Prospectus

A Concession Business Opportunity to Operate a Gallery, including Retail, Equipment Rentals, Guided Tours, and Associated Services within Yosemite National Park

Solicitation #
CC-YOSE001-23
Retail, Equipment Rentals, Guided Tours, Photo Processing, Framing of Photos and Artwork, and Related Services

Yosemite National Park
National Park Service
Interior Regions 8, 9, 10, and 12

Contract No. CC-YOSE001-23

PROSPECTUS ISSUED: April 27, 2022
QUESTIONS DUE: May 17, 2022
NOTICE OF INTENT TO PROPOSE DUE: June 30, 2022
PROPOSALS DUE: July 27, 2022
HARDCOPY OFFEROR TRANSMITTAL LETTER DUE: August 3, 2022

All above noted items must be received by the National Park Service no later than by 4:00 P.M. (Pacific Time) on the due date listed above.

Send Questions and Notice of Intent to Propose via email to:

Kimberley Gagliolo, Commercial Services Specialist
kim_gagliolo@nps.gov
BUSINESS OPPORTUNITY

CC-YOSE001-23

Department of the Interior

National Park Service
Yosemite National Park

A Concession Business Opportunity to Operate a Gallery, including Retail, Equipment Rentals, Guided Tours, and Associated Services within Yosemite National Park
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INTRODUCTION

The National Park Service ("Service") seeks proposals for a concession contract authorizing retail and related services within Yosemite National Park. This Prospectus describes, in general terms, the existing business operations and the future business opportunities for services required by the Service. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract No. CC-YOSE001-23 ("Draft Contract"), including its exhibits, to determine the full scope of a future concessioner’s responsibilities under the Draft Contract.

Exhibit 1. Summary of Draft Contract Terms and Conditions

<table>
<thead>
<tr>
<th>Category</th>
<th>Draft Contract Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Category I Contract</td>
</tr>
<tr>
<td>Draft Contract Term</td>
<td>Ten (10) Years</td>
</tr>
<tr>
<td>Projected Effective Date</td>
<td>March 1, 2023</td>
</tr>
<tr>
<td>Required Services</td>
<td>Retail, Equipment Rental, Guided Tours (non-road based)</td>
</tr>
<tr>
<td>Authorized Services</td>
<td>Photo Processing, Framing of Photos and Artwork, Guided Tours (road based)</td>
</tr>
<tr>
<td>Project Gross Receipts (Year 1)</td>
<td>$980,000 - $1,570,000</td>
</tr>
<tr>
<td>Estimated Initial Investment (Year 0)</td>
<td>$455,000</td>
</tr>
<tr>
<td>Component Renewal Reserve</td>
<td>1.0%</td>
</tr>
<tr>
<td>Minimum Franchise Fee</td>
<td>1.4%</td>
</tr>
</tbody>
</table>
NOTIFICATION OF INTENT TO PROPOSE

If you plan to submit a proposal in response to this solicitation, you must notify Kimberley Gagliolo via email at kim.gagliolo@nps.gov no later than 4:00 p.m. (PDT) on June 30, 2022.

The Service will not accept proposals from entities that do not provide their Notice of Intent to Propose on or before 4:00 p.m. (PDT) on June 30, 2022.

INFORMATION REGARDING THIS PROSPECTUS

In this document, the National Park Service refers to Yosemite National Park as the “Park” or “Area.”

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 Concession Contract No. CC-YOSE001-23, including its exhibits, to determine the full scope of a future concessioner’s responsibilities. The Draft Contract with all exhibits appears in Part IV of this Prospectus. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will prevail.

Certain federal laws apply to this solicitation, including the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391 and hereafter referred to as “the Concessions Act”), as implemented by regulations in 36 C.F.R. Part 51. Links to these are available online at the NPS’s Commercial Services website. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control.

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

“Existing Concessioner” refers to Best’s Studio, Inc., the existing concessioner under Concession Contract No. CC-YOSE001-10 (“Existing Contract”). The Existing Contract is available upon request.

