered under the Existing Contract, other concessioners operate inside Yellowstone National Park. Xanterra Parks & Resorts, Inc. (CC-YELL077-13) operates nine lodging locations, 27 food and beverage locations, nine retail outlets, four campgrounds, one RV Park, and a variety of other visitor services such as transportation, marina, livery, and laundry and showers. DNC Parks and Resorts at Yellowstone, LLC (NC-YELL002-22) provides retail sale of general merchandise, convenience, and grocery items in eleven locations, ten of which also have food and beverage outlets. Medcor, Inc. (CC-YELL001-10) operates two seasonal and one year-round medical clinics, providing routine and emergency medical services until the end of 2022. Beginning in January 2023, the clinics will be operated by a new, yet to be determined, medical services company. Additionally, twenty-four concession contracts offer guided oversnow vehicle tours via snowcoach or snowmobile and forty concession contracts offer guided day and overnight saddle and pack stock tours with horses, ponies, mules, burros, and llamas.

The Service issues approximately 430 Commercial Use Authorizations (CUAs) with 325 operators for commercial services that have minimal impact on the Park's resources and values. These operators provide services such as guided road-based tours, photography instruction, fishing, kayaking, and vehicle towing. The following table provides further details on CUAs in effect in 2021. The highlighted services are similar to those the Concessioner will provide.

Type	Number of CUAs
Environmental Education	128
Stream and Shoreline Fishing	79
Paint and Photography Workshops	76
Overnight Backcountry Trips	38
Skiing and Snowshoeing	36
Towing and Automotive Services	15
Water Access	13
Motorized Boating	12
Bicycling	11
Non-Motorized Boating	10
Wedding and Portrait Photography	9
Road Based Tours	3



MARKET AREA OVERVIEW

The Service believes the operations under the Draft Contract provide a unique opportunity for the Concessioner to operate in a world-famous location where visitor demand for services often exceeds the capacity of the operations and provides the following for informational purposes only. Gateway communities immediately adjacent to an entrance to the Park, such as West Yellowstone, Gardiner, and Cooke City, Montana, provide the nearest competition to the Concessioner's required services, while more distant cities, such as Cody and Jackson, Wyoming, and Livingston, Bozeman, and Big Sky, Montana, may have some influence.

Montana gateway communities offer service station options and most mirror the service station industry trend toward enhancing retail selection and grab-and-go food options. Note, however, that most service station options are located at least 30 miles from Concessioner-operated service stations, except for Mammoth Service Station located about 5 miles from Gardiner.

In addition to fuel, vehicle repair, and retail options in the gateway communities, several local businesses offer towing service within the Park under CUAs. A towing and roadside assistance protocol describes the Service's policy for dispatching and handling vehicle assistance requests received within the Park. (Attachment 1 to Draft Contract, Exhibit B, Operating Plan). This protocol states the Concessioner is the first company the communication center and field rangers call when a visitor requests towing services during their operating season, giving the Concessioner the first right of refusal.



Milky Way across Yellowstone's Night Sky