PROPOSALS

Part II of this Prospectus contains the instructions about completing proposals. Offerors must carefully read and comply with those instructions.

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. A high-quality response includes clear, specific commitments. The following paraphrases the information sought under each selection factor. Where there are discrepancies, the wording of the actual selection factors in the Proposal Package controls.

Principal Selection Factor 1 requires Offerors to describe its experience and expertise relating to the preservation and maintenance of historic and non-historic assets.
**Principal Selection Factor 2** requires Offerors to describe how it will provide an opportunity for visitors to learn more about the Area by using the facility layout and design to highlight Yosemite Artists and provide visitors an opportunity to bring home memories through the merchandise offered.

**Principal Selection Factor 3** requires Offerors to describe its organizational structure and provide documentation to help the Service understand the Offeror and its relationship to other entities. The Service does not score this information specifically but may use it to understand responses elsewhere in the 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. The Service has provided forms Offerors must complete depending on their organizational structure.

This principal selection factor also requires Offerors to describe experience with similar operations, plans for employee recruitment and retention, and a history of violations and infractions as well as the strategies the Offeror will implement to minimize them.

**Principal Selection Factor 4** requires Offerors to demonstrate their financial capacity to commence and carry-on operations under the Draft Contract. A high-quality response incorporates commitments made elsewhere in the proposal. The Service’s proposal package includes a business history form, and an Excel workbook Offerors must complete in providing responses to this selection factor.

**Principal Selection Factor 5** requires Offerors to provide the franchise fee they will pay on gross receipts generated under the Draft Contract. Failure to agree to pay the minimum franchise fee set out in the 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 programs it will implement to promote sustainability within the operations.

**Secondary Selection Factor 2** requires Offerors to describe its aggressive marketing strategy to enhance foot traffic to the operations.
Figure: Interior of the Gallery with a variety of retail items (National Park Service)
NATIONAL PARK SERVICE

THE NATIONAL PARK SERVICE AND ITS MISSION

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

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

Additionally, Congress 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)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation’s natural and cultural heritage. To learn more about the National Park Service, visit www.nps.gov. This site includes information about the Service, its mission, policies, and individual parks.

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, well before the creation of the Service itself. 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.

The Service uses 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. The term “commercial visitor services” includes lodging, food and beverage, retail, marina operations, guided recreation, equipment rental, experiential transportation, and similar services the National Park Service itself does not provide. The Service implemented regulations for many aspects of the Act, primarily to set out the process for soliciting bids for new contracts and managing the concessioner’s investment in structures owned by the United States.

Working with the Service providing commercial visitors services differs from operating outside a park in several respects. By law, the Service approves the rate approval method and, possible, the rates to ensure park visitors do not pay higher fees for goods and services merely because such transactions occur within parks. 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. Our employees review the quality of concession operations and compliance with contract requirements including, when appropriate, the maintenance of facilities. Our contract oversight reflects the best management practices of the private sector industries.

Even with these regulatory requirements, concessioners in national parks enjoy significant benefits. Many parks function as unique visitor destinations. Yosemite National Park is one such destination, attracting numerous visitors from local, national, and international communities.
YOSEMITE NATIONAL PARK

Yosemite National Park is in Mariposa, Tuolumne, Madera, and Mono Counties in west central California. Yosemite National Park is nearly 1,200 square miles and approximately 1,100 square miles is designated wilderness. Yosemite Valley (“Valley”) hosts the majority of the Park’s visitor services and is a subset of the Park entirely located within Mariposa County. Mariposa County covers approximately 3,800 square miles and is home to a population of roundly 17,100 in April 2020, according to the U.S. Census Bureau. The town of Mariposa, the county seat, is the primary gateway community to the western part of the Park and the Valley.

The following exhibit shows the Park and its position within the region.

**Exhibit 2. Yosemite National Park and Surrounding Areas Outside of Park**

Yosemite National Park includes some of the most iconic viewsheds in the United States. The Park’s popularity and year-round operations make it one of most visited national parks in the system. Visitation totaled more than 4.4 million in 2019, making 2019 the Park’s second busiest year. The Park experienced its historical peak in visitation in 2016, when more than 5.0 million people visited. This peak primarily occurred due to the centennial celebration of the founding of the Service.
The arrival of 2019-nCoV (“COVID-19” or “pandemic”) in the spring of 2020 impacted the U.S. tourism industry and resulted in partial closure of parks. It also led to timed ticketed entry at specific parks, including Yosemite from 2020 through the fall of 2021. These factors negatively impacted Park visitation and estimates of future visitation may be found in the Visitation Information Section of this document.

Exhibit 3. Map of Yosemite National Park
VISITATION INFORMATION

Annual and monthly visitation data for Yosemite National Park appear in Exhibits 8 and 9. There is a distinct seasonal pattern to the visitation figures. Peak visitation occurs June-September, which accounts for fifty-five percent (55%) of annual visitation. The months of July and August combined account for approximately thirty percent (30%) of annual visitation. Over the last ten years, total visitation to the Park averaged approximately 3,890,000 visitors. Including the years where visitation was affected by the global pandemic, the total visitation trended upward at an average annual rate of approximately 1.2 percent.

Exhibit 4. Annual recreation Visitation to Yosemite National Park

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitation</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3,853,000</td>
<td>---</td>
</tr>
<tr>
<td>2013</td>
<td>3,691,000</td>
<td>-4.2%</td>
</tr>
<tr>
<td>2014</td>
<td>3,883,000</td>
<td>5.2%</td>
</tr>
<tr>
<td>2015</td>
<td>4,128,200</td>
<td>6.3%</td>
</tr>
<tr>
<td>2016</td>
<td>5,029,000</td>
<td>21.8%</td>
</tr>
<tr>
<td>2017</td>
<td>4,337,000</td>
<td>-13.8%</td>
</tr>
<tr>
<td>2018</td>
<td>4,009,000</td>
<td>-7.6%</td>
</tr>
<tr>
<td>2019</td>
<td>4,423,000</td>
<td>10.3%</td>
</tr>
<tr>
<td>2020*</td>
<td>2,268,000</td>
<td>-48.7%</td>
</tr>
<tr>
<td>2021</td>
<td>3,288,000</td>
<td>44.9%</td>
</tr>
</tbody>
</table>

Source: National Park Service  *April & May reported zero recreation visits

The following exhibit provides the average visitation by month over the last six years.

Exhibit 5. Yosemite National Park Monthly Visitation Trends (2016-2021 Average)

<table>
<thead>
<tr>
<th>Month</th>
<th>Average Visitation</th>
<th>Share of Average Visitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>117,700</td>
<td>3.0%</td>
</tr>
<tr>
<td>February</td>
<td>145,300</td>
<td>3.7%</td>
</tr>
<tr>
<td>March</td>
<td>175,100</td>
<td>4.5%</td>
</tr>
<tr>
<td>April*</td>
<td>240,100</td>
<td>6.2%</td>
</tr>
<tr>
<td>May*</td>
<td>342,700</td>
<td>8.8%</td>
</tr>
<tr>
<td>June</td>
<td>496,000</td>
<td>12.7%</td>
</tr>
<tr>
<td>July</td>
<td>607,800</td>
<td>15.6%</td>
</tr>
<tr>
<td>August</td>
<td>543,500</td>
<td>14.0%</td>
</tr>
<tr>
<td>September</td>
<td>481,400</td>
<td>12.4%</td>
</tr>
<tr>
<td>October</td>
<td>376,200</td>
<td>9.7%</td>
</tr>
<tr>
<td>November</td>
<td>200,900</td>
<td>5.2%</td>
</tr>
<tr>
<td>December</td>
<td>165,900</td>
<td>4.3%</td>
</tr>
<tr>
<td>Total</td>
<td>3,892,600</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: National Park Service  *zero recreation visits reported in 2020
CONCESSION OPPORTUNITY

The Following exhibit describes the Required Services (i.e., must be provided by the Concessioner), Authorized Services (i.e., may be provided at the option of the Concessioner), and service locations specified in the Draft Contract.

DRAFT CONTRACT TERM

The Draft Contract will have a ten (10) year term, with an estimated effective date of March 1, 2023. The Service may change the effective date of the Draft Contract prior to award if determined necessary. In such event, the Service will change the expiration date of the Draft Contract correspondingly to maintain a term length of ten years.

REQUIRED AND AUTHORIZED SERVICES: DRAFT CONTRACT

The following exhibits describe the Required Services (i.e., must be provided by the Concessioner) and Authorized Services (i.e., may be provided at the option of the Concessioner) specified in the Draft Contract.  

Exhibit 6. Required and Authorized Services

<table>
<thead>
<tr>
<th>Required Services</th>
<th>Authorized Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>Photo Processing</td>
</tr>
<tr>
<td>Equipment Rental</td>
<td>Framing of Photographs and Artwork</td>
</tr>
<tr>
<td>Guided Tours (non-Road Based)</td>
<td>Guided Tours (Road Based)</td>
</tr>
</tbody>
</table>

OVERVIEW OF CONCESSION FACILITIES AND SERVICES

Located in the Valley within Yosemite National Park, the Gallery Studio & Residence ("Gallery") is an iconic Park landmark. Since its inception, the Gallery has been operated by the Existing Concessioner made up of family members of the renowned photographer Ansel Adams. The Existing Concessioner has continued to win the competitive bidding process over the years, resulting in continuous concession operations for over 117 years to the present, and subsequently being the oldest family-owned and operated concession in the Service.

The facilities associated with the Gallery are all renovated historic structures, and consist of a gallery studio and residence, photography darkroom with class space. Additionally, there are two housing duplex structures. Offerors should refer to the Draft Contract, Exhibit C ("Assigned Land and Real Property Improvements") for additional facility information and detailed maps. These buildings are on the National Register of Historic Places and sited within the Yosemite Valley Archeological District. The last major renovations occurred from 2013-2016 and were contracted and managed by the Service.

The Gallery is located in the Valley near the Visitor Center, which will be relocated and is discussed in more detail in the Pending Construction Projects for Yosemite National Park section. Due to its extensive history with Ansel Adams, the Gallery is of great importance to the visitors of Yosemite.

The Concessioner provides retail offerings and instruction in the Gallery (3,275 SF). The Offeror can find the Service’s Retail Standards (10-RET) on the Commercial Services website.
**Retail and Equipment Rental**

The retail operation sells Native American handicrafts, park-themed merchandise, including jewelry, pottery, and souvenir items. In addition, and most notably, the Gallery sells a wide range of original artwork as well as reproductions of artwork (both official and other reproductions). The legacy and influence of Ansel Adams’ photography, both within Yosemite and in other locations, is readily apparent throughout the concession operation. Ansel Adams’ related merchandise ranges from a small picture book to large, original prints.

**Photography Experiences and Instruction**

The concession offers a wide variety of guided photography experiences and instruction. Workshops offered range from several hours for a free, guided “Camera Walk” in the Valley area near the Village to five-day, intensive workshops focused on a particular aspect or technique of photography.

**RATES**

Under the Draft Contract, the Service will approve all rates in accordance with the Competitive Market Declaration or merchandise pricing methods, as applicable.

For more information see Draft Contract, Exhibit B (Operating Plan) and the National Park Service Rate Administration Guide (“Rate Administration Guide”). A copy of the Rate Administration Guide is available on the [Commercial Services website](#).

**FINANCIAL DATA**

This section presents revenue projections developed by the Service to assist Offerors in developing projections for future operations associated with the Draft Contract. These estimates reflect Service assumptions based on 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 the accuracy of the projections presented. Offerors must compile and present their own financial projections based on their independent assumptions, due diligence, and industry knowledge.

First year projections for required services appear in Exhibit 4 below.

**Exhibit 7. Draft Contract Projected Revenues (Year 1)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Projected Revenues (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail (Merchandise)</td>
<td>$450,000 - $650,000</td>
</tr>
<tr>
<td>Retail (Photography, Art)</td>
<td>$300,000 - $500,000</td>
</tr>
<tr>
<td>Retail (Native American Handicrafts)</td>
<td>$100,000 - $200,000</td>
</tr>
<tr>
<td>Equipment Rental &amp; Photo/Art Supplies</td>
<td>$50,000 - $100,000</td>
</tr>
<tr>
<td>Guided Tours (non-Road Based Classes and Workshops)</td>
<td>$80,000 - $120,000</td>
</tr>
<tr>
<td><strong>Total Estimated Revenue</strong></td>
<td><strong>$980,000 - $1,570,000</strong></td>
</tr>
</tbody>
</table>

*Source: National Park Service*
INVESTMENT ANALYSIS

The Service estimates the total required initial investment by the Concessioner necessary to begin operations required by the Draft Contract, provided below. Offerors must complete their own due diligence and not rely on the Service’s estimates in preparing and submitting its proposal in response to this Prospectus.

Exhibit 8. Estimated Initial Investments

<table>
<thead>
<tr>
<th>Required Investments</th>
<th>Estimated Amount (2023 Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Property</td>
<td>$70,000</td>
</tr>
<tr>
<td>Inventory &amp; Working Capital</td>
<td>$305,000</td>
</tr>
<tr>
<td>Start-up Expenses</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>Total Estimated Initial Investment</strong></td>
<td><strong>$455,000</strong></td>
</tr>
</tbody>
</table>

Source: National Park Service

PERSONAL PROPERTY

The Concessioner must provide its own personal property to commence operations, such as personal property used for general concession administration and support, furniture, fixtures, and equipment. To assist potential Offerors to better understand the type and quantity of personal property necessary for the operation of the Draft Contract, the Service has provided a list of the Existing Concessioner’s personal property as Appendix C to this Prospectus.

INVENTORY AND OTHER WORKING CAPITAL

The Concessioner will need beginning inventory to commence operations. Additionally, other working capital will be necessary for account receivables and accounts payable.

START-UP COSTS

At the start of the Draft Contract, the Concessioner will need to make a one-time investment in a range of activities to commence operations including hiring staff, training that may involve costs in addition to normal wages, implementation of appropriate information technology, quality control, and other systems, legal services, and marketing and advertising beyond normal annual expenditures as well as other necessary start-up costs, such as operating supplies.

ASSIGNED GOVERNMENT PERSONAL PROPERTY

There is no assigned government personal property in Draft Contract.

LEASEHOLD SURRENDER INTEREST

The Existing Concessioner does not have a leasehold surrender interest (as that term is defined under the 1998 Act, in 54 U.S.C. §101915, and its implementing regulations, 36 C.F.R. Part 51).
COMPONENT RENEWAL RESERVE

Component renewal is the planned replacement of a component, a portion of an asset, at the end of its useful life (examples include roof replacement, electrical distribution systems, parking lots and walkways). The Concessioner must reserve funds for the Component Renewal Reserve based on a required percentage of gross receipts the Service estimates will support projected component renewal throughout the term of the Draft Contract.

The Draft Contract requires the Concessioner to fund the Component Renewal Reserve by allocating **one percent (1.0%)** of the Concessioner’s annual gross receipts throughout the term of the Draft Contract.
OTHER DRAFT CONTRACT INFORMATION

The following section provides additional information and requirements of the Draft Contract.

FRANCHISE FEE

Offerors must agree to pay the minimum franchise fee set out in Principal Selection Factor 5 of the Proposal Package (Part III of this Prospectus). The minimum franchise fee is one and four tenths’ percent (1.4%) of the Concessioner’s annual gross receipts. Offerors, however, may propose a higher minimum franchise fee, as described in the Proposal Package.

INSURANCE REQUIREMENTS

In the Draft Contract, Exhibit C (Assigned Land and Real Property Improvements) and Exhibit F (Insurance), the Service has included minimum building insurance requirements for the Concession Facilities, and minimum liability insurance requirements.

DEFERRED MAINTENANCE

No deferred maintenance exists in the Concessions Facilities.

PREFERRED OFFEROR DETERMINATION

Pursuant to 36 C.F.R. Part 51, the Director has determined that there is no preferred Offeror for the Draft Contract.

UTILITIES

The Concessioner must contract with independent suppliers to provide for propane in addition to solid waste and recyclables removal.

Electricity is provided by an independent third party and the Service passes the direct charges onto the Concessioner through the Service’s electrical distribution and billing.

The Service provides water and sewage to the Concession Facilities. The Service will charge for these services in accordance with regulations and policies. The Service estimates the combined water and wastewater 2023 rate will be $41.57 per 1,000 gallons; however, this rate may change based on actual costs in accordance with Director’s Order 358. The Service did not approve a utility add-on for the Draft Contract. The following table provides the total charges to the Existing Concessioner for water, wastewater, and electricity and the water/wastewater usage, in gallons, for 2019, 2020, and 2021. The 2020 and 2021 operating years were affected by the pandemic.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water, Wastewater (gallons)</td>
<td>105,500</td>
<td>72,500</td>
<td>81,500</td>
</tr>
<tr>
<td>Water, Wastewater (per 1,000 gallons)</td>
<td>$34.35</td>
<td>$34.35</td>
<td>$37.79</td>
</tr>
<tr>
<td>Total Water, Wastewater, Electricity Charges</td>
<td>$18,500</td>
<td>$17,000</td>
<td>$18,000</td>
</tr>
</tbody>
</table>

Source: National Park Service
**FEDERAL MINIMUM WAGE**

The minimum wage for federal contractors established by Executive Order 14026 and 29 C.F.R. Part 10 will apply to the Draft Contract. Furthermore, the minimum wage requirements of the State of California will also apply to the Draft Contract. The paid sick leave requirements for federal contractors under Executive Order 13706 will also apply.

The Service has considered the implications of the State and Federal minimum wage requirements in the analysis of the minimum franchise fee, and Offerors must consider the impacts of these Federal and State minimum wage requirements when developing their financial projections.

**PENDING CONSTRUCTION PROJECTS FOR YOSEMITE NATIONAL PARK**

The Park currently is planning projects that will affect operation at the Gallery during the term of the Draft Contact.

*Visitor Center Relocation*

The Valley’s primary visitor center, which is near the concession operation, is expected to be fully relocated, as illustrated on the following exhibit, by the effective date of the Draft Contract. Although the adaptive reuse decisions for the vacated visitor center have yet to be finalized, it is envisioned that the space will be repurposed (estimated late 2022 / early 2023) with activities currently in that area (e.g., museum, conservancy, exhibit space extensions). Additionally, people will continue to move past the Gallery to get to the trail to view Yosemite Falls.

*Exhibit 10. Map of Gallery and Welcome Center Location*

*Figure: maps identifying where the Gallery and Welcome Centers are located (National Park Service)*

Given this relocation and need to create brand awareness for the Draft Contract, it is envisioned the Concessioner will employ an aggressive marketing strategy including a comprehensive marketing plan to provide improved awareness of the concession and its offerings to Area visitors. In-park advertising and/or signage must be designed to be compatible and respectful of the Area’s natural and cultural setting and is subject to Service compliance review and approval. Offerors may reference the 2012, *A Sense of Place:*
**Roadwork and Parking**

In recent years, the Park has been working on a variety of projects to reorganize parking throughout the Valley and to improve traffic flow around the Village area and along the thoroughfares in and out of the Yosemite. The area is extremely congested during the Park’s peak visitation periods, and even during many days of the shoulder season. On a typical Saturday in the summer, the Park can see as many as 8,000 vehicles enter the Park. The Park’s shuttle service offers a public transportation option to visitors and helps to alleviate some of the pressure on Valley and Village parking. However, it is the natural tendency of many visitors to prefer the convenience of access to personal vehicles to travel in and around the Park.

The Service is currently working with a transportation advisory firm to understand traffic loads parkwide and in the Valley area, quantify parking demand requirements, and develop options for future visitor and traffic management in the Park.

Changes to the parking and traffic flow to the Village area would regulate and likely reduce the number of visitors allowed in the Valley. However, the Service reports that reduction of visitors in the Valley would likely result in an improved visitor experience, as reduced traffic congestion and crowding creates a more relaxing visitor experience.

**COVID-19 INFORMATION**

On January 21, 2020, the U.S. Centers for Disease Control and Prevention confirmed the first case of 2019-nCoV in the state of Washington. Subsequently, COVID-19 began to impact the U.S. tourism industry in the early spring of 2020. As discussed earlier, Park visitation fluctuated over the past 10 years experiencing a record of 5,029,000 in 2016, but then declining to 4,337,000 in 2017, and ultimately to 2,268,000 in 2020 (chiefly due to the pandemic).

Contributing to reduced levels of visitation in 2020 through 2021 was Yosemite’s day-use reservations procedure known as the Park Entrance Reservation System, which limited the number of vehicles permitted in the Park. The Service is evaluating future implementations of a Managed Access System. The goal of any future system will be to achieve user capacities outlined in the Merced Wild and Scenic River Plan Environmental Impact Statement.

The Service forecasts visitation to increase in 2022 and stabilize in 2023 between 4,300,000 and 4,400,000 visitors.

**COMPETITIVE ENVIRONMENT IN AND AROUND THE PARK**

**Retail and Artwork**

Each of the Park’s many gateway communities offers a variety of retail options selling souvenirs, clothing, and other gift items. On a more limited basis, some communities offer art galleries highlighting the artwork of local artists, many of whom are inspired by the beauty of Yosemite. Several of the gateway communities host art exhibitions and festivals, some of which involve or take place at the Gallery.

**Guided Photography Experiences**

Since COVID-19 disrupted commercial use authorization (CUA) holders materially, 2020 data are omitted. Between 2016 and 2019, the annual number of CUA holders ranged between 46 and 64, with an average of 54 CUA holders offering guided photography tours and experiences throughout the Park.
EXISTING CONCESSION CONTRACT

The Existing Contract commenced on March 1, 2010, and, as extended, is set to expire on February 28, 2023. The Existing Concessioner employs approximately 15-20 permanent and seasonal positions. The Service will provide a copy of the Existing Contract upon request.

CONCESSION OPERATIONAL PERFORMANCE OVERVIEW

The following exhibit contains the Existing Concessioner’s historical annual gross receipts by department, and franchise fees paid to the Service from 2018-2020. The Existing Concessioner pays a franchise fee of two and a quarter percent (2.25%) of gross receipts. Additionally, the total gross receipts and franchise fees paid in 2021 were $2,085,000 and $40,900, respectively.

Exhibit 11. Historic Department and Total Revenues*

<table>
<thead>
<tr>
<th>Department</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photography &amp; Art</td>
<td>$1,243,000</td>
<td>$924,000</td>
<td>$544,000</td>
</tr>
<tr>
<td>Park-themed Retail</td>
<td>$678,000</td>
<td>$662,000</td>
<td>$277,000</td>
</tr>
<tr>
<td>Native American Handicrafts**</td>
<td>$169,000</td>
<td>$189,000</td>
<td>$79,000</td>
</tr>
<tr>
<td>Photography &amp; Art Supplies/Rental</td>
<td>$122,000</td>
<td>$107,000</td>
<td>$65,000</td>
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<tr>
<td>Classes &amp; Workshops</td>
<td>$155,000</td>
<td>$183,000</td>
<td>$36,000</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$2,368,000</strong></td>
<td><strong>$2,065,000</strong></td>
<td><strong>$1,001,000</strong></td>
</tr>
<tr>
<td>Franchise Fees Paid</td>
<td>$48,000</td>
<td>$41,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Source: National Park Service

*totals may not add due to rounding
**exempt from franchise fees
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